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# Relationship Conflicts in Changing Business Families in India and Germany

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## Origins, Fields, and Coping Strategies

With 7 figures

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# Foreword

The past two decades research into family-led enterprises has increased significantly. Within the economic sciences, a specialized, very active scientific community has developed which has its own conferences as well as prestigious scientific journals. This encouraging development has evolved due to the fact that this type of enterprise plays a fundamental role in some economies not only in Germany, which is nowadays acclaimed worldwide for its competitive medium-sized enterprises. Especially in emerging fast-growing regions like China, India and Brazil family-run enterprises are the driving force for the ongoing economic and social transformation. Looking at the past research on family-run companies, we quickly become aware that this research has been dominated to a large extent by a rather one-sided image of the family. The Eurocentric understanding of the characteristics and structures of entrepreneurial families is dominating and particularly present in the highly-developed economies of Europe and the Anglo-American world. Simply transferring our ideas to other regions of the world with completely different cultural backgrounds does not take into account that Europe followed a very special evolutionary path in its social differentiation of what we understand today to be a family. This development of the specific European form of a family (der “Europäische Sonderweg”) has its roots already in the Middle Ages, when our cultural region was shaped by feudal power structures. From an evolutionary point of view, the dominant feature of this form of family is the “neolocality”, i. e. the newlywed couple moves away from their respective families and form the nucleus of a newly created familial unit. Very specific economic and cultural conditions had to be fulfilled for this type of family building. Only a few couples had the opportunity to take this step. The married couple formed the centre of these “family economies”, where the core family lived together with their servants in a strict hierarchical order. These family economies were dominant up to modern times and were the central, multifunctional social precursor of corporate structures in pre-modern times. In the course of the industrialization it gradually evolved into the type of enterprise that is characterized by the typical


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interplay of an enterprise on the one side and the (core) family as owner on the other side. Experts have started criticizing rightly that this European Western idea of family enterprises cannot serve as a blueprint for research in other regions of the world. We can assume that over time completely different family formations have evolved globally and therefore that family enterprises need to be looked at in a more differentiated way.

This thesis examines the intercultural differences from our perspective of entrepreneurial families. The author illustrates these differences by comparing German to Indian owner families, focussing on their approach to conflicts, which naturally arise in entrepreneurial families. With this focus of her research, she is exploring absolutely new territory, coming to a deeper understanding of current challenges for the development of Indian entrepreneurial families as well as their characteristic conflict.

Considering the heterogeneity of Indian living conditions, the author focusses on the dominant and ideologically characteristic type of the "joint Indian family system". This focus is reasonable, especially because the author convincingly proves that this type has been the blueprint for the Indian entrepreneurial family until present times. The author carefully describes the characteristics of this patrilineal family tradition and its diverse implications for the strong hierarchy within the family, for the relationships among male siblings, for the role and status of women, for marriage customs, etc. The author pays great attention to the substantial strains that this tradition of familial togetherness has faced in the last two/three decades due to the impacts of modernization. This background knowledge enables the reader to better understand the characteristic conflict dynamics of today's entrepreneurial families in India.

Typical conflicts include the increasingly jeopardized cohesion within the "joint family" and the gradual dismantling of hierarchy nowadays. Another source for growing tensions in Indian families lies in the contradiction between expectations of equality within the family and meritocratic claims of individuals who are active in the enterprise. Conflict also can arise in the course of succession processes or due to the changing role of women who marry into the family. The careful evaluation of empirical data impressively demonstrates to which extent the current familial tensions are linked to the clash between traditional structures, roles, attitudes and values and the various impulses for change caused by the ongoing social transformation. Similar considerations apply to the mechanisms of conflict management in these families. From a Western point of view it is quite interesting that we often can observe steps to separate family and the enterprise with the effect of reducing tensions ("everyone can do their own thing") without completely abandoning the communication within the family. The forms of conflict management described in this


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book demonstrate amazing social intelligence in these families who manage to combine traditional and modern elements in a smart way.

The empirical results of this research are impressive and provide a valuable contribution to the understanding of the current dynamics in Indian entrepreneurial families. Under the bottom line this thesis demonstrates that family and enterprise in India are much more closely interconnected than in Central Europe. The enterprise itself seems to represent much less of a distinct social unit than we are used to. It is more or less the economic branch of the family that ensures the future viability of the whole "joint family". This simple degree of differentiation between family and enterprise can be especially well studied in the HUF (Hindu Undivided Family), the pure form of the Indian family-run enterprise. This pioneering work represents a piece of research that offers a differentiated view into the substantial differences between German and Far Eastern entrepreneurial families. For everyone who is interested in these issues and research questions this book is a real pleasure to read!

Rudolf Wimmer Witten, July 2017


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# Acknowledgments

In 2010 a group of researchers looked for a student who would accompany a learning journey to India – the organizational culture had evoked their interest. This first journey took place in 2011, and as a student travel companion with the intent to write my Master's thesis about Indian family businesses, my first contact to local business families was established. During this journey and the subsequent months of research, it became increasingly obvious that the Indian culture in its diversity has particular influence on the communication in the business families. The longer I dealt with these influences, the more my interest in the research field grew. Soon thereafter with the objective of exploring the topic further in a Doctoral thesis, I focused on the question, to what extent societal influences also affect relationship conflicts that are often related to the business, but argued out in the family and the business nevertheless. The inclusion of German business families was obvious – the differences of the cultures in which the families are embedded and the different historical developments that have accompanied the business families led to the question as to what extent the conflicts they deal with are comparable. After all, they share the formative relationship to a business that alters the family communication in its own way.

Different people and institutions supported this exploration of the cross-cultural commonalities and differences. I would like to take this opportunity to thank them. To begin with, I want to thank my doctoral advisor Prof. Dr. Rudolf Wimmer. His kind, considerate, and constant support as well as his expertise and interest in the field and the progression of the project supported the process continuously. By the same token, I want to express my gratitude to Prof. Dr. Fritz B. Simon, who was so kind to act as the second supervisor. Moreover, he supported me with an interview, during which he provided his expert knowledge about conflicts in business families.

The EQUA foundation was involved in the project in various ways from the beginning on. Thanks to its support, I could undertake the second and third journey to India. Additionally, this support gave me the freedom I needed, enabling me to focus on my work on the manuscript in the meantime. I want to



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thank the chairman of the foundation, Dr. Ulrich Wacker, and his family, as well as its managing director, Dr. Rena Haftlmeier-Seiffert, for their financial support and particularly for the subject-specific and process-oriented exchange they constantly enabled.

Likewise, I want to thank Dr. Tom Rüsen of the Witten Institute for Family Business and Helga Breuninger. Together with Prof. Wimmer they made my participation in the first learning journey possible and thus shaped the beginning of the project.

Various researchers were available for professional exchange, and I would like to thank two of them in particular. Prof. Dr. Kavil Ramachandran from the Hyderabad Business School helped with words and deeds and provided profound information about the history of the Indian economy and the role that business families played in this history. Likewise, I want to thank Sudhir Kakar, who shared his knowledge about Indian culture and the Indian psyche with me.

In particular, I want to express my gratitude to the different interviewees, who frankly and trustingly talked about this difficult topic. In the progress, they shared so much with me; they opened up to me about their families as well as about the culture and changes they experience.

I also want to thank the group of people who were invaluable as listeners, partners in discussion, and advisors: my family and friends, who supported and promoted the process with their constant concern. Finally, I want to thank my partner and best friend Dennis, who explored India with me – as travel companion during the research journeys, but equally during the preparation of the manuscript at home. I dedicate this work to him.


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# Acronyms

| | |
|---|---|
| A.D. | Anno Domini |
| CEO | Chief Executive Officer |
| cf. | confer |
| CSR | Corporate Social Responsibility |
| e. g. | exempli gratia |
| et al | et alia: and others |
| etc. | et cetera |
| ff | and the following |
| GLOBE | Global Leadership and Organizational Behavioral Effectiveness |
| HUF | Hindu Undivided Family |
| i. e. | id est |
| JMD | Joint Managing Director |
| NFHS-1/2 | National Family and Health Survey 1/2 |
| p. | page |
| PCI | Problem Centered Interview |
| pp. | pages |
| Prof. | professor |
| resp. | respectively |
| U.S. | United States |
| vs. | versus |
| WWII | Second World War |


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# 1. Introduction

*"So the business and the family as it is have two completely different governance systems. You know, family by its very nature is socialist, business by its very nature is capitalist and these are in natural conflict."*
– An Indian business owner, Spring 2014

## 1.1 The topic discussed

The family relationship is crucial for the success or failure of a family business – "the strongest influence on the operation of business is the social ties among family members" (Lee, 2006, p. 177). When everything is going well in the business and family alike, this fact might not be too obvious to the family members involved. However, it can become overly noticeable when conflicts affront the family cohesion. In that case different spheres are involved and under dire stress: the business, which, depending on its managerial structure, is headed by managers who cannot cooperate, the organization per se as the family becomes unable to take aligned decisions concerning its future, and the family, in which relationships are harmed, possibly long-term and without a perspective of change. In each context of the said three, conflicts are not only intimidating for the parties directly involved, but have the power to radiate into more or less related environments and into the future of the family business. Not every conflict has this harmful power, but due to the connection family/business that is given in family businesses, conflicts are – even when they originally might stem from the business – more prone to infiltrate the relations and emotions in the family or vice versa (confer (cf.) Davis & Harveston, 2001, Page (p.) 26; Frank, Nosé, & Suchy, 2011, p. 130). Families are the ideal surrounding conditions for conflicts. Emotions, positive and negative, have their sphere of meaning in the family, and here they get expressed with the utmost sincerity. In a business family, in contrast to non-business families, these emotions can be influenced not only by processes happening in the family, but also by the business and the


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additional sphere of influence it exerts on the family (von Schlippe & Kellermanns, 2009, p. 182).

In contrast to conflicts that are concerned with tasks or processes, relationship conflicts can take the above described route and harm the business and the family alike long-term and with grave outcomes (McKee et al., 2013, pages (pp.) 515 and the following (ff)). The focus of the present study resides on these relationship conflicts revolving around the connection business/family. Conflicts from a psychological viewpoint solely related to the family or conflicts that concern either disagreements about tasks or about the process on how certain goals can be reached are not covered in this research study. Despite the difficult and sometimes hard to grasp nature of relationship conflicts, families more or less deliberately and successfully are managing the conflicts they experience. How the families deal with these tensions can be regarded from different angles. The management methods can reside on a meta level, where the role of the business in the family and vice-versa is considered, or also include direct strategies and measures for handling the conflicts (cf. Suchy et al., 2012, pp. 344ff; von Schlippe & Kellermanns, 2009, pp. 189f).

But despite the strategies and themes observed among business families, it remains an ongoing matter in business families worldwide how they can stay aligned and cohesive despite the conflicts in order to not let the proverb "shirtsleeves to shirtsleeves in three generations" (Hughes, 2004, p. xi), therefore the decay of the business in the third generation, become reality for their business. Concerning this proverb, the question of universality of the conflicts and strategies can be asked. The cited proverb stems from the United States (U.S.) context, but it exists with the same meaning in Germany: "Der erste erstellts, der zweite erhälts, beim dritten zerfällts ["The first on creates it, the second one sustains it, with the third it falls apart" – translation by the author]" (Plate et al., 2011, p. 22), and also in China and Ireland this proverbial dynamic is known. This proverb is concentrated on the succession and the challenges the families experience during this process – as only a small number of family businesses transfer the business into the fourth generation (cf. Grote, 2003, p. 113; Wimmer, Groth & Simon, 2009, p. 99). The existence of the business expects cohesion among family members beyond the usual scope in order to not let the proverb become reality. From an historical viewpoint, the industrialist family at the beginning of industrialization supported a stable setting. Family cohesion was put upfront before individual needs; the individual had to step back from his own desires in order to let the family act as one, the family was more than just the sum of its parts. The family was the primary place for a variety of functions supported by patriarchal structures (Kocka, 1979, pp. 119ff). Societal and historical developments have led the families in a different direction. German families usually live in nuclear structures, the strongest cohesion among


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its members resides on the core family. The detachment of the parental family is one important step of the adolescents in forming an own standing in the society. Societal parameters and the historical evolution of the German family support the rather individualistic and private function of the family with its concentration on individual needs and socialization processes of its members. The individual becomes the center of social action, not the family (Beck, 1986, p. 119). The business, as the other pole, is best supported by a firm and stable family who can govern its requirements over the time span of several generations. Given the societal changes, during these generations one entrepreneurial family slowly disintegrates into several nuclear families without pre-defined relational ties. Business families, who want to stay cohesive and successful in owning, and, depending on their organizational structure, also in managing the business, have to regard a larger network of relations than it is the usual norm. Therefore, the existence of the business requires and supports the formation of an extended family as it does not exist and would not be required without the business nowadays in the German society (Wimmer, Groth & Simon, 2009, p. 107).

When expanding the view on business families beyond Germany, one can detect societies that are known for their family constellations theoretically supporting the above-described requirements. A country having a reputation for this is India. Despite the various communities, religious influences, languages and historical upheavals that all exerted and still exert their influence on the families in India, "[t]he Indian family as a strong, cohesive, integral and fundamental unit is a solid foundation of the Indian social structure" (Sooryamoorthy, 2012, p. 2). How large the fraction of joint or extended families in India is, is open for debate. Several family forms are existing and residing side by side, but it is assumed that among higher castes and high income families the joint family is more dominant than in other groups of the society (ibid., p. 2). However, the variety of family forms does not change the functional and normative impetus with which family members are socialized during their upbringing and what they aim to transfer via generations in their families. Due to its complexity, antiqueness and variety, the Indian family system is said to be distinct (Chekki, 1988, p. 171). Its function, form, and communication have always been influenced by outside forces like industrialization, modernization, and urbanization, but nevertheless, the central power of the family-bond resisted. In the Hindu religion, the family ties are of primary concern and the individual is first of all a member of a family. The family ties can go far beyond the direct core family and include distant kinship, to whom close contact is maintained (Chekki, 1996, p. 411).

Therefore, one could assume that the Indian (joint) family displays the ideal condition for establishing and sustaining a successful family business under the


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accepted conditions of stress German business families experience. But then one question appears that forms the central research question of this study:

*To what extent and in which way are the conflicts and their management methods comparable between – from a historical viewpoint very different – family systems?*

In order to explore this question, it has to be concretized and detailed into different subtopics that will be addressed in the present study.

First of all, the different family systems are of interest in order to approach an understanding of the present setting. In this framework one can discuss the question whether the Indian family can really serve as an ideal example for business families cooperating with conflicts and disintegrating influences of the societal framework, or whether a changing societal framework that alters the form, function and communication in the families equally influences it, the conflicts it experiences and its ability to cooperate with those. Starting from this informed base, conflicts and their management methods can be regarded in the larger framework of changing family forms. It is questionable that Indian business families do not experience conflicts, despite or due to the importance they place on cohesion. But which subject matter the conflicts they experience have, and how they manage those is of interest. Possibly the peculiarities of the system – in contrast to the German family system – offer other means for cooperating with tensions, but possibly the influence of societal change has already led to an approximation between both business family systems also in regards to the conflicts and conflict management methods. To explore the different core themes in the above-described framework of questions is the aim of the present qualitative study.

## 1.2 Research interest

The present thesis aims to contribute to family business research by concentrating on one of its two core components – the family. This is an often neglected variable in the family business research when comparing the given literature on business versus (vs.) family in the field of study focusing on family businesses, despite the assumption that "[p]sychologists, sociologists, historians, and economists consider family as one of the critical building blocks of the systems they study" (Gersick et al., 1997, p.57). The family should be taken into account, particularly also by considering different family forms and perceptions of family functions (Melin, Nordqvist & Sharma, 2013, p. 8). The thesis intends to describe two families in a cross cultural setting and to address a yet not researched


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topic, namely, whether conflicts and their management might be comparable between business families in both cultures. Therefore, the study connects to different others that engage in the topic of relationship conflicts in family businesses and how they are managed or prevented, often with a focus on social systems theory and how it contributes to the understanding of the difficult balance between different and partially contradicting fields of meaning the family and the business create (See for studies on the topic: Eddleston, Otondo, & Kellermanns, 2008; Frank, Nosé, & Suchy, 2011; Großmann, 2014; Kellermanns & Eddleston, 2006; Levinson, 1971; Simon, 2009, 2012; Suchy et al., 2012; von Schlippe & Kellermanns, 2009; von Schlippe & Frank, 2013).

Moreover, it considers the different concepts and meanings of family with regards to the present setting, but embedded in their developmental framework. Therefore, it takes into account different studies that consider the influences of changing family forms on the present setting of the business families in Germany (cf. Kocka, 1975; Stamm, 2013; Wimmer, 2014). However, in the sociological spectrum occupied with research on the family, much has been done concerning western families, but research concentrated on non-western family forms is still underrepresented (Burkart, 2008, p. 165). Therefore, the present study aims to contribute to this field by concentrating in the analytical section firstly on Indian families, by connecting to studies already existing on the larger topic on mainly Hindu families in India and the families' changing appearance (See for example: Gupta, 1994; Niranjan, Nair & Roy, 2005; Patel, 2005; Singer et al., 1968; Uberoi, 2010; Sooryamoorthy, 2012). But, as this study concentrates on business families, it focuses particularly on an extension of research on business families in India. In this field, it connects to studies undertaken so far that are analyzing the family businesses, often concentrated on the founders' stories or the connection business/family in an organizational setting (Prominent in this field are for example: Dutta, 1997; Manikutty, 2000; Panjwani, Aggarwal, and Dhameja, 2008; Piramal, 1996; Sampath, 2001). In a second step, findings from the German context will be adducted for discussing the cross-cultural comparability.

The present manuscript connects to the different fields that form an informative base for the empirical setting. Moreover, it intends to introduce a new perspective with its concentration on relationship conflicts and their management in the changing business families.

Therefore, a methodical approach has been chosen that incorporates the given research, but opens the field for new findings in this yet underrepresented field. While it would have been possible to compare the conflicts in Indian business families with findings from German research from the start on, a different approach has been chosen to allow for irritations and novelties. The method of the grounded theory has been found suitable for this aim as it allows to integrate prior knowledge into the process, but concentrates firmly on


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gathered data and material to develop new theory and findings (Kelle & Kluge, 2010, p. 61 f). The process with which the methodical approach has been chosen and applied is described in the appendix.

Therefore, this method is adducted to investigate the conflicts and their management in Indian business families and to open up the space for new findings in a first step, before discussing inferences and developing propositions in connection to given findings from the German context. The process with which this objective is pursued is briefly described in the following section.

## 1.3 Guiding narrative

The thesis is divided into three main parts framed by an introduction and conclusion. The different parts include the theoretical framework, the empirical approach and analysis of gathered material and the discussion of findings in front of patterns found among German business families. During the present introduction in chapter one, the guiding research interest and focus is described, while chapter 10 concludes the thesis with a summary and outlook for future research. The contents of the main parts are briefly sketched below and displayed in the graphic on page 27.

### Part A: Business family, conflict and change – Theoretical framework

Chapter 2 and 3 consider the area of research and the definitional and explanatory leitmotif in which the business family and its conflicts are situated in this thesis. Chapter 4 and 5 are concerned with an historical outlook on the major changes business families in India and Germany underwent so far with regards to the changes in their socioeconomic and -cultural environment, therefore displaying how these changes in the societal framework influenced the structure, function and communications in the families to open the field for a culture-specific analysis. Every chapter in this part so far contains a literature research concerning its individual content. In chapter 6 the state of research is concluded with a refinement of the research questions.

### Part B: Indian business families

In chapter 7 different dimensions of conflict and conflict-management are presented that have been extracted from interviews conducted with members of Indian business families. Those are connected to and discussed in the light of different socio-cultural aspects guiding the entrepreneurial families' communication.


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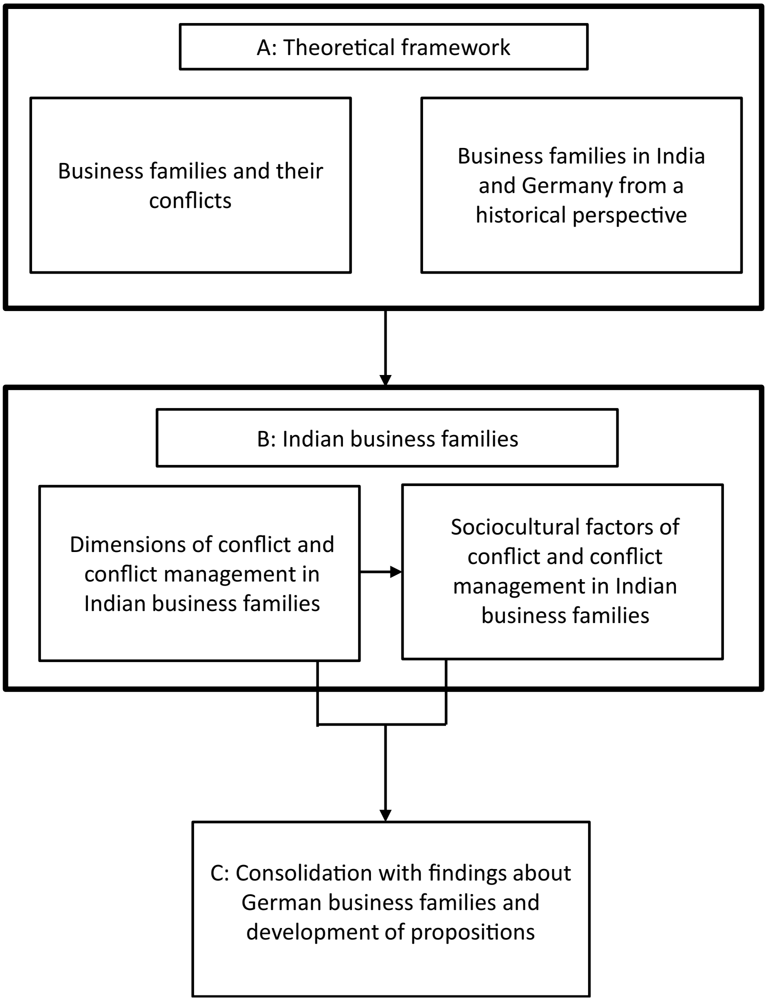


Figure 1: Structure of the manuscript

### Part C: Consolidation with findings about German business families and development of propositions

In chapter 8 the field is opened up for the comparison between conflicts in German and Indian business families. Therefore, the findings from the preceding analysis are discussed in connection with findings from research concerning German business families. Subsequently in chapter 9, tentative propositions are generated from the preceding analytical process and discussion and


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the practical learnings are considered. Chapter 10 closes with a summary and perspectives for future research.


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# A: Business families, conflict and change – Theoretical framework


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# 2. Defining the business family

"'Families are biologically, socially or legally related units of persons which – in whatever composition – comprise at least two generations in pursuing certain goals'" (von Schlippe & Schneewind, 2013, p. 48). This is the translated beginning of a definition of families given by Klaus Schneewind in his book on family psychology (Untranslated original: Schneewind, 2013, p. 35). In this, one primary definition of business families is already given: they pursue certain goals. These goals or functions might include the nurturing of children or the production of certain goods required to satisfy individual or family oriented-needs (ibid., p. 35). In business families the additional goal of sustaining the family business for upcoming generations has to be added. Therefore, business families have to be defined considering the peculiarities the business adds to the family. In the following sections this objective will be pursued by firstly giving an outlook on the research landscape followed by a definition of the business family. In a final step, the business family will be regarded with the help of the social systems theory, not only from a definitional, but also from an explanatory state.

## 2.1 The business family in the wider research landscape

### 2.1.1 Research with focus on the family in family business research

Research particularly concerned with business families is said to be sparse and lacking a holistic approach (Stamm, 2013, p. 51). If existing, literature seems mainly to revolve around the meaning of the family for the business in terms of control, ownership and vision, respective to the level of ownership a family has to exert to call a business a "family business". Additionally, the terms "family business" and "business family" are not often used with sufficient selectivity (cf. Junggeburth, 2014, p. 16; Sharma, 2004, p. 3; Stamm, 2013, p. 51 f). The sparsity of research concerned with family variables might be due to the fact most researchers from the family business field stem from managerial backgrounds.


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Furthermore, exploring families is not easily conducted with given research sets and therefore researchers have to gather data specifically concerned with the family in the setting, which is time-consuming and might be difficult with the aforementioned managerial background without appropriate training (Dyer & Dyer, 2009, p. 217).

An attempt is being made to systematize and improve the research by collecting, reviewing and splitting it up into refined categories: "[I]ndividual, interpersonal/group, organizational, and societal" (Sharma, 2004, p. 2) are the levels on which research is conducted according to Pramodita Sharma. She translates these topics in a meta-study of 217 articles on family businesses into family business-related sections: (1) research about key persons, (2) contractual/intergenerational aspects – the level where she also situates research about conflicts in family businesses, (3) management of resources / the role of family culture and beliefs in the business (4) the embeddedness/role of family businesses in a society. She recognizes that the majority of studies address the first two levels, while the second two are still capable of development. Much of the research focuses on founders and predecessors and the contractual agreements between family business members (ibid., p. 22). Unfortunately, the research on the family in the business in the present setting is widely neglected. Mostly, the business and the family are covered simultaneously, while specific family-oriented analyses are missing. The importance of the family in the family business setting is constantly neglected (cf. Lubinski, 2010, p. 10; Stamm, 2013, p. 56; von Schlippe & Schneewind, 2013, p. 48).

Especially in recent years, family business researchers have been tackling this claim as an exemplary review of the given literature on the general topic *business family* shows. Arist von Schlippe, Fritz B. Simon and Rudolf Wimmer analyze the role of the family for and in the family business with a focus on social systems theory. This research comprises detailed considerations about different logics and ratios family members are facing today and the embeddedness of family and business system in their communication. Arist von Schlippe and Klaus Schneewind offer an analysis on how theories from family psychology and family therapy can help to understand the reciprocal relationship between the family and the business and support a unified theory on the family business (von Schlippe & Schneewind, 2013). Von Schlippe's work is also distinctively connected with the integration of the analysis of the family business in the framework of the social systems theory (see for example von Schlippe & Frank, 2013). In this field Fritz B. Simon's research is also situated with various works. One of the earliest works specifically concerned with business families is his book *Die Familie des Familienunternehmers* from 2002. This collective monograph assembles articles concerned with differing logics with which the family and the business have to cooperate, as both are steered by partially contradicting rules of


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the game (Simon, 2011b). This topic is pursued further in later publications, in which the family is never the sole, but often a central theme, often in the context of differentiation between the family and the organizational system (Simon, 2009, 2012). With a different focus, Rudolf Wimmer cares for the longevity and the specific patterns successful business families employ to stay cohesive and also surpass difficult phases like succession in ownership and management (cf. Wimmer, Groth & Simon, 2009; Wimmer & Gebauer, 2004; Wimmer, 2009). Several qualitative studies that are often concerned with specific subtopics like gender-related research or the research about succession as a neuralgic point in the continuation of the family business follow this tradition (cf. Jäkel-Wurzer, 2010; Leiß, 2014). A different focus is employed by Joseph Astrachan, Sabine Klein and Kosmas X. Smyrnios when they analyze the influence of the family on the business with the variables of power, experience and culture (Astrachan, Klein, and Smyrnios, 2002). There are different approaches in the research spectrum on how business families can be theoretically integrated, which mostly differ concerning the viewpoint and whether the topic is regarded in a sociological, historical[1] or psychological framework. Common approaches are the stewardship theory, a resource-based view, the principal-agents approach, and the systems theory (von Schlippe & Frank, 2013, p. 384).

### 2.1.2 Research on Indian business families

As of this writing, literature concentrating on Indian business families is difficult to find. The little amount of output retrievable is mostly not scientific, but rather published in the form of journalistic portraits or (auto-) biographies of the founders, partially created by the founding families themselves without the intention of making these texts accessible to a greater audience.[2] The small amount of research done has often been conducted by western researchers, more or less solely in the form of comparisons with family businesses (not business families) from other countries or in short commentaries (cf. Piramal, 1996; Ward, 2000). This research has to cope with the accusation of being eurocentric and centered in the conversation between scientists from Europe and Brahmans in India. The discussion about the representation of others or the foreign from a European standpoint and the allegations that insiders and outsiders are facing is part of an ongoing debate, particularly in the field of cultural anthropology. As

1 An overview over research concentrating on the historical business family is presented in section 5.3.1.

2 Most of the visited companies also had some kind of family and business archive – mostly in the form of books, but sometimes also as small museums or exhibitions were the founder is portrayed.


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one prominent agent in this field, Veena Das discusses this topic in detail in (Das, 1993).

Indian business families are usually researched in two settings: either by exploring the economy on the bottom of the pyramid, as the Indian economy is surviving and growing with the help of many small-scale craftsmen and their families, or with a person-centered approach by creating portraits of successful entrepreneurs, their life courses and strategic views, as Gita Piramal offers (Piramal, 1996).

While it seems easy to condemn the lack of research that has been published on the history and changes in German business families, the amount of research done is tremendous in comparison to the field of the Indian business family. The main part of research done is not concentrated on the business family, but on the family business in an emerging economy, its capital flows, and governance entanglements with the owning family.

Nevertheless, a few authors have researched Indian family businesses and business families during the 20th century. As almost no literature on the business family itself exists, and especially not on historical changes the business families underwent, literature in which the topic is at least marginally addressed is included in the following review.

One of the first publications on this topic is a short journal article by B.R. Agarwala, who wrote about entrepreneurship and families in a specific business community, namely the Marwaris/Marwadis. Published in 1955, the article analyzes the changes business families underwent under the influence of industrialization, technocracy and western influences. Taking a functional rather than structural viewpoint, he contested that the joint family is not so much a question of location, but rather of emotional and institutional togetherness that exerts a particular influence deriving from its Marwari network on the family business (Agarwala, 1955, p. 142).

Written by Allan R. Cohen and published 1974, *Tradition, Change and Conflict in Indian Family Business* takes the viewpoint of social change. This book presents and analyzes eight different business families in the Indian society. The positions of the single family members in contrast to their role in the business and the resulting conflicts are analyzed and mirrored by the change Indian society is undergoing in terms of industrialization and westernization. His study presents a wide range of interpersonal conflicts, as well as conflicts over roles, comparing the ways in which traditional and non-traditional family heads and members deal with these issues (Cohen, 1974).

Another source of information is Raymond Owens and his article "Industrialization and the Indian Joint Family", published in 1971. His work reflects William J. Goode's proposition of industrialization as a non-uniform process, which influences families on an individual basis, offering economic oppor-


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tunities for various kinds of families based on their distinct features. His findings about the reasons why joint families split or remain together are of special interest, as he concludes that mainly economic self-interest is a reason for both. Therefore, the strategy that seems to be more viable and has proven to be more successful in the past is the strategy that is generally most likely to be pursued, while in business families a tendency towards theoretical jointness[3] is visible. This is valid for second-generation businesses, as entrepreneurs are more likely to separate from the joint family. Owens emphasizes the role of lifecycle decisions, especially with regard to the position of the family and business head in the business family (cf. Goode, 1963; Owens, 1971).

Tarun Khanna (2007) explores business groups in emerging markets during the past 20 years, with their distinctive features concerning resources and strategies. Of those business groups in India the majority is or was in the hand of single families. He focuses not on the family, but rather on the organization, its embeddedness in changing economic patterns and its strategy to cooperate with policy changes. In family business groups, often the organization is impregnated by the family and, according to Khanna, the organization of business groups as family businesses can be used as a response to poor institutional security and possibilities, exempli gratia (e.g.) in terms of financial services, but he also names reasons for the opposite, where the organization in business groups might be a cause for enduring problems in family businesses.

Manikutty (2000) takes into account changes in the economic framework and analyzes the strategy of large family business groups in India concerning the use of given resources when confronted with these changes. Among other hypotheses he analyzes the role of family succession and the inclusion of professional outsiders into business group managers. He concludes that the changing framework requires professional trained managers, and that while those often stem from the family itself, also outside professionals are more and more integrated, as the family business groups "seem to be moving away from being family centered to being business centered" (ibid., p. 288).

The most detailed analysis of Indian family businesses was conducted by Sudipt Dutta in his book *Family Business in India* which was published in 1997. This in-depth analysis presents findings about the history, origins and the present organization of family businesses. A particular focus is also put upon the organization of the business family with its various social rules concerning tradition, hierarchy, and trust. Dutta also devotes chapters to different other topics, such as financial organization or the interaction with employees. On various occasions, he emphasizes the importance placed on the wellbeing of the

3 Theoretical jointness means that the families are not commensal in strict sense, but the businesses are run together as corpacenaries.


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family in contrast to the success of a single person in Indian family businesses. Due to the scarcity of existing literature, his findings draw heavily on articles in newspapers. Nevertheless, he draws a concrete picture of various changes the family is undergoing in reference to the aforementioned topics.

D. Sampath takes a similar approach in his work *Inheriting the Mantle* (2001), in which he scrutinizes succession processes in Indian family businesses. Built upon theoretical findings about the history of family businesses and the present situation concerning interlinkages between family and business, he establishes a framework on how the succession process in an Indian family business can take place. Therefore, he combines theoretical findings with different case studies he conducted among business families during several years of research. While the focus of his study is on South Indian family businesses, he combines his research with practical experience gathered throughout his professional career in family businesses all over the country (Karofsky, 2000, p. 339).

Another prominent author of the present time is Gita Piramal. One of her works, *Business Maharajas* (1996) presents seven in-depth portraits of leading family businesses, their owners and chairmen. In an anecdotal style, she summarizes the lives of these men, which helps to give insights on different leading personas in the family business landscape in India. It helps to form an information base, which supports future research concerning these and other family businesses in India. Empiric research is only seldom done in this account. Barbara Harriss-White tackles this lack of empirical information with her research in Ari, a city near Chennai and close to the eastern coast of India. Here she visited business families and gained insights in their lifecycles and life courses with a special focus on gender imbalances and the influence of patriarchal relations in the business families. The families itself were rarely living in joint structures, but the businesses were often owned by several male members who negotiated wages, salaries and other reimbursement on their own based on tasks and age-related authority. She also asks the question why family members are taking part in the management aspects of the family business while they could earn a higher wage in the market without hierarchical subordination to other family members in the business and at home. As other researchers also conclude, there is no easy answer to this, as no economic rationality is visible, but the return on cooperation, the feeling of commitment, the given identity of the family and also the affiliation to a business family seem to outweigh the costs and the pressure of this decision (cf. Harriss-White, 2003, p. 111; Schäfer, 2007). Harriss-White comes to an important conclusion when she compares her results to former research: the changes in ownership structure, the division of power and the relations in the business family are marginal compared to results gathered in the 60s (Harriss-White, 2003, p. 111). However, Harriss-White analyzes a sample ranging from small to middle-scale companies. There might be


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other results when exploring business family of large-scale enterprises, often facing an international environment in a globalized world.

### 2.1.3 The route to defining a business family

It has already been stated that the research landscape has a hard time to clearly distinguish between the family business and the business family, which often leads to a synonymous use of the terms (Stamm, 2013, pp. 51 f). Nevertheless, there are broader and narrower definitions deriving from the definitional frame the family business sets. In this context, the business family can best be described as being the owning family of a family business, which in turn is broadly defined as a company, owned and sometimes managed by one family and intended to be transferred from one or more family member(s) to different family members, mostly in a generational order.

The following definition, deriving from the Expert Group on Family Business, was presented to the European Commission as the official statement concerning family businesses in 2009:

According to the Expert Group on Family Business a firm is a family business if:

1. The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs.
2. The majority of decision-making rights are indirect or direct.
3. At least one representative of the family or kin is formally involved in the governance of the firm.
4. Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the decision-making rights mandated by their share capital.
5. Family businesses can be very diverse: they can be small, medium sized or large, listed or unlisted (Directorate-General for Enterprise and Industry, 2009, p. 10).

Apart from this official definition, a substantial amount of authors aims to describe family businesses, and all descriptions revolve around questions of ownership, management and the attempts to establish a tradition where at least one family member takes over the ownership and/or the management in a process of succession (exemplarily the following works employ this description: Daily and Dollinger, 1992, p. 118 f; Dunn, 1996, pp. 141 ff; Sharma and Chrisman, 1997, p. 2; Wimmer, 2009, p. 5; Winter et al., 1998, p. 240). In most cases, the degree of ownership and the will for succession are named as key factors for


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defining a family business, while the management might be in the hands of non-familial employees. In an attempt to define the family business by behavior, it becomes clear that the influence the family has on the business is important, irrespective of the legal form of the company.

The goal of the family business (by definition) is to exist over generations, and the family business is by such

> […] governed and/or managed with the intention to shape and pursue the vision of the business held by the members of the family in a manner that is potentially sustainable across generations of the family (Dixit, 2008, p. 4; quoting Chrisman and Sharma, 1999, p. 25).

One term that always arises in the various attempts to define this special kind of business is of course *the family*. From the definition, it becomes clear that it plays a substantial role in the scenery by owning one or more businesses at least partially and influencing the destiny of the business through exerting power and/or control over the business through ownership and management (Wimmer, 2009, p. 5). Apart from its technical structure and definition, it also serves various different functions, internally and externally. Internally, it can be an enabler for various resources, e.g. capital and manpower, while it sometimes also serves as the face of the company by being publicly identified with the business when viewed externally. In the family, the will has to exist to support a business that can be handed over to the next generation, to find a suitable successor (or a group of successors) to whom the ownership and in cases as well the management can be transferred. The business family is, drawn from the definition, firmly embedded in the relationship of ownership, management, and family. Every context is marked by its own set of logics and requires specific, context-related communication.

## 2.2 The business family as a web of meaning

Apart from the difficulties to define family businesses and their families – ergo the question of "What is a business family?" –, also the scientific discussion around the epistemological model with which business families and their conflicts can be understood best offers various approaches.

In the German research landscape concerning family businesses, the general systems theory has found wide acceptance despite the criticism that it focuses on the burden and threats the family and the business system pose to one another and sometimes fails to reflect on the future viability of business families (Stamm, 2013, pp.75 and 81f). This theory describes family businesses as structurally coupled web of meanings between the business, the family, and the ownership.


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As this thesis is concerned with the sources of conflicts and the management of those the critic is not deterring but taken as the sense-creating impetus for the following sections. In those the business family will be regarded with the theoretical focus deriving from the social systems theory and its meaning for the analysis of business families.

### 2.2.1 Family businesses research with a systemic focus

In the theoretical discussion circulating around attempts to theorize the family business itself, there are several approaches to explain the various influences the business has on the family and vice-versa. Arist von Schlippe and Hermann Frank (2013) compare different theories and concede that among the various theories adhering to the ideas of general systems theory, the variety is nevertheless large and takes different shapes in the scientific dialogue: the *Bulls Eye Theory*, the *Unified Systems Model and the Meaning of Familiness* and the *Three-Circle Model* are three results of the discussion centering around describing family businesses and business families according to systems theory (von Schlippe & Schneewind, 2013, p. 61). Among other variables, the *Unified Systems Model* locates traditions and family values in the family system, which is, besides the individual and the business entity, regarded as one component of the family business system. Habbershon, Williams and McMillan (Habbershon, Williams & MacMillan, 2003) suggest that the interaction of family and business result in an "idiosyncratic" (ibid., p. 454) resource, to which they refer as the "familiness" (Habbershon & Williams, 1999, p. 1). According to the *Three Circle Model*, the business family is influenced by three different subsystems, namely (1) the business dimension, (2) the family dimension and (3) the ownership status the business poses upon them (Stamm, 2013, p. 75). The family members belong and communicate in one, two, or three subsystems at the same time and therefore experience bivalent attributes and decision premises (Tagiuri & Davis, 1996, p. 200).

A further elaboration of the topic is suggested by Arist von Schlippe and Hermann Frank (von Schlippe & Frank, 2013, p. 391) and proposes a different approach: the perspective of the social systems theory, originating from Niklas Luhmann's research on systems being created by and constantly creating acts of communications. Luhmann's findings are transferred to the field of family business research.


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### 2.2.2 A short introduction to social systems theory

The social systems theory will be one part of the theoretical framework that shall aid in understanding the conflicts causing stress in business families in India and Germany alike. As Werner Vogd, a scientist occupied with research on the construction of reality and decisionmaking, cites Luhmann (Vogd, 2005), the systems-theoretical approach offers polycentric and therefore polycontextural descriptions of an acentric conceptualized world and simultaneously takes multiple perspectives into account.

> Die systemtheoretische Analyse erlaubt eine multiperspektivische Betrachtung der von ihr untersuchten Phänomene. Sie ermöglicht eine 'polyzentrische und infolgedessen polykontexturale' Beschreibung einer 'azentrisch konzipierten Welt' (ibid., p. 13).

An approach like this, combining multiple perspectives, is needed to identify, explain, and compare the social conflicts on various levels in business families, which are always occurring between persons in a group. Before going deeper into the descriptions of social systems, their demarcation to the other large group, psychic systems, shall be shown as summarized in the following table. Expressed simplified, psychic systems are individuals' minds and imaginations, consisting of mental processes. This includes processes that take place in the mind of a person without necessarily being communicated to the outside as expectations are formed. On the other hand, social systems need communication as elements that happen between two or more people and form the picture of a person that adhere to expectations in the social system (Blom & Van Dijk, 1999, p. 203; quoting Luhmann, 1987, p. 355f).

| **System** | **Element** | **Structural components formed by the elements** |
|---|---|---|
| Social System | Communications | Expectations of expectations → Stereotype → 'Persons' |
| Psychic System | Mental contents, images, etc. | Expectations |

Table 1: Differentiation between psychic and social systems (Own representation based on Blom & Van Dijk, 1999, p. 203)

Psychic systems are part of the necessary environment of social systems, but social systems do not consist of psychic systems (Luhmann, 1987, p. 346). Psychic systems will not be further analyzed in this thesis, but regarded as a base from which social conflicts can emerge or exercise influence. The focus lies on conflicts in the family as a social system and thus on the interaction between various communications in the family and business. Additionally, the research design (the methodology forming the research process is described in the ap-


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pendix A) focuses on an exploration of conflicts influencing relationships among the family members and not on individuals' perceptions.

This systemic-constructivist observation point was formed by Niklas Luhmann, who altered the view from actions being the central point of social systems, as described by Talcott Parsons, to autopoietic systems, where different communications form the smallest unit in social systems. At this point, social and psychological systems are alike, as they both process *meaning*, whilst the former uses meaning for meaningful communication and the latter for the experience of sense or meaning. Communication serves as a "Sinnvorschlag" (Bonacker, 2008, p. 268), id est (i. e.) an offer of meaning and a selection-tool, as it makes a selection between communicated and not-communicated and hence reduces possibilities in the continuance of the communication (Blom & Van Dijk, 1999, p. 201).

In the sense of Luhmann, communication reproduces society. This means that society is constituted of communication and communication distinguishes social systems from their system-specific environment. This is what Luhmann calls *autopoiesis:* the possibility of social systems to form their own constitutive elements and to circumscribe themselves from their distinct environments through sequences of communications. Autopoietic systems produce and reproduce themselves precisely, they produce the elements of which they consist, with the elements of which they consist, without being able to use elements from the outside of the system (cf. Baraldi, Corsi, and Esposito, 1999, p. 29f; Blom & Van Dijk, 1999, p. 200; Bonacker, 2008, p. 268; quoting Luhmann, 1987, pp. 58ff).

In Luhmann's sense, communication is always consisting of three parts: *Announcement*, *announced information* and *understanding by the counterpart*, who accepts the other as announcing information (Luhmann, 1987, p. 193f). Therefore, with accepted double contingency[4], communication, more precisely, expected communication, forms the only possibility to understand the counterpart and to reduce the complexity established by double contingency. It helps to establish a framework on which both counterparts, *ego* and *alter*, can form their expectancies, as the structure (i.e. themes of communication) offers a selection and therefore a framework for the communication. This can be called "expectable expectations" (Blom & Van Dijk, 2007, p. 71) and helps to establish a

4 Contingency, an expression formed by Talcott Parson and further developed by Niklas Luhmann, essentially describes the uncertainty and possibility that nothing is necessary and nothing is impossible at the same time, therefore an exclusion of necessity and impossibility in the communication. When more partners are experiencing a social setting, it leads to double contingency. Through this circumstance, every action is possible the opponent is essentially a black box. For further explanations see Baraldi, Corsi & Esposito, 1999, pp. 37ff quoting Luhmann, 1987, p. 154.


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working social relationship (cf. Blom & Van Dijk, 2007, p. 71; Bonacker, 2008, pp. 267 ff; quoting Luhmann, 1987, p. 154).

According to Luhmann, three main forms of social systems exist, distinguished by their level of complexity and subsequent forms of communication necessary. The basic form is the interaction, in which humans are needed to react to and solve double contingency. Everybody can be included in the interaction, not depending on his or her physical presence (Luhmann, 1998a, p. 814).

The intermediate form of system, from a complexity-viewpoint, would be the organization. The membership in an organization is defined. Therefore, the distinction between who is part of the system and who is not is easily made, which also tackles the problem of double-contingency: the behavior of the members of any organization can be anticipated up to a certain degree, as they are members of the organization in question and the membership is constituted by decision to follow the social rules of the organization. In any situation where a decision is needed (which hints to the problem of double-contingency), the membership will differentiate the decision (Bonacker, 2008, p. 269; quoting Luhmann, 1998a, p. 830).

The final level of systems is the society, which is called a system of a higher order by Luhmann (Luhmann, 1998b, p. 194). It is a form of a system in which the existence of its members is not necessary in a physical manner. They can participate directly in the system-establishing communication because the system works over media and codes to create greater freedom for its members. This can be in the context of established rules like laws with justice or injustice as codes, or money as a medium to allow communications without local or temporal boundaries. These codes and media serve to distinguish between inside and outside of the system, they help to establish the distinctive framework of the subsystem (ibid., p. 150). The society is thus split into various functional systems with own communications codes. These subsystems form a society as a working social system (Bonacker, 2008, p. 268 f).

Another difference to Parsons definitions, despite the action/communication alteration, is the constructivist viewpoint Luhmann includes in his analysis of systems, which is an important hint about how conflicts are analyzed in his tradition. Starting from systems being viewed as processes and at the same time constituting processes, Luhmann denies the possibility of a theory to fully offer understanding and presents the theory as constructivist (Luhmann, 1986, p. 133 f). Accordingly, the world is constructed by the one who describes it, always accepting the existence of a blind spot in its construction. This refers back to the beginning of this section: systems are trying to make sense of the world by differentiation, and they do so by demarcating themselves from their environment through observations – which will lead to some understanding. But full understanding is never possible, as blind spots and in general a con-


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structivist viewpoint – contingency in short – will hinder any system from ever gaining full understanding. Conflicts are created in the following way: communicated observations in systems are observed by others – observers are observed and the observations are negated (Bonacker, 2008, p. 271).

### 2.2.3 The family as a specific kind of social system

In contrast to the general circulation and acceptance of the systems theory, the research focus of the family as a social system was mainly interesting for therapeutic purposes and has not been discussed in scientific literature to a great extent so far (Simon, 2009, p. 21). Tannelie Blom and Leo van Dijk worked with the family as a social system from a therapeutic viewpoint, but with directions towards an analysis of families in the systemic sense nevertheless. According to them, the family can be seen as a "particular type of social system in its own right" (Blom & Van Dijk, 1999, p. 199) that bears similarities to other social systems as well as differences to these systems as e.g. organizations are (ibid., p. 199).

Luhmann himself denies the existence of the *one* family structural system, but acknowledges families as *functional* systems, fulfilling specific duties in the society. He states that families are missing one unifying code or institutional bond that operates cohesively in all families and therefore could bind them in one meaning. The existence of clans or tribes would prove differently, but this can be neglected, as families are not constituted by this common membership (Luhmann, 1990, p. 210). Nevertheless, in earlier works, he introduced the idea of the *love code* being the defining communication trait in families:

> Die stabile Komponente in all diesen Transformationen ist ein Interesse an sozialen Formen, die der zunehmenden Individualisierung der Einzelperson und der Anerkennung dieser Individualität in sozialen Kontakten Rechnung tragen können. Das Ich wird mit Sondermerkmalen, die nur ihm zuzurechnen sind, Gegenstand von Kommunikationen, in die es selbst verstrickt ist. Es stellt sich dar, es wird beobachtet und zwar nicht nur im Hinblick auf Normerfüllung, sondern im Hinblick auf höchstpersönliche Eigenarten. Erst wenn dies Interesse an ichhafter Personalität sich gesellschaftlich und kulturell ausreichend durchgesetzt hat, kann es zur Ausdifferenzierung von Intimbeziehungen kommen, in die jeder sein Eigenstes hineingibt und es gebessert zurückerhält (Luhmann, 1987, p. 306).

Intimacy in relationships is in transformation in the society. During an individualization-process, different communication is needed, communication that defines the ego by its unique characteristics. This specific personality is part and object of acts of communication, in addition to norms required by the society. Intimate relationships can only exist when the acceptance of this ego-


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related personality finds its place in society and culture (ibid., p. 305f). In a family, the psychological and the physical system are fixed in one individual (cf. Blom & Van Dijk, 1999, p. 196; Simon, 2009, p. 22f). That leads to the fact that both the physical and the psychological being, which are necessarily interlinked, contribute to the social system. Their combined communication is regarded as the *person*. The personality of an individual, in the sense of ascribed traits of personality, or "the attribution of a certain repertoire of actions to a concrete individual" (Blom & Van Dijk, 2007, p. 76), is essentially a construction, which works in the way every item of a social system works: expected expectations manifest in communication, depending on the context of the person. The person is therefore a social construct, made out of expectations and created by communicational processes, it is "a structural component of social systems" (Blom & Van Dijk, 1999, p. 206). By continuing this thought, also the definition of *role* becomes more specific. It is an even more abstract, while very influencing society-wide, ascription of expectations to a person, not being fixed to one individual, but to expectations to a person in a specific context or group. The family has expectations towards the behavior of mothers or fathers as towards the behavior of sons and daughters in a family (cf. Hoover-Dempsey & Sandler, 1997, p. 9; Blom & Van Dijk, 1999, p. 206, 2007, p. 76; quoting Luhmann, 1987, pp. 429ff).

Another important aspect of families, outside of their constructed persons and ascribed roles, is their fixed structure and persons, respectively (resp.) their system-specific environments – the body and the psyche – cannot be exchanged or neglected and have to be in the concerns of the other members of the system. Their observable manifestations in the persons are also not interchangeable. Via birth or other emotional events in the form of society-specific rituals, the person becomes part of the system and will stay as long as he or she is alive or, in the case of persons not related by blood, can only leave the family-system with – again culture-specific – exit options (Simon, 2009, pp. 21ff).

The different systems – personality (which is the observable manifestation of the psyche and physique) and family – and their interconnection disturb and perturb one another and lead to a change of communication during people's lifetimes according to a familial lifecycle. This means that the familial communication will always adapt to specific stages its single members are experiencing concerning their physic and psychological systems and will usually take place in direct interactions such as oral communication (ibid., pp. 21ff). The specific coding every system uses for creating and asserting expectations in ongoing communications also exists in families. Usually it is evident in rules, traditions, rituals, communicated values, and taboos, thus in informal in-


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stitutions[5] and self-descriptions of the family system (Blom & Van Dijk, 2007, p. 75f). These institutions also define the hierarchical setting in the family system, as the married couple or the sibling relationships are established as working substructures. Family members learn rules on how to communicate in these specific settings and how to relate between the hierarchical entities (Cox and Paley, 1997, p. 246).

While the familial system is fixed concerning its members, as explained in the previous paragraph, it has to be noted that its single members go through various transitions in their roles and therefore in their functions in the family system. The passages can be linked to different steps during their life-cycles and the expectations that are linked to them by other family members. These roles imply different functions in the family for their carriers, as the familial communication will change according to these roles (Hoover-Dempsey & Sandler, 1997, p. 9f). Additionally, this indicates that the individual will be part of different families during his or her life. His/her stem-family, the family he/she creates with a partner, and also his/her children's family – the individual will always have different functions via ascribed roles, while the person in the distinctive family stays fixed. In western families, where the nuclear model is prevalent, the importance of the stem-family is reduced during the lifecycle of the people involved in this family; particularly at stages were a transition takes place (Simon, 2009, pp. 38ff). Therefore, the family as a system is stable with regard to its structure, but its stability is threatened by different phases in a lifecycle.

This has several implications for familial conflicts:

1. In the family, a strong person-related context is given, where most parts of a person's behavior are accepted and expected. With changing phases in a lifecycle, people are changing and adding layers to their personality out of formerly non-given contexts, which can threaten the stability of the family system, especially in phases of change (Blom & Van Dijk, 1999, p. 208).
2. At the same time, family systems tend to be very durable, therefore inheriting a high level of stability and subsequently only a little flexibility. A non-conforming psychic system could threaten this stability.
3. As oral communication usually takes place in the context of direct interaction, conflicts as emotional and non-objective expressions can arise more quickly.
4. The communication is direct and affect-laden; it is not objective, but also can be forgotten – an observer is needed to make the communication last over its

5 Informal institutions serve as social rules for solving problems, which occur through social actions. They can be distinguished into three types of informal institutions: conventions, moral rules and social norms. For further explanations see for example Mantzavinos, 2004, pp. 101ff.


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moment. Communication in the family system is less authoritative than in other systems and is only transferred through the system-lifecycle by the ongoing existence of its observing, remembering, and communicating persons. This can be transferred with stories (cf. Simon, 2009, p. 32f; von Schlippe & Groth, 2007, pp. 31ff).
5. Conflicts in families can be ongoing, as in no point in time can a metaphoric debt be paid, because no media or code comparable to financial rewards in business organizations exists (Simon, 2009, p. 32f).

### 2.2.4 The business family situated in the framework

Deriving from the introduction to social systems and how families act as such, the special situation of business families can be considered. While the business is oriented towards impersonal/factual levels in problem solving, the family is concentrated on personal situations and decisions, as persons are the center of the family, and therefore also person-oriented goals are of primary concern, rather than business-like decisions. This may be different in certain cases, but the primary level of rationality in decisions will be measured by means of person or business-orientation in the object of discussion. These two levels or kinds of logic seem contradistinctive in most cases and create paradoxical instructions for the business families.

The ownership inherits its own distinctive logic again, as in this case that the layer of law is added to the family and business system. It works with codices of law and the ostensibly objective nature of decision-making in the context of law. It acts as a rational decider with the law as a means for guaranteeing its own stability. The law is represented through the owners, who do not have to be family members or working in the business, but often are either or both, depending on the number of generations the business has already been in the hands of the family and on the rules concerning family engagement constituted (Simon, 2012, p. 20f). All three systems are structurally coupled but have distinct expectation structures. The source of conflicts in business families often lies in exactly this mixture of contexts and the resulting complexity. Every system has its own "Spielregeln" (von Schlippe & Kellermanns, 2009, p. 182), i.e. rules of the game. The business family has to cooperate with the fact that the different systems of logic with which the systems function are often not separable in the communication through distinct markers and that it is often not easy to decide with which logic the communicative act has been created in the first place and understood and connected in the second place (von Schlippe & Frank, 2013).

Von Schlippe & Frank (ibid., pp. 392ff) propose the perspective on the family business as a complex field of meaning. The three contexts constantly create


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communication and are defined by their distinctive logics, which are processed by the meaning anticipated. Humans and relationships among those are excluded from the perspective. Referring to Luhmann:

> "Das Sozialsystem Familie besteht danach aus Kommunikationen und nur aus Kommunikationen, nicht aus Menschen und auch nicht aus 'Beziehungen' zwischen Menschen" (Luhmann, 1990, p. 197).
> (The social system family accordingly consists of communications and only of communications, not of humans and also not of 'relationships' between humans [translation by the author] (Luhmann, 1990, p. 197).)

The decisive act happens according to the logic of the context. Here the differentiation of meaning takes place – whether the communicative act gets processed with business-, family-, or ownership-logic (von Schlippe & Frank, 2013, pp. 392 ff). All three of these logics are subject to different decision premises, which are often right in the one system, but wrong in the other; thus, they are seemingly paradoxical.

The mixture of logics results in higher complexity, as different frames of reference are possible for every communicative act and its understanding. The resulting paradoxes build the breeding ground for conflicts in business families, as every system on its own has certain directions that are considered right or wrong and in business families/family businesses; therefore, decisions that seem contradictory may have to be taken (cf. Simon, 2012, p. 24 ff; von Schlippe, Rüsen & Groth, 2009, p. 182; quoting Simon et al., 2005, p. 151). Paradoxes are the outcome of "Regeln, Prämissen und Funktionslogiken der sozialen Systeme" (von Schlippe, Rüsen & Groth, 2009, p. 182 f) – the rules, premises and function-logics of social systems. They mark conflicting expectations regarding one's communication, which means that communication that is applicable and expected in one context can be wrong in another context – in business families, where up to three contexts exist simultaneously, the distinction would be crucial, but it is difficult to make.

These situations have been worked out as the main paradoxes in family businesses by von Schlippe & Kellermanns, referring to Simon (cf. von Schlippe & Kellermanns, 2009, p. 183 f; quoting Simon et al., 2005, p. 151 f), and while not necessarily leading to conflicts, they make it easier for communication to be misinterpreted and misconnected:

1. The family, its members and rules are resources and dangers for the business.
2. Communication in families has to be person-oriented, whereas in businesses it must be fact-oriented.
3. A decision can be right in the business context but wrong in the familial situation, as e. g. the family member is a shareholder of the business, but not allowed to act as a shareholder would in a publicly listed company.


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4. In the family, fairness means the expectation of equality, whereas in the business, fairness refers to the expectation of inequality.
5. The family is closed, entry barriers are defined via blood or highly institutionalized rituals and independence as a family is valued highly, whereas the business has to be an open network in order to stay competitive.
6. Identity in the family is based on rituals, traditions, and orientation towards the past, whereas in the business the ability to be innovative for its future is decisive.

The business family has to work with these conflicting issues as long as they exert ownership and management in a business and want to sustain the viability of the family business over the generations. Business families have successfully done so, which is also proven by family firms that have already existed for several hundred years, but they have also failed to do so when regarding the break-up of family businesses due to unmanaged conflicts in the families.

While the paradoxes offer a breeding environment, the reasons for conflicts, developing from the peculiarities of the interaction of family and business are the missing context markers in the communication of the systems. These markers usually help to decide about the meaning of communicative acts as they are transferred and processed accordingly. Communication in business families often lacks this ability – optional markers are either missing or neglected, which frequently leads to conflicts within the families (von Schlippe & Frank, 2013, p. 393).


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# 3. Conflicts in business families

Conflicts can be taken for granted as the normal condition in family businesses (Simon, 2012, p. 113). Nevertheless, they pose a danger to both the emotional bonds in the family and the success of the business. To be able to detect the phenomenon in question also in India, where it has only been scantly researched as of this writing, the following sections will provide an overview of existing theories on conflicts in business families and – where existing – particular on business families. Subsequently, findings from social systems theory will be considered to define the emotional and communicative constellations responsible for conflicts in business families and the manifestations of those in different conflicting constellations.

## 3.1 State of research: Conflicts in business families

Conflicts within the family, like rivalry among siblings or dissatisfaction about the allocation of resources, influence the family business on various levels and receive ongoing interest from the research landscape (Debicki et al., 2009, p. 159). Nevertheless, although the room for conflicts in business families is wide open, the reasons for and settings of conflicts in business families have not been adequately researched and consolidated yet (cf. Suchy et al., 2012, pp. 338 ff; von Schlippe & Kellermanns, 2009, p. 178). Concerning the effort on the detection, analysis and systematization of conflicts, family business research was "still in its infancy" (Sharma et al., 2006, p. 44) in 2006.[6] In the meantime, the research landscape has developed, but it still suffers from a regional bias: research about family business and thus also about conflicts in business families or family businesses is conducted mainly in western countries (Debicki et al., 2009,

6 Sharma is referring to literature about conflicts in family businesses in general, not specifically to conflicts in business families. But as this field is a part of general family business research, her phrase is equally valid.


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p. 155). A bifurcation exists in the research concerning the evaluation of conflicts in relation to their impact. This is stated by Daniela Suchy, Manfred Lueger, Ulrike Froschauer and Lavinia Nosé, who concentrate on conflicts related to the business and the preventive measurements that can be exerted in family businesses (Suchy et al., 2012).

Mostly, conflicts are regarded as negative, influencing the relationship among the family members involved as well as business success alike. This perspective takes over Harry Levinson, together with most researchers on the topic (cf. Levinson, 1971; Suchy et al., 2012). Also Bernhard Ludwig, in his dissertation *Konstruktive Konfliktbearbeitung in großen Familienunternehmen* takes over this direction. On the one hand, he concentrates on the institutional parameters the businesses and families employ to manage conflicts, while on the other hand, he identifies characteristics of family members engaged in the business as equally important for conflict management (Ludwig, 2014). Steffen Großmann in turn analyzes the conflict-dynamics that in-fact lead to the ruin of the family business in his book *Konflikte und Krisen in Familienunternehmen.* He emphasizes the importance of managing actual conflicts, but as well the preventive measures to cooperate with the conflicts than should be exerted (Großmann, 2014).

Another viewpoint emphasizes the productivity conflicts can entail and the function they take over in the family business (Kellermanns & Eddleston, 2007; Suchy et al., 2012). From this perspective onwards, the research takes up different directions. There is the segmentation into task and process-conflicts and into their possible benevolent influences on the success of the family firm, related to the organizational and behavioral aspects of conflicts that McKee, Madden, Kellerman & Eddleston illuminate repeatedly (cf. Kellermanns & Eddleston, 2004, 2006; McKee et al., 2013; Melin, Nordqvist, and Sharma, 2013). This perspective is especially helpful when the possible outcome of a conflict for the firm is in the focus of the analysis. Relationship conflicts do not only create tensions in the family, but are also threatening to business success. They can lead to informational asymmetry when information is withheld by family members, and accordingly leads to wrong decisions in the business context. The unwillingness of family members to accept advice or ideas that could support business performance is equally dangerous. When the family is too engaged to manage conflicts within the family, family members might neglect the needs of the business, as communication about the business decreases to a dangerous extent (Kellermanns & Eddleston, 2004, p. 214). This analysis results in information about harmful and benevolent aspects of conflicts and their management and about which management strategy could lead to positive results in which system – the family or the business – and whether one strategy might be more benev-


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olent to one system while harmful to the other (cf. Sharma, 2004, p. 18; Sorenson, 1999, p. 144f).

On the one hand, where conflicts in business families stem from is similar to where they stem from in every other family, as Levinson already 1971 stated. Nevertheless, situations that typically take place in business families provide intrinsic breeding grounds for conflicts, such as the complexity business families are facing due to various paradoxes, the difficulties the succession process brings with it, the decision over what is a fair treatment of siblings, and an ongoing tendency for women to experience stronger conflicts (cf. Vera & Dean, 2005, p. 342; von Schlippe & Kellermanns, 2009, p. 184). Arist von Schlippe and Franz Kellermanns analyze the emotional conflicts in family businesses and how the families and the businesses have found coping mechanisms to overcome the threat of ongoing conflicts (von Schlippe & Kellermanns, 2009). For the present thesis, the concentration lies on negative emotional conflicts among family members and the reciprocal impact the business and the family exert on each other, not only, but also influencing the conflicts. Therefore, the following sections focus firstly on emotional relationship conflicts with the perspective of the social systems theory before different manifestations are displayed how the conflicts manifest and come into force.

## 3.2 Fields, kinds and dynamics of conflicts in business families

Conflicts not necessarily have to have negative effects on the family or the business. Rather, it depends on the kind of conflict taking place and on the dimension it concerns. What Fritz B. Simon calls social-/relationship-level, factual level or question of timing are called emotional conflicts, cognitive conflicts or process/task conflicts by Franz Kellermanns and Kimberly Eddleston (cf. Kellermanns & Eddleston, 2007, pp. 1049ff; Simon, 2010, pp. 39ff). The differentiation tries to emphasize the different levels on which the conflict is taking place: is it something personal, are emotions involved, or is the discussion taking place on a more rational level? For the focus on intra-familial dynamics and conflicts, the field of research analogous to the applied focus in the theoretical introduction to the business family has been chosen. It concentrates on findings from social systems theory, and thus it focuses on the communicative acts in the family and their critical dynamics due to the emotions involved, possibly leading to conflicts and the managerial aspects of cooperation, as suggested by Arist von Schlippe and Franz Kellermanns (von Schlippe & Kellermanns, 2009, pp. 184ff).

They analyzed research on conflicts in family businesses and grouped them into five fields of emotional relationship conflicts:


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- *Complexity*, which directs to the growth of a family and the differing communications taking part in the system. In the cited paper, the complexity is connected to the different circles the family members simultaneously belong to (business-, ownership-, family-system). The intensity of conflict can grow with the number of contexts involved and family members having difficulty to integrate the partially contradictory claims (ibid., p. 185). More recent research on the topic suggests that it can also be brought into relation to the inherent complexity of the business family communication *per se* and to attribute meaning to acts of communication that could be related to different dominant influences (whether they concern relationship-, business-, or ownership-communication), which are difficult to separate (von Schlippe & Frank, 2013, p. 390).
- *Succession*, therefore the complex processes a family has to master when a successor has to be chosen and has to gain his/her sphere of influence. This can lead to rivalries between and in the generations and accusations regarding the inability of the successor to steer the business as successful as the father did (cf. Harvey & Evans, 1994, p. 340f; Levinson, 1971, p. 379; Vera & Dean, 2005, p. 325). Also the demand for equality becomes important during the succession process and it is difficult to arbitrate between the paradoxical requirements of business and family (Simon et al., 2005, p. 151f).
- *Centralization*, which refers to the concentration of power in the hands of one person. That can lead to informational asymmetries that in turn can enhance conflicts (Kellermanns & Eddleston, 2004, p. 217). While it might seem conflict-managing as well to have one person as the central decision-maker, it also indicates avoidance and tabooing of conflicts, which is said to have a negative long-term impact on family relations (Sorenson, 1999, p. 135).
- *Attributions according to gender*, therefore the conflicts concerning the alleged female communication in conflicts and the higher stress they experience due to the often difficult balance between work and family (Shelton, 2006, p. 286). The data concerning this topic is not extensive and therefore to be handled with caution regarding Arist von Schlippe and Franz Kellermanns (von Schlippe & Kellermanns, 2009, p. 188f).
- *Comparative processes* concerning stakes or other observable and comparable aspects of business communication that single family members or family branches compare. These comparative processes can lead to coalitions concerning perceived unfairness and subsequent conflicts (cf. Davis & Herrera, 1998, p. 256; von Schlippe & Kellermanns, 2009, pp. 187ff).

While those dimensions are concerned with the family business, all of them are impacting the relationship the family members in the business have and the reciprocal influence the connection business/family exerts on both contexts.


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As discussed in earlier sections, the emergence of these conflicts can be described from a social systems perspective, where different communications negate each other or are not processed with the same ostensible meaning as intended. The paradoxes business families face are particularly difficult to address. Therefore, these are the breeding ground for conflicts according to Von Schlippe & Kellermanns (von Schlippe & Kellermanns, 2009, pp. 182ff). The underlying base for many of these issues is the question of which interest has priority: the family or the business (Donnelley, 1988, pp. 428ff). As the previous chapter has shown, it is obvious that sometimes this question cannot be answered without getting lost in paradoxes, as every answer seems to be right from one angle, but at the same time wrong from another. In non-business families, these different logics can often be distinguished with obvious context markers, as for example the differentiation between home and workplace offers. In business families, these markers are often harder to detect, and accordingly the meaning attributed to the respective act of communication can be misconnected or misinterpreted. This connection is crucial for the success or failure – in the sense of conflict management – of communicative acts, as they show how a message was understood and will be supported or negated with the subsequent communicative act (von Schlippe & Frank, 2013, pp. 392ff).

The conflicts that are especially prone to harm the business revolve around relationships, more precisely around questions concerning succession, the expectancy of equality, equity or fulfillment of needs in financial treatment of family members and the distribution of ownership. While on a first glance they might be concerned with business-related topics, they are deeply influenced by the relationships among family members and the emotions shared within. Especially these relationship conflicts tend to harm business performance, while cognitive and process/task conflicts do not necessarily hinder family firm success (cf. Eddleston, Otondo, & Kellermanns, 2008, p. 456f; Kellermanns & Eddleston, 2007, pp. 1048ff, 2006, p. 358; Sharma, 2004, p. 19; Simon, 2012, p. 110f; Taylor and Norris, 2000, p. 277; von Schlippe & Kellermanns, 2009, pp. 178 and 189). In this differentiation again the paradoxes business families have to handle are evident: conflict communication in the family is usually never strictly task-oriented, but it always poses a threat to harm the family and the business on an emotional level. Therefore, a management of conflicts is strictly necessary to avoid greater harm. As Fritz B. Simon puts it, the greatest risk for the family is either the escalation of a conflict or its avoidance (Simon, 2012, p. 110). The escalation of a conflict is analyzed in depth by Friedrich Glasl in his book *Konfliktmanagement: Ein Handbuch für Führungskräfte und Berater.* He established the model of a downward spiral of conflict escalation – a representation he uses to describe the pattern in a conflict, where the communicational perceptions of each participant encourage an equally or more aggressive response


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following an ongoing downward spiral. Thoughts, emotions, and motives, which result in a distinctive behavior and lead to new communications or effects, deviate from their usual pattern. The counterpart in the communication will in turn react by negating the communication, which results in the conflicting communication between two people or in a group. At a certain point, the possibility to manage the conflict in a peaceful way is no longer an option, in the end the most important gain of the situation is that the counterpart loses, under the acceptance of self-destruction (Glasl, 2013, pp. 236ff).

These final steps must be avoided at all costs, especially in a family: family members will stay family members, not depending on won or lost battles that take place within the family. Therefore, the conflict will go on forever as soon as it starts to become merely a power play between the parties. Relationships will be harmed, and this harm can be transferred over generations (Simon, 2012, p. 116f). But also the avoidance of a conflict can lead to negative consequences, as the fear of having an argument will most certainly have negative effects on the family. There will be forced consent about decisions and strong (not necessarily open) pressure on involved family members. This avoidance can have positive and negative consequences for the business, depending again on the type of conflict. Task/process oriented conflicts should and can get solved – this can lead to renewal and innovation in a company.

Relationship conflicts on the other hand can threaten the stability and of the business and the family and "may contribute to the high mortality rate of family-owned firms" (Beckhard & Dyer Jr, 1983, p. 59). Therefore, they must be addressed in a careful and considerate way, as otherwise family members will deter from the business – the feeling of identity as a business family, affiliation to the family business and reward may decrease (cf. Simon, 2012, pp. 110ff; Von Schlippe & Kellermanns, 2009, p. 189).

In order not to experience the severest consequences that lead to perpetual harm and loss of contact in the family as well as a potential crisis in the business, families have different strategies for how they manage conflicts. These can be structural approaches concerning the particularly sensitive aspect of succession in ownership, described by Rudolf Wimmer, Torsten Groth and Fritz B. Simon (Wimmer, Groth & Simon, 2009), or different patterns in communication. Sorenson and Harvey/Evans suggest collaborating as the best strategy to manage relationship conflicts in a family when analyzing different options in a two dimensional model between the poles of communicating assertively or cooperatively (cf. Cosier & Ruble, 1981; Harvey & Evans, 1994; Sorenson, 1999; Thomas, 1992). Another attempt to cooperate with the complexity resulting from ongoing communications are stories, floating more or less deliberately among the members of the systems, transferred and altered by members of both spheres. Arist von Schlippe and Torsten Groth research the influence of these


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stories on the family business and the business family. They conclude that stories can help the family to gain understanding of the paradoxes they are experiencing (von Schlippe & Groth, 2007, p. 44). Suchy et al. observe functionalization, hierarchization, time-differentiation and mutual trust as successful strategies in business families (2012, p. 344f).

While it seems tempting to use attorneys and counselors to solve an existing conflict, their inclusion always puts an end to open agreeable discussions. There is the danger that the third party may take over the communications, making it difficult or impossible to discuss the matter personally from that point onwards. Nevertheless, the third party can make sense in an institutional setting to avoid the emergence of relationship conflicts firsthand. As another management strategy, the creation of family charters, shareholder agreements, and similar formal institutions may help to foster bonds between the family members and platforms for the open discussion of critical issues; thus, third party involvement can be a potentially successful conflict management strategy (Simon, 2012, pp. 115ff).

There are reasons why families perpetuate conflicts in their communication. "Absence of conflict raises apprehensions ('shared fear')" (Kaye, 1991, p. 29) in the family: conflict also means contact, so the family fears that it might lose a connection in the absence of conflict. On the other hand, families might hope that open conflicts enhance intimacy in their relations. Sometimes, families fear that what comes after the conflict is worse than the conflict they are presently engaged with (ibid., p. 30).

## 3.3 Different manifestations of relationship conflicts

The social systems theory-perspective on conflicts in business families offers various attachment-points when analyzing conflicts in business families. It focuses not on persons, ascribed roles and interactions, but takes up directly on the differing communication-logics with which the single systems function (von Schlippe & Kellermanns, 2009, p. 182f). Nevertheless, some more hands-on and less abstract illustrations of specific conflicts in the business family support the understanding of the complex matter how the differentiating logics influence the family communication. Some of the conflicts business families experience are most critical in specific generational constellations. Examples of this include constellations between brothers or spouses, or constellations that combine different generations in a conflicting situation. They can stay in the system as long as its members are alive, and these conflicts may be perpetuated over generations (cf. Simon, 2012, p. 115; von Schlippe & Groth, 2007, pp. 34ff). Additionally, some of the conflicts in business families seem to be especially


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resistant to social change, so even over a long time horizon, during which family constellations changed and the involved individuals are subject to differing dynamics in the family, they keep reappearing. Remarkably, the conflicts are repeated even if the situation is already theoretically known from the other perspective in communication. Therefore, even after going through different status passages, which are defined by the transition from one social status (e.g. father, businessman) to another (e.g. grandfather, pensioner) during a life cycle (Glaser and Strauss, 1971, p. 1), the same conflicts reappear in the same constellations with different persons engaging in the situations, depending on the role and communication expectations with which they are confronted by their surrounding system and themselves. There are several manifestations of misinterpreted communication and relations that have been approached in literature in those five fields of conflict.

### 3.3.1 Intergenerational conflicts

#### Familial expectations vs. autonomy during adolescence

In preceding generations, the expectations of and towards the eldest son in the family were clearly defined: he had to accept the legacy and to succeed his father as the head of the family business. Comparable to aristocratic families, the future of the children was fixed before their birth. These expectations can be summed up under the term *role expectations.* These role expectations have different aspects, such as the individual's own expectations about what he or she has to do in order to be a member of the family, as well as structural demands, including the group's informal institutions concerning the behavior of the individual and the de-facto behavior of the group member, in this case the child of the family (cf. Hoover-Dempsey & Sandler, 1997, p. 9; quoting Harrison and Minor, 1978, p. 799; Levinson, 1959). These rules of the game narrow the personal freedom a child experiences in his or her development. The child faces a dilemma of being torn between the wish to follow the rules of his or her family in order to receive acceptance and bonding, stemming from the desire for autonomy in his or her decisions (Miller, Steier & Le Breton-Miller, 2006, p. 380).

Role expectations in historical business families were not necessarily conflicting, as there had simply been no other option available to the child. All three expectation-spheres were congruent in many cases. Informal institutions, such as norms and social rules, i.e., the rules of the game in the family, ordered family life and therefore also shaped the future of the child. The identity of the single family member was defined by the family system operating within the individual's own family (Simon, 2011b, pp. 192ff; quoting Devereux, 1978).


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Nowadays, the situation is more paradoxical and complex, as on the one hand, the adolescent still has to fulfill familial expectations and live with the triad between claims of his/her parents, the business and of the self, but on the other hand, he/she is developing more and more autonomy throughout his/her transition to adulthood and is also expecting to live this autonomy, as his/her peer group outside of the family does as well.

All sides in the system struggle with conflicting expectations of roles: the parents, as they want their child to succeed, but at the same time, try to raise their children to become autonomous adults, and the adolescent who is developing autonomy like the members of his/her peer group, but at the same time is trying to fulfill his own expectations and the parental expectations by succeeding his father or mother in the family business. This situation is particularly severe in the passage to the second generation in the family business, as the founder does not know the conflict its child experiences, as he decided to pursue a different path from his father with regard to his future. He might have great success and a "thriving ego" (Miller, Steier & Le Breton-Miller, 2006, p. 380) and is simultaneously feared and respected (ibid.). To the question of succession, this leads to a paradoxical double bind: children shall submit to the future their parents planned for them (succession), but fathers want them to be strong and independent as they have been themselves as founders (Simon, 2012, p. 67f).[7]

In the following generations, the situation is different, as the parents know the paradoxical situation their child is facing. Nevertheless, the process might lead to an idealization or a total opposition towards both the path the parents pursued and plan for the child (Miller, Steier & Le Breton-Miller, 2006, p. 381; Simon, 2011b, pp. 187ff and 200ff 2012, p. 69; Wimmer & Gebauer, 2009, p. 51). This conflict is more a long sequence of conflicts during which the family and the adolescent constantly have to reconsider the amount of influence the parents should be able to exercise relative to the room required for adolescent to develop and maneuver (Simon, 2011b, pp. 197ff).

### Parents – children rivalry

Levinson (Levinson, 1971, p. 379) considers the business to be an extension of the founder himself, being his baby or mistress, which explains why there can be such severe conflicts in the passage of succession. His relationship to the business is more than just professional and he is afraid that nobody can handle the

7 The expression "double bind" stands for the mixed signals in communication family members share, and the often resulting situation where every decision seems right from one angle, but wrong from another. Originally the term is deriving from Gregory Bateson et al.s' research on schizophrenia and the family communication's influence on this mental illness. See Bateson et al., 1956.


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business as competently as he himself can. He might have only limited ability to delegate authority, but in the process of succession he has to give up his usual powerful position and trust his child that it can oversee business decisions (Harvey & Evans, 1994, p. 340f).

The conflicting area seems contradictory at the beginning; after he hands the business over, the child might be doing well, which seems positive. But his father is left feeling useless, not needed and without the usual influence, as his status passage led to a new situation in retirement. Therefore, the father does unconsciously not want his son to succeed, but rather hopes that his son will need his help (Levinson, 1971, p. 379).

In case the child is not as successful as the family had hoped, the father might be confirmed in his opinion that only he can lead the family business. Then the child has to cooperate with the feeling that she does not suffice, but feels that her parents just expected that. She believes that they do not consider her to be a capable adult; they might just be glad to have an excuse to recover the responsibility they assumed was already lost. The child feels incompetent and is struggling to find her own way to head the company, whereas the father feels useless and struggles to give up power and control (Vera & Dean, 2005, p. 325).

### 3.3.2 Intra-generational conflicts

Intra-generational relationship-conflicts often emerge due to rivalries between siblings. Rivalry between siblings and consequent conflicts that emerge in a horizontal relation can exist in every constellation and for various reasons. There might be the feeling among the siblings that one sibling is more loved/supported/trusted in business decisions, or preferred for succession by the parents over the other. This supposed conflict was handled via traditions or familial norms in the business family in the past. The question of a successor was solved via the tradition of primogeniture; thus the first-born son would inherit the business. This could either help to manage the conflict or validate the younger children in their feelings of not being as much loved and supported as the chosen successor (cf. Friedman, 1991, pp. 10ff; Harvey & Evans, 1994, p. 335; Levinson, 1971, p. 382; Lansberg and Astrachan, 1994, p. 41). The tradition of primogeniture is said to be declining in business families, while it is not yet fully understood whether this only concerns families in which the daughter is the first born, as daughters are still struggling to receive the same considerations in business as their brothers. Also the tendency to groom and favor what is equal to oneself – homosocial reproduction – plays a role in the creation of rivalry among children (Schlömer-Laufen & Kay, 2013, p. 23; Vera & Dean, 2005, p. 325).


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In other cases, parents try to manage the dynamics by answering with familial logic by which every child is treated the same and inherits the same share and every member is allowed to take up managerial positions in the family business, regardless of ability. While concerning ownership this "Stammesorganisation" – "Organization in tribes [translation by the author]" (Wimmer, Groth & Simon, 2009, p. 153) might work especially well in the transfer from the first to the second generation, with ongoing generations it can become very complex and lead to insecurities in the decision-making. Seemingly factual decisions concerning the business become matters of principle and loyalty among the different participating families (Wimmer, Groth & Simon, 2009, p. 154).

A study analyzing the challenges women are facing in family businesses in the U.S. suggests that the conflict emerging out of succession from a gender perspective is said to be based on the common hierarchy that is disturbed when a daughter instead of a son succeeds the head of the company. Historically seen, daughters were not supposed to take over managerial positions in the family business. Following that expectation, daughters received an education that was not focused on business, and some parents even preferred to sell the business over handing it to their daughters (Vera & Dean, 2005, pp. 321 ff).

Siblings may feel that they are treated unfairly for various reasons: one being concerned with the business perceives a division of heritage according to the number of siblings as unfair, while the other communicates out of familial logic and expects the heritage to be shared equally. Whether siblings experience a conflict also depends on the relationship they share. Close siblings might experience inheritance based on needs as fair, while the less closely they are knit together, the more sharing based on competition is perceived as fair (cf. Taylor and Norris, 2000, p. 277 f; Titus, Rosenblatt & Anderson, 1979, p. 338).

### 3.3.3 Disagreements about the family's role in the company

This section can either serve as a summary of the previous ones, or be regarded as a standalone area of conflict, as there are several situations and constellations in which the whole family has to consider its standing towards its role as a business family with a business that needs space in the familial communication, systems where blurred context markers impede the separation between relationship communication and business communication and the possibility of conflicts in the relationships to negatively influence the viability of the business.


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### Family first/business first

One severe situation the business family constantly faces is the question as to whether the business has to serve the family or vice-versa (Simon, 2011b, p. 191). When considering that the business is like the extra child in the family, children can easily feel reduced in their importance or parents may perceive themselves as too concerned with the business in comparison with care for their children (cf. Levinson, 1971, p. 378; Simon, 2012, p. 66f). Mixed feelings about priority can be transferred over generations, as one part of the family may balance the priorities differently from another branch, or the structural organization leads to conflicts concerning the family while the business is neglected (Wimmer, Groth & Simon, 2009, pp. 153ff).

### Role expectations towards single members of the family system: succession, motherhood, fatherhood, being in and out-of-business

In traditional families, roles can be attached to different phases of a lifecycle. Young women can be expected to become mothers, while young men are trained to become successors at some stage in their life. The same holds true for elder generations. The patriarch can be expected to leave the business at a certain age to give space to his children, as elaborated in the previous paragraph, while the mother is expected to care for the family in private life, but not to interfere in business situations. A break with these traditions can lead to conflicts if the family is not prepared for social changes.[8] Modern families also have traditions dictating how certain situations usually have been handled or subtly communicated directives on how to behave – a family develops stories to transfer meaningful communication and to develop an identity as a family, packed in messages with underlying norms of behavior. The stories can inherit a warning function or a secret pun in order to give a certain message to the one who is listening to it, or can be used to explain the situation of the one sending the communication. The stories can serve to develop cohesion or are used as paradigm for sense-selection and complexity reduction when telling myths with vague but important instructions on how to handle any situation. They help to reduce uncertainty (von Schlippe & Groth, 2007, pp. 29ff and 40ff). A break with the stories will therefore lead to more contingency (perceived insecurity in the communication with too many options to choose from, therefore an experience of high complexity) – this is the point where the conflict can start to develop its own form of communication. In the business family, where single individuals or

8 The role ascriptions and their change over time will be described in more detail in chapter 4 concerning Indian families and in chapter 5 regarding German families.


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whole coalitions can fight against one another, severe conflicts can result in a loss of the family business, not via an accepted and strategic sell, but via the force of negative destruction, where it seems inevitable and more important to harm the opponent in the family than to keep balanced peace and save the business. Whether they concern the relational/emotional level in the family or the factual level in the organization, the different kinds of conflict are difficult for the business family to distinguish and have the potential to develop a unique dynamic in both systems. Therefore, in order not to let them become threatening to the stability of the systems, business families have developed strategies (consciously and unconsciously) in order to avoid reaching this point. On the one hand, there are patterns in their communication with which possible conflicts are treated, on the other hand, how business families organize ownership, management and the subsequent influence the family can exert on the business also has an impact on the influence of relationship conflicts on family business success.

## 3.4 Attempts to cooperate with relationship conflicts

Business families cooperate differently with conflicts that happen naturally over a longer time span involving several generations. Their ability to develop communicational strategies influences the lifecycle of escalation; this can happen in every conflict, and accordingly can influence their success in maintaining the business in a fruitful manner. Successful strategies usually involve informal and formal institutions, which serve as frameworks. Carefully organized structures and decisional premises, partially including outsiders of the family, can assist in establishing and maintaining forms of communication that support cohesion and awareness for upcoming and existing disagreements in the business family.

The management of conflicts in the families is more difficult than the management of these conflicts in the business. This refers to the system-immanent peculiarities of the family, where relationships, emotions, and person-oriented communication create the web of meaning and formalized structures to that help family members cope with conflicts are hard to install. Nevertheless, business families have to find ways to prevent the conflicts from entering the business system, because this has no decision premise on how to deal with relationship-based conflicts (von Schlippe & Frank, 2013, p. 394). There are different communicational and structural strategies that help families cope with relationship conflicts, to prevent these conflicts from threatening the business and family alike.


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### 3.4.1 Behavior in conflict-communication

Attempts in the communication include the functionalization and hierarchization of decision making in the business – clearer areas of authority and allowance for decision-making help in the prevention of conflicts. This functional and hierarchical differentiation transforms the conflicts that are relationship-oriented into functional conflicts – thus legitimizing these conflicts in the business context. Formal agreements about decision-making processes can support this aim and work in both directions: also conflicts from the business that infiltrate the family can be better handled with formal agreements, family charters, which help to determine functional processes on how to cooperate (Suchy et al., 2012, p. 349). They can be established with the help of counselors, who can professionalize the communication to some extent.

Mutual trust and the feeling that the other will not take advantage of the trust, are other aspects of familial communication that work preventive against conflicts in the business family. A third preventive aspect is trust in competency which is developed over time, therefore via assumed growing competency in taking decisions that are benevolent for the family and the business (ibid., p. 345).

Conflicts in family businesses between members of the business family can never be managed by simply a clear understanding of the opposites concerns due to the entanglement between different logics from the family, where communication is directed towards alignment and relationship preservation. On the other hand, there is almost no option to leave the system and business communication, which is more directed towards decision-making communication and contractual agreements. This clearly separates family businesses from other organizations or groups and sometimes even leads to a continuation of the conflict instead of the management of the conflict, as the family members fear that the situation could get worse – they may even fear that the family could break up because of the conflict (Kaye, 1991, p. 43). Family history also influences the conflict management style, as the family develops its own descriptions of how situations have been handled within the family. It thus dictates the acceptable response to conflict, defining what is viewed as expectable and delineating this from responses that deviate with the family and traditions and norms. These expectations do not stem from task-oriented ways of problem solving, but rather from historical knowledge about how the family is accustomed to handling similar topics (Blom & Van Dijk, 1999, p. 212; von Schlippe & Groth, 2007, p. 34).

Business families have different answers on how to react and in-the-end also on how to manage the inevitable incidence of conflicts between family members. As mentioned in the previous sections, these conflicts appear due to different


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lifecycle changes and alterations of status in the business family member's lifecycle, ascribed roles and disappointed expectations in the communication (cf. Kellermanns & Eddleston, 2006, p. 359; von Schlippe & Kellermanns, 2009).

When regarding the strategies, it becomes evident that a business family does not have the option to walk away from the conflict and therefore to end the relationship. In business families, conflicts rarely have one "cause leading directly to an effect" (Kaye, 1991, p. 24), but are parasitic subsystems, influencing the communication and leading it into new directions. Kellermanns, who reviewed and collected the work of different authors on conflicts management tactics in organizations, teams and family firms, proposes that business families react with various different strategies to conflicts, "namely, avoiding, contending, compromising, collaboration, and third-party intervention" (Kellermanns & Eddleston, 2006, p. 358). Additionally, the strategy of accommodating the persons and requests involved in the conflict will be included, even if it is said to be less frequently deployed in family businesses (ibid., p. 361). These strategies can be displayed in a two-dimensional model, as displayed on page 64, between the poles of assertive and cooperative behavior. The model is suggested by Richard Cosier, originating from Blake and Mouton and further developed by Kenneth Thomas (cf. Cosier & Ruble, 1981, p. 817; Thomas, 1992, p. 266). It does not include third-party intervention, but suggests that every conflict-management strategy can be viewed between the two poles of cooperative and assertive communication-behavior, and thus between the desire to fulfill other's concerns and to put one's own priorities on top (Thomas, 1992, p. 266).

The different strategies are defined in research as following:

### Avoiding

Avoiding, ignoring, or denying the conflict is not regarded as long-term benevolent strategies for conflict management in family businesses. In the family, the ignorance of a conflict might increase "low family satisfaction, high sibling rivalry and low mutual trust" (Kellermanns & Eddleston, 2006, p. 362), as members of the family might feel left alone and disconnected to the family when conflicts are avoided.

Additionally, conflicts in business families are needed, as they can lead to reevaluations of stated opinions, be it on tasks or on relationships (ibid., p. 362). The possible result of the avoidance strategy is said to be the escalation of the conflict and a longtime disturbance of the familial relationships, which in turn will influence business success negatively (Sorenson, 1999, p. 137).


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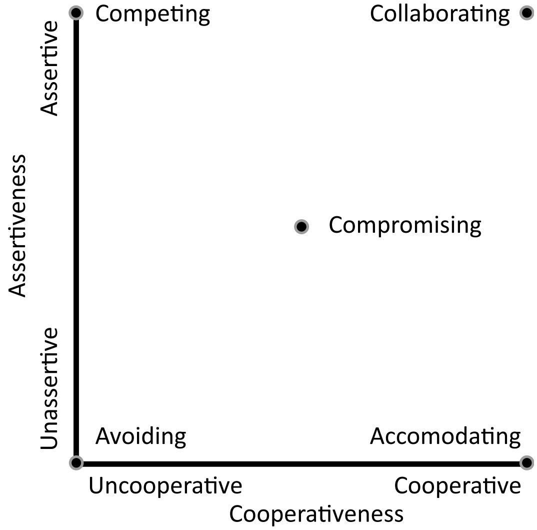


Figure 2: Two Dimensional Model of Conflict Behavior (Own representation following Thomas, 1992, p. 266)

### Accommodating

The accommodator puts his/her own concerns in the background and concentrates on the desires of others. If every person or party in the conflict replicates the behavior of one (which can be the case in conflicts (Sorenson, 1999, p. 137; quoting Cosier & Ruble, 1981, pp. 823 ff), the preparedness of mutual acceptance can be visible to all parties. This can help to improve or maintain family relations in case every party in the conflict is accommodating, but might also lead to less problem-solving abilities, as important issues might be left out of the discussion (Sorenson, 1999, p. 136).

### Contending/Competing

Contending can lead to worsened relations in business families. As the contender neglects the emotions of other family members and puts his/her interest on top of all priorities, he neither manages a relationship conflict nor helps to resolve task-oriented issues in the long term. The success of this strategy might lie in its short-term effectiveness, as longitudinal discussions are oppressed. From a generational perspective, especially between two generations, this strategy might be harmful, as the younger generation will opt out of discussions. This increases the likelihood of having poor decisions taken without taking diverse


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opinions into account in the business context. The likelihood of ongoing conflicts will increase (Kellermanns & Eddleston, 2006, p. 362).

### Compromising

Compromising is said to have possible benevolent effects on familial relationships. Making use of this strategy, not all concerns of every family member involved in the issue will be considered, as there will be rather a search for a solution that does not leave out any concern, but tries to combine different attitudes in a consensus. This will lead to a partial fulfillment of the individual's concerns. The result is mostly a reduction of the conflicting situation with much focus on the process. Every individual has to step back from his or her wish in order for this approach to succeed. But it will also most likely not offer the best long-term result, especially in task-oriented situations. It has been identified as being benevolent for relationship conflicts, but the threat exists that too much compromising in family firms will put the focus on the relationships in the business family instead of concentrating on finding a solution in the business context (Sorenson, 1999, pp. 140 ff).

### Collaborating

As Kellermanns puts it, collaborating "may be the most effective strategy for reducing relationship conflict and minimizing its negative effects" (Kellermanns & Eddleston, 2006, p. 364). It seeks to find a solution upon which every member can agree without compromising, therefore "lead[ing] to mutually beneficial solutions, better goal achievement and less likelihood of future conflicts" (ibid., p. 364). Studies suggest that the strategy of collaboration is "the most important conflict management strategy for family businesses" (Sorenson, 1999, p. 141). Relationships in a family based on such important issues as commitment and cooperation are strengthened in a collaborating situation and as such relationship-conflicts are likely to be less severe when this strategy is applied (Kellermanns & Eddleston, 2006, p. 364).

### Third-party intervention

The final strategy named by Kellermanns & Eddleston is the inclusion of a third party (ibid., p. 365). The intervention can come in various forms, as therapists, arbitrators, mediators or consultants. It promises good results in conflict-laden situations, as consultants or mediators are trained to enhance the communication between different parties. They are able to clarify positions in a conflict in a neutral way and to show each party its contribution to the situation. Addi-


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tionally, open communication will support each individual's understanding of the situation (Kaye, 1991, p. 27). The third party can help the family to distinguish between the different logics and supports the installment of institutions.

As with every other strategy, mediation does not necessarily promise good results, especially if family members feel forced to take part in the process. But in cases in which every family member is taking part in the process on a voluntary base, the likelihood of receiving mutual agreements is high, as already the beginning of the process, marked by including a third party in the conflicting situation, the willingness of all members to re-frame the communication and the resulting situation is established.

Whether it is in the form of a mediator, a consultant or an arbitrator, third-party intervention has to focus on the root of the conflict, behind the point where the communication started to conflict with the person's perceptions of the situation. According to Kellermanns, third-party intervention does not only help to manage relationship conflicts, but enhances the overall climate in the family and the business and thus the ability to develop and concentrate on task conflicts (Kellermanns & Eddleston, 2006, p. 365).

### 3.4.2 Balancing the influence of the family on the business for family business continuation

In the literature different cooperation-strategies can be found that can be grouped under the central question how the influence of the family on the business can be structured in a way that the inevitable conflicts that come up in the family do not threaten the continuation of the business.

There is the option of a complete separation in the sense that the family is no longer actively involved in the business, but professional management runs the business or the family forms a trust (Levinson, 1971, p. 386f). Another way of dealing with potential or existing conflicts is to put family concerns on top, therefore making the family business to a safe haven for the needs of the family members, often in relation to employment. This is said to be hindering the success of the family business, which in turn also has a negative impact on the well-being of the business family (Kellermanns & Eddleston, 2007, p. 1055). To put business concerns often means for the family to reduce its demands in the business to a minimum. While this is a benevolent strategy for the success of the business and in economic terms also for the family, it can also lead to alienation. A professionalization of the business family seems to be a more viable strategy – the family develops a self-understanding as business family. This can be fostered through more understanding of the reciprocal relationship between the family


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and the business (cf. Harvey & Evans, 1994, p. 342; von Schlippe & Kellermanns, 2009, p. 189 f). Referring to Habbershon's term of "familiness" (Habbershon, Williams & MacMillan, 2003, p. 451), Arist von Schlippe and Franz Kellermanns change the focus towards the positive influence the family, and also its conflicts, can have on the business. Conflicts that are managed successfully might imply learnings for the family that can be used in the future (cf. Kellermanns & Eddleston, 2007, p. 1054; von Schlippe & Kellermanns, 2009, p. 190 f).

The influence of the family on the business can also be restricted via organizational structures. Those are influenced by the generation the family business is in and the priorities the families set concerning their influence on the business. Sometimes the owning family introduces these deliberately, sometimes they rather grow organically.

### 3.4.3 Organizational structures influencing the continuity of the family business

The passage of ownership is a particular vulnerable phase in the business family and crucial for the following generations. During this phase the shift from factual communication concerning the continuation of the business to relationship communication is even more fluent than during other times. An overtaking relationship-emphasis blurs the decisions that have to be taken. Additionally, the first transition often sets the course for the following generations (cf. Wimmer, Groth & Simon, 2009, pp. 148 ff; Wimmer & Gebauer, 2009, p. 51). The family should concentrate on the continuity of the business and structure ownership in a way that particular interests are less likely to gain the main emphasis over continuation-communication. Rudolf Wimmer et al. identifies different strategies, business families follow more or less intended for cooperating with the named paradoxes concerning the succession. The chosen structure has an effect on the difficile balance between family and business-communication, therefore, it also influences the gateway to the passage of relationship conflicts (Wimmer, Groth & Simon, 2009, p. 159).

#### Joint family organization

The *joint family organization* aims to include the associated persons and offer them additional reward from being a business family member. These mechanisms come often in the form of structural components that help the family stay aligned and organize the communication at the intersection to the business. Rituals, common activities, and symbols help to establish working communications and support the cohesion of the family (cf. Davis & Herrera, 1998, p. 255;


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Simon, 2012, pp. 80 ff; Wimmer, Groth & Simon, 2009, pp. 153 ff). Single family members have to experience some kind of additional value (apart from financial rewards) by being associates, as this secures possibilities of combined effort if needed (Interview with Professor (Prof.) Fritz B. Simon, 2015). They are regarded as particularly successful in professionalizing the reciprocal influence of family and business. Management-wise, not necessarily the family manages the business. It depends on the organizational set-up and can also include a complete de-coupling of ownership and management (cf. Simon, 2012, pp. 80 ff; Wimmer, Groth & Simon, 2009, pp. 153 ff).

#### Tribal organization

The *tribal organization* resembles the joint family, but often appears without the professionalization of business family management. It often grows organically and is the result of a growing family that puts the family issues up front – the founder wants to treat his children equally; he bequeaths them with equal ownership. From the second generation onwards, the siblings repeat the pattern (Simon, 2012, p. 77 f). Factual considerations take a back seat – the family tribe is of top concern, not the topic or the business as a greater good is important and therefore the interest of the family is put before the interest of the business in its importance. The sale of the business has been an often observed result of this structure, but for harmonizing the conflicts between the different tribes and sustaining the business communication, often external third parties are included in the boards (Wimmer, Groth & Simon, 2009, p. 155).

#### Organization in several families

The organization in several families already starts with at least two families founding the business. While the similarities to the tribal organization seem obvious, the striking difference is that the families are involved with the situation from the founding generation onwards, where mutual dependencies were one reason for the partnership and they have chosen to be partners, while the tribal organization is based upon the inevitability of sibling relations (cf. Simon, 2012, p. 79 f; Wimmer, Groth & Simon, 2009, pp. 153 ff). This perception of bilateral reliance can be carried through generations, as opposed to the tribal organization where the feeling of getting along better without the partner can become predominant. One option for cooperating with the threat of misunderstanding and misinterpreting is located in the unfamiliarity the different families' experience – it supports factual communication and reciprocal anticipated expectations. At the same time, the aforementioned pooling of resources will further enhance the feeling of mutual dependency, as balancing the influence of both


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families is desired (cf. Simon, 2012, p. 79f; Wimmer, Groth & Simon, 2009, pp. 153ff). The organization in different families is found to be a more viable strategy than the tribal organization when regarding the success rates of family businesses (Wimmer, Groth & Simon, 2009, pp. 157ff).

#### Organization in nuclear families

Another option, leading to a constant renewal of the family business in its familial structures is the organization in nuclear families, where shares and the position of Chief Executive Officer (CEO) will be handed over to the next generation each time anew (cf. Simon, 2012, 74f; Wimmer, Groth & Simon, 2009, p. 161). Conflict management in the form of complexity reduction is the result, as the decisive power is clearly structured, but the ongoing patriarchal structure, with possible conflicts on a vertical and horizontal is also supported (Wimmer, Groth & Simon, 2009, p. 161). Another problem this strategy faces is the reduced number of options to find a competent and willing successor in each generation of a nuclear family (Simon, 2012, pp. 74ff).

The importance of the ownership structure for this study lies in their conflict-mediating or enhancing role. It determines the influence the family can exert on the business to some extent. The professionally with which the business family is organized determines their viability as a business family and exerts influence on the feeling of cohesion, alignment and inclusion of single family members/single nuclear families (Wimmer, Groth & Simon, 2009, p. 162). The ability of the family to protect the business from the influence of particular interests is important, when conflicts in the business family are threatening the continuance of the family business.

## 3.5 Conflicts and their management in Indian business families

Only little is known about conflict management in Indian business families so far, while the kind of conflicts and the sources thereof have been described in research to some extent. The main body of knowledge about conflicts in business families in India stems from three works that concentrate on different topics, but do not specifically focus on conflicts in Indian business families. As seen in the literature review, the works of D. Sampath (2001) and Sudipt Dutta (1997) explore family businesses in India, supported by case studies. The essay of John Ward (2000) is concerned with changes in the society reflecting on changes in the family business – he bestows that these changes also lead to conflicts that only get addressed to some extent in the families.

Modernization is progressing in the families and the process is accompanied


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by critical situations, new and maybe unknown so far to the various family members. Especially on the edge of change, when a new generation enters the business, conflicts emerge due to the many decisions that can be taken with different decision premises. While the successor heads towards modern management styles within the organization, the familial roots demand traditional ways of conflict management, i. e., known hierarchies and respect for ones position in the society and family, deeply embedded in the families due to the long history of the caste and the joint family system. This often requires keeping silent about conflicts in various constellations, but especially when the counterpart in communication is on a higher hierarchical rank in family communication (Sampath, 2001, pp. 147 and 168). The described conflicts western business families are facing due to the differing expectations between fathers and sons are said to be almost non-existent in Indian business families due to traditional rules on how to communicate in the families (cf. Dutta, 1997, p. 75; Davis & Taiguri, 1989, pp. 66ff). But in cases the visions of future are too different and a split or strategic sell could be indicated, a planned division of ownership based on factual premises is almost not possible without causing major conflicts in the families – the family dynamics are leading in the communication and a split is regarded as family failure (Dutta, 1997, p. 115).

Three main reasons for conflicts in the business family can be displayed:

(1) lack of transparency in salaries and finances,
(2) repressed emotions, and
(3) each sibling wanting to take care of their own male offspring (Ward, 2000, p. 275).

All three are based on questions about fairness, equity and communication in the family (Sampath, 2001, p. 61). Conflicting views about the right way to respond to these questions are naturally evolving, depending on the position the conflicting partners inherit. The progenitor can be rooted in traditional communicative patterns while raising his children, while the latter is already used to other ways of communication – for one in a technical sense, but also in the form and content. The father can be aware of changes the society is experiencing. Therefore, he might be torn between the traditional way he was raised and the demands of the modern world his children are experiencing. Especially in the change of generations, these familial conflicts are known to have severe outcomes for the business and the family alike. Due to a culture in which conflicts in the family, especially on an intergenerational level, are not being addressed openly, many businesses experience a separation, as at one point in time no other option for conflict management is left (Ward, 2000, p. 274f). In non-business families, conflicts between mothers and daughters-in–law were the primary source of partition in families, but disagreements between brothers are on the


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rise as an important reason for a separation of the joint family, especially when the patriarch is no longer alive (Singh, 2003, p. 68).

The gathered material will further analyze whether the conflicts Indian business families experience are fundamentally different from the ones German business families encounter. But before engaging with material concerned with the present situation, the changes in the societal framework and their influence on families in both cultures will be described. Therefore, the following sections look specifically at families in two cultures: India and Germany. Historical changes have influenced the business family systems in both countries and presumably also their ability to develop the aforementioned strategies to handle conflicts. The structures, in which business families live today, especially if the business exists over the course of generations, are the result of historical and present developments and might be culturally sensitive, in the sense that different family forms and ways to communicate have been prevailing in each country for generations and are also always subject to changes going on in a larger societal framework.


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# 4. Introduction to the changing Indian family

Contemporary discussion concerning the Indian family often deliberates the tension between its trend to modernize and keep its cohesion-fostering institutions alive at the same time. Often the analogy to Western families is used as well: Families have historically lived in joint families, but since the beginning of the 20th century the trend is getting stronger to live in nuclear families with increasing concentration on Western norms and values. Thus, the influence of Indian traditions has been on the decline. Western in this sense means: the growing importance of individualism and materialism with a growing number of nuclear families, while Indian family traditions reflect the value of the joint family, the necessity of community and kinship, and the importance of hierarchy in domestic relationships. According to various authors, this change is taking place as the Indian society is modernizing, with the increase in industrialization and urbanization (cf. Uberoi, 2010, p. 31; Wheaton, 1975, p. 614). Other researchers posit the opposite, as they argue that modernization and urbanization have in fact strengthened the importance of the extended Indian family and its connectedness. They call the above assumption a "cliché" (Shah, 1996, p. 537) that is "repeated ad nauseum" (ibid.).

The following chapter summarizes and analyzes the different perspectives on how the family has changed in a changing sociocultural environment. A review of literature will show some differing trends in research during the last hundred years and subsequently, the main findings will be displayed in the form of a portrait of the ideal-typical changes the families underwent. Due to the multi-faceted nature of the changing families and the various foci with which they have been analyzed during the bygone centuries, the following sections do not aim to represent the whole research spectrum, but form an introduction to the topic, in order to regard Indian business families in a larger frame of reference.


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## 4.1 The representation of the Indian family in research during the 20th century

The Indian family as a field of research has gained reasonable interest in the past century, which might be referred to the large number of families and the various structural forms in which they appear in the religious and cultural diverse Indian society (Sooryamoorthy, 2012, p. 1f). In the following sections, the different phases the research has undergone and their main trends will be presented.

### 4.1.1 The Indological phase and research during colonial time, ca. 1900–1950

The question of whether the Indian family used to live in a patriarchal joint family system and in which way it may have changed under the influence of modernization has occupied many scientists since the Indological phase of research on the family in India. During this time, the perception of *joint family* as a social institution in India emerged (Uberoi, 2010, p. 32). The Indological school is based on the analysis of religious and legal texts and contains only a little fieldwork. During colonialism in India, the influence of the mainly text based studies shaped the picture of the ideal Hindu joint family. At that time, the north Indian upper caste family became the archetype for scientific assertions about Indian families all over the country. This view has since been criticized due to its biased research focus and normative display of the various family forms (Sooryamoorthy, 2012, p. 3).

Irawati Karvé, one of the first female anthropologists and sociologists in India, did prominent research on Indian families under the influence of ancient writings. In her book *Kinship Organization in India* (1953), first published in 1947, she analyzed Sanskrit texts and conducted empirical studies in different Indian villages in 1938. She conducted this research in order to determine the connection between practices mentioned in those texts and the rituals, rights, and ways of living in contemporary Indian families. Karvé found close relations between the way of living presented in ancient literature and the modern daily family life (ibid., p. 16ff).

In her book, she points specifically to the heterogeneity of the Indian family, with its regional peculiarities. This heterogeneity has to be kept in mind when analyzing the Indian family. According to her, there are "three things [that] are absolutely necessary for the understanding of any cultural phenomenon in


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India" (ibid., p. 1). This three things are: the caste system[9], the linguistic regions and specifically the joint family system (ibid., pp. 1;6;10).

The functional and structural form of the joint family, which, according to Karvé, existed in India since first writings were done, is defined as follows:

> A joint family is a group of people who generally live under one roof, who eat food cooked at one hearth, who hold property in common and who participate in common family worship and are related to each other as some particular type of kindred (ibid., p. 11).

As the main sources for norms and social rules she found in the families, Karvé names ancient Sanskrit literature that contains

> […]rules of worldly conduct including rules of marriage and home life, rules about civil and criminal law, the conduct of a king and the conduct of the commoners, the description of the castes and rules about inter-caste behavior (ibid., p. 25).

This literature, created between 400 Before Christ (B. C.) and 800 Anno Domini (A. D.), also displays the changes in norms and prescribed behavior concerning questions of inheritance, consanguine marriages and other social rules and conventions (ibid., p. 25). These norms described in the literature[10] had a role model function for higher caste families. According to Sanskrit texts she analyzed, the patrilineal and patrilocal family has existed since then, and the foreign interference by British colonists or Muslim rulers did not even have a large influence on this most ancient social institution. At the time she conducted her research, she acknowledged the influence of modernization, the increasing permeation of technology, and the industrial revolution, but conceded that only few families live according to a western role model, deflecting the traditions of the joint family (ibid., p. 10). Traditions, norms, and beliefs in the upper caste Indian family deriving from ancient religious texts became role models for lower caste families aiming at higher status through adopting rituals and rites of higher caste families who in turn referred to the norms described in literature

9 While the caste system is not one of the central topics of this thesis, research devoted to the history of Indian families cannot drop this aspect of the Indian society that has influenced and still influences the family in India. The main separation took place between four main castes, in former times also called *Varna:* Brahmin, Kshatriya, Vaishya and Shudra. The *Untouchables*, the lowest group, were not considered as being part of the caste system. The main groups were further divided into innumerable subgroups, the different *Jati*, which is the modern expression and in the meantime the sole word, and determined the exact position of the individual and the family in the Indian society. The Jati one belonged to also indicated occupation and regional rootedness. Dumont (1980) provides an in depth explanation and analysis for further reading.

10 Karvé specifically refers to *Sutras* and *Smrtis* as guiding Sanskrit sources, while there are also other types of ancient Indian literature, called *Vedas, Ramayana, Brahmanas and Upanisads*, mainly of philosophical and religious contents.


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(Karvé, 1953, 20f). The term is being criticized for being too imprecise, but the pattern itself has become an often-cited phenomenon in literature on Indian families when describing the process of aiming for the higher status of another social group by adopting habits, rituals, and ideology of the group with higher social status (cf. Bopegamage & Kulahalli, 1971, pp. 123ff Pocock, 2010, p. 331; Shah, 2005, p. 238; Srinivas, 1967, p. 6; Uberoi, 2010, pp. 48f). The adoption of the rituals and rites happened not only on an individual base, but included also the formation of family life. This process was further strengthened through the British legal system constituted in India, as liturgical texts were reinterpreted and influenced jurisdiction at that time (cf. Denault, 2009, p. 28; Srinivas, 1956, pp. 481ff).

Karvé's writings and the Indological school in general have been criticized in the past as being nostalgic and outdated. They are also criticized for reproducing the ideas of western orientalists and Indian nationalists during colonial rule. The Indological school is made responsible for defining the tone in the discussion about the change in the Indian family, where the joint family of the past either is idealized for being one cornerstone of the Indian society or judged for being the institution that hinders India's social progress by devaluating individuals' efforts to improve their personal situations in a country where large parts of the population still suffer from extreme poverty (cf. Uberoi, 2010, pp. 33, 40 and 49).

Nevertheless, largely due to Karvé's effort to analyze the regional differences, something seemingly banal, but nonetheless very important can be remarked, that has to be considered throughout the study of Indian families: there is and has been a multi-faceted variety of families, stratified through their affiliation to different regions, castes, classes, local communities, and specific religions, reflecting the cultural pluralism of the Indian society (ibid., p. 33).

### 4.1.2 Social change and research on the Indian family

At the time of India becoming independent in 1947, the research on Indian families changed towards a more field oriented analysis, with Western researchers like William Goode leading the way at the beginning. In his book *World Revolution and Family Patterns* (1963), he describes how various influences from industrialization and modernization change the form and the function of the families towards more nuclear families with less incorporated traditions. Goode concedes that this might not be equally true for the Indian family, as evidence about the change of joint to nuclear families is not given in the statistical data. In the chapter devoted to the Indian family, he states that despite the modernizing influences, the ties to the extended kinship are fostered through social rules and traditions, manifesting in a reciprocal exchange of gifts or the


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attendance of common family activities, such as feast days celebrating religious or family events (ibid., pp. 1; 238–247).

Contemporaries of Goode also analyzed the influence of social change on family structures in India, with reference to comparative family statistics, and came to the same conclusion: The Indian family is influenced by industrialization, but it cannot be stated that changes took the same pattern as in Western nations. This rests upon the fact that there have been a variety of different social structures, norms and rules, which will influence the outcome of any change that takes place in the Indian society (cf. Chekki, 1974, 208f; after Goode, 1963, 370f; Niranjan, Nair & Roy, 2005, p. 624). Even with this more field-oriented view, the basic question in the research was still the distinction between the *western* – in the sense of nuclear – family and the *eastern* joint family, even when this bifurcation had already been proven not to be sufficient by then.

The height of research as yet on this topic was reached between the 1950s and the 1970s.

By then, the first differentiations between the north and the south were made, a distinction that had been previously neglected (Dyson & Moore, 1983, p. 35). Families in parts of South India did not live according to the role model of the northern, higher caste Hindu family life with patrilineal structures, but families in parts of Kerala lived in a matrilineal joint family system, which e.g. provided women with a lifelong right for residence in the natal home, or allowed cross-cousin and uncle-niece marriage. The Nayar families in Kerala were extensively researched, among others by E. Kathreen Gough and later Melinda Moor, who critically revised earlier research results. Irawati Karvé also devoted parts of her studies to the Nayar families, but the main research on matrilineal family systems was conducted by Leela Dube, an Indian anthropologist who reviewed several studies on this topic (cf. Gough, 1952; Moore, 1985). According to her "[T]he Indian joint family must be looked at as a process (cf. Dube, 1997, p. 11)."

Pauline Kolenda, one of the critics of the general thesis of the disintegrating joint family, conducted a meta-study in 1968 about the influence of social change on caste and family structure in India. In her book *Structure and Change in Indian Society* (1968) she draws three main conclusions from her research:

First, a general correlation seems to exist between westernization, urbanization, industrialization, and a tendency towards more nuclear families. This change can be regarded when agrarian societies change towards market cash economies, occupations in industry become more common, and education according to a Western model becomes increasingly accepted in Indian families at the end of the 19th century. But, according to Kolenda, this does not indicate the absorption of the joint family. Emigration to the cities might even have strengthened the joint family ties, as when men first left their families to work in


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larger cities, the rest of the family was economically dependent on those men and stayed together to form an economic unit that was supported by the income of the male family member living in the city (Kolenda, 1968, 340f).

Also in families with increasing income, the joint family might be strengthened, as this makes it possible to support many family members. In business families, the joint family might endure because of industrialization, as many family members have the potential to support the growing family business and in turn the family can rely on the business economically (Owens, 1971, p. 248).

Kolenda's third hypotheses is that the practice of dowry or groom price hinders the decline of the joint family system, as the dowry increased because of the demand for educated husbands and a joint family could more easily afford the sum agreed on, compared to a nuclear family with only one member contributing to the family income. Siwan Anderson also discusses the increasing dowry payments, up to six times the annual wealth of the bridal family, more recently in her article on changing dowry payments in Europe and India during modernization (cf. Anderson, 2003, pp. 270 and 277; Reddy & Caldwell, 1984, pp. 218 and 225; Kolenda, 1968, 340f).

Kolenda's basic remark, in accordance with other authors, is that industrialization is not a uniform process that follows a similar pattern everywhere in the world, with identical characteristics and results for family life. Therefore, it can be assumed that industrialization in India had different outcomes for families and changes in family life might be attributable to industrialization, westernization, and urbanization to a different extent and with different outcomes than in other countries (cf. Kolenda, 1968, 340f; Owens, 1971, p. 223). Findings from life-course analysis in Indian families present a similar result in an investigation of the influence of industrialization on joint families in India. Caldwell, Reddy & Caldwell conducted a longitudinal study over the determinants of family structure in rural south India (Reddy & Caldwell, 1984). They presented results that argued against the belief that the family structure is changing overall, or that there is a tendency towards favoring nuclear families in the Indian society. Their empirical findings are in accordance with one of Kolenda's older hypotheses, as they suggest that changes in family structure might be temporary, as the families experience change when undergoing life-course transitions. For example, a part of the family may temporarily leave the common dwelling to work in the city while the rest of the family stays on the common property, as long as enough wealth is accumulated to allow the family to stay together in the city (ibid., p. 217).


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### 4.1.3 Research at the end of the 20th century

After the 1970s, the interest in family and kinship studies in India decreased, but still research can be found concerning the growing influence of modern technology, exposure to media, and education outside of the family household (cf. Shah, 1968; Shah, 1999b; Shah, 1999a; Shah, 2005). The research became more detail-oriented, leaving the macro view on the whole family behind, while single elements, e.g., the role of women, education, and influence of technology became more prominent. Additionally, the more detail-oriented view also led to a more selective use of terms and concepts. As researchers in the past rarely differentiated between family and household, modern sociologists such as A. M. Shah advocated an accurate use of methodology. While he concedes a change in Indian families, in earlier publications, he criticizes the lax use of correct methodology, leading to confusion about the meanings of this change. It was often not made sufficiently explicit whether the family is changing in its composition or the household. In more recent publications, he negates the public opinion about the disintegrating joint households, as he advocates that the process is different depending on the social class of the family. One of his findings is that Sanscritization still takes place in Indian urban families, who put a new emphasis on keeping the extended family together (cf. Shah, 1968; Shah, 1999b; Shah, 1999a; Shah, 2005).

This overview about the literature on Indian families and the changes that influence them serves to show that throughout history, many different kinds of family structures existed that adhered to different lifecycles or genealogical systems like the Nayar in the south of India, or the traditional joint Hindu family in the north. Researchers did not agree on one main direction at any point in time. Subsequently, the results from the body of research literature suggest that a change in the families is taking place, and, while the direction of the change is still uncertain, the described outcomes are numerous: growing individualism and changing roles in the Indian joint family, an orientation towards the West concerning style of living and changing patterns in workplace structure, and an overall shrinking household size. These outcomes put pressure on traditional family structures in India, with their embedded norms, traditionally manifested in clear hierarchy and social rules (cf. Reddy & Caldwell, 1984, p. 218; Cohen, 1981, p. 52; Niranjan, Sureender & Rao, 1998, p. 287).


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## 4.2 The joint Indian family system during the course of history

In a first step, the quantitative findings concerning the norms and numbers among the families will be shortly discussed in light of their bearing on statements about business families. Subsequently, the focus will shift towards a more internal perspective on the norms, social rules, and values that traditionally exist in high-caste and high-income families and how they have been influenced by social change, in order to find out whether the changes in the landscape of families have also altered the communicative acts that define the familial coexistence.

### 4.2.1 Demographic changes and changes in the family – the connection in question

For the first time in 1872, and from 1881 onwards every ten years, a census was conducted in India to gain insights on household structure and social changes. Additionally, the National Family and Health Survey 1 (NFHS-1) explored demographic processes and data in 1992 and 1993, covering marital status, mortality and fertility, based on a sample of 89,777 ever married women and 88,562 households in rural and urban India. This survey was repeated in 1998 with the National Family and Health Survey 2 (NFHS-2) (cf. Beteille, 1992, p. 14; Singh, 2003, p. 55).

The numbers tend to differ depending on the type of research and the time frame during which they were aggregated. They usually show that the joint family form is still common, especially among high-income families, but all other forms, like nuclear or extended families, exist alongside the joint family form. Researchers tend to disagree on the trend the Indian family landscape is taking in general (Sooryamoorthy, 2012, p. 2). Quantitative research is rare to find. The little that can be found draws mainly on results of census and NFHS-1 data. Niranjan concentrates his study in 1998 (Niranjan, Sureender & Rao, 1998, pp. 4ff) on these results to ascertain that the joint and the nuclear family are increasing in frequency, while intermediate forms are less likely to occur. In a more recent article, he focuses on the difference in size and structure between rural/urban families and the connection between caste and family structure. His findings suggest that while the family size in itself is shrinking, it is not dependent on caste or religion, but on economic and landowning status, whether the family is joint or nuclear. Landowning families tend to remain as joint families, as do families with a high economic status (cf. Government of India, 1913, p. 46; Goode, 1963, p. 238; Niranjan, Sureender & Rao, 1998, pp. 4ff; Niranjan, Nair & Roy, 2005; Shrinivasan, 2012, p. 1; Singh, 2003, p. 58; Wheaton, 1975).


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The census data nevertheless cannot be used as stand-alone results or conclusions about the social construct of the Indian family, despite its informational value. First, it mostly neglects questions about the family and concentrates on the household level, and second, as India is a large country with several variations in language, religion and family structure, especially the data from rural regions has to be considered with caution. The term *household* might stand for different meanings depending on the analyzed region, while in urban areas more conformity and homogeneity in statistical assertions can be expected (Singh, 2003, p. 55f). In addition to the methodical flaws, there also has to be considered that statistical data cannot help to clarify the socio-cultural aspects of demographic factors and changes, as it concentrates on measurable and visible manifestations. Quantitative data, seemingly revealing de-facto information about family size only reflects a moment in time and cannot take into account changes due to life-courses of a family. Individual life-cycles and relations in a family also have to be regarded when trying to make a statement about the connection between family size and family structure (Wheaton, 1975, p. 606).

The data from censuses, especially from the first half of the century, have to be regarded with caution. The structure of the ideal joint family was taken as a prototype, despite the conceptual insecurity and the analytical biases of the researchers. Additionally, the census data gathered in India fit neatly into the picture deployed concerning the European family, where at that industrialization, modernization, and urbanization were also said to cause the disintegration of the family. Methodical flaws, Eurocentrism, and the evolutionary approach deployed by researchers at that time led to the assumption that families in India changed analogous to families in Europe (Patel, 2005, 27f). This over-simplification left out considerations about the "resilience of traditional family values and forms" (ibid., p. 29), which have been revealed in studies concentrated on the function and adaption processes of Indian families. With the help of these studies, "[t]he issue of jointness was delinked from the sole criterion of joint residence" (Patel, 2005, p. 29). While structural data suggests that joint families form not the majority of Indian households, the normative impetus deriving from high caste families still holds – the Indian family is preserving values deriving from the tradition (Chekki, 1996, p. 412).

This relates particularly to high-income families and entrepreneurs, as a study from the 1970s analyzed, according to which both first-generation business families and families governing the second-generation businesses preferred a commensal family structure (Owens, 1971, p. 248).

The following passages will give an overview about the setting of the ideal Indian joint family in normative means, to show what was desired and valued by the members of an Indian family in terms of roles and relations in the family. Additionally, a picture of a modern Indian family will be drawn, concluded from


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today's scholarly discussion. As mentioned beforehand, the literature on Indian business families is almost non-existent. Therefore, as the families of medium to large businesses belong to a high-income sector, this group will be portrayed, with references to business families wherever possible.

### 4.2.2 Portrait of the ideal/traditional joint family in the 20th century

#### The family as the primary place for socialization

The Census of India describes a family as follows:

> The household or family was first defined in 1872 as comprising. . . those who lived together and ordinarily cooked at the same hearth including their servants and visitors. In[the] 1881 Census, it was defined as comprising . . . all those persons who actually slept in the house or compound on the night of [the] 17th [of] February, 1881. From 1891 till 1941, the term 'family' was used in place of Household. From [the] 1951 Census onward [,] again the concept of household was used in Indian Censuses. In [the] 1971 Census a household was defined as 'a group of persons who commonly live together and would take their meals from a common kitchen unless the exigencies of work prevented any of them from doing so' (Ministry of Home Affairs and Government of India, 2011).

The definition concerning the structure of Indian families according to the Indian Census is important in order to understand the official methodology unambiguously. Similar to Karvé's definition, it can be stated that the differentiation takes place mainly between the numbers of genealogically-related conjugal and/or single elements in one household that share one kitchen and religious rituals (Mullatti, 1995, p. 17f). This definition also shows flaws the research on the families in general experiences. Often not even basic terms are separated clearly from one another – while *household* and *family* can be two different concepts, they are used simultaneously.

Besides research on the empirical distribution of different family types and the structure of different household types in India, the psychological aspects of changes occurring in the family are equally important for being able to display a complete picture of the Indian joint family. According to socialization theory, children have to acquire the norms of the social environment in which they live. Jeffrey Arnett, in his article "Broad and Narrow Socialization: The Family in the Context of a Cultural Theory" (1995), describes the socialization process as follows:

> Every member of the particular society has to acquire three goals:
> (a) impulse control, including the development of conscience, (b) role preparation and performance, including occupational roles, and roles in institutions such as marriage


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> and parenthood, and (c) the cultivation of sources of meaning – that is, what is important, what is to be valued, what is to be lived for (ibid., p. 618).

According to this definition, and according to S. Miller (2014), who describes the family in the Stanford University Encyclopedia as the fundamental social institution that serves as the environment where most of the norms and social rules are established, the different family members in the Indian joint family are involved in a socialization process starting at birth, a process during which they acquire norms, cultural beliefs and values. This process is important in order for the family members to become and stay accepted members of their society. This socialization process is the core content of the next chapter. It will show the different roles in the family and how the socialization in the family is marked by the acquisition of norms, values, and beliefs of Indian society transferred to the coexistence of the members of the traditional joint family.

## Roles, transitions and socialization in the traditional high-caste Indian family

The traditional prototypic northern Hindu joint family was patrilinealy defined and patriarchally and hierarchically structured. Family members were counted over patrilineal descent, over the father-son relationship over generations, and the male line of the family defined agnation and status, while female members were either in-laws or daughters who would leave the paternal family after their marriage (cf. Anderson, 2003, p. 272; D'Cruz & Bharat, 2001, p. 168; Shah, 1964, p. 4; Uberoi, 2010, p. 114).

Marriage usually strengthened existing hierarchical differences in the society, as endogamy was common. Thus, the status of a family usually did not change after the marriage.[11] At the same time, in cases where hypergamy was exercised, usually the bridal family sought status enhancement, as wives adopted the status of their groom's family after marriage. In many cases, marriage served as a social alliance between two families, accompanied by rituals, ceremonies and gift-giving procedures, which clearly defined and strengthened the hierarchical differences between the two families, especially in cases where hypergamy was exercised (cf. Madan, 2010, pp. 302, 304; Uberoi, 2010, pp. 230, 232). In most cases, the traditional family includes a patriarch, his wife, unmarried daughters and sons (married and unmarried), who live together with their wives and children in one household. Sometimes widowed family members might also enlarge the joint family (cf. Mandelbaum, 1948, p. 123; Shah, 1964, p. 12).

The system of the joint family was upheld by a segregation of sexes in daily

11 The term endogamy stands for the system of marriage, where women are allowed to marry inside their own social group, in the Indian case for example inside their caste, or forbidden to marry outside their social group (Dumont, 1980, p. 112).


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life, the denial of romantic relationships prior to marriage through arranged marriages and also the avoidance of open romantic relationships between married couples after marriage. Additionally, the adult-children relationship, especially between male family members, was valued higher than the husband-wife dyad and the birth of a son was considered an essential part of family development (Chanana, 2001, p. 40). Nevertheless, the main importance lies in the relationship between different male coparceners and their offspring. Hierarchical differentiation between older and younger brothers helped to avoid rivalries between the siblings. To minimize the concentration on the marital dyad and the parents-children relationship can be regarded as "system maintenance" (D'Cruz & Bharat, 2001, p. 168) of the joint family system. It reduces the importance of single nuclear families and instead places emphasis on the stability of the joint family (ibid., p. 168). In contrast to the west, where the marital relationship and parent-child relationship are considered to be most important in the family, every family member in India is obliged to consider the results of his or her actions on how it influences other family members; family welfare is considered to be more important than an individual's well-being (cf. Cohen, 1974, p. 28; Derné, 2000, p. 325). This is common for families living in societies that are said to reside in the collectivist spectrum rather than in the individualistic when comparing societies by means of group interaction (Hofstede, Hofstede & Minkov, 2010, p. 91).

Despite all the different family forms existing in India, the family life and its internal functionality with various roles and relations of the high-caste Hindu joint family in the northern parts of the country remained an ideal model for many families. As the Sanscritization influenced families of all castes, it can be assumed that the following patterns could be found or at least were desired in many families, especially in those of high castes. Business families did not necessarily belong to the highest caste, but successful business families belong to a high-income range of the Indian society and repeated prototypic patterns. Therefore, it is appropriate to assume that the family life of business families followed a similar pattern in the past.

As a first constraining remark, which has to be made before going deeper into descriptions of roles in the Indian joint family, it is important to consider that status and roles may vary the lifecycle of a family and every family member will successively have different statuses. While this holds true for families in all societies, the Hindu religion prescribes an ideal of four life-stages – the Āshramas – which humans perambulate. Each is defined by certain ritual duties and could be interpreted as the combination between worldly and spiritual order. While they never have been binding, they offer structure and orientation in the modernizing society (von Brück & von Brück, 2011, pp. 122ff). This change in roles and statuses will be explored in this section. It will show the importance of


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ritualized collectivism and hierarchical structure in the Indian joint family, but will also incorporate the changes to which it is subject due to influences from a modernizing society.

### Interaction of different roles

The following portraits on the different roles of the joint family are presenting a prototype, which in reality will inherit many differences and variations. Nevertheless, they shall aid in gaining an understanding about the preconditions influencing the communicational set-up of business families in India.

In general, authority in a family went along with seniority: this means that the elder members of the family had the decisive power over the younger members of the family. This was particularly true in case of the eldest male of the family, but also the eldest female had authority over many aspects in family life (cf. Cohen, 1974, p. 29; Sharma, 2010, p. 345). The father or the eldest male in the family, known as the patriarch, usually headed the family. This was true for different aspects, but equally for the ownership structure of family wealth. In the past, the patriarch could decide over all matters concerning the life of other family members, be it their clothing, their choice of food, their education, their future spouses, or even in extreme cases, the question whether to live or not (e.g. in case of widows). In the family hierarchy, he held the highest rank, and this position defined the relationship with other family members, which was usually formal and shaped by ritualized behavior. Decision-making and general authority over family concerning questions were in his hands – his word was taken as law (cf. Cohen, 1974, p. 29; Mullatti, 1995, p. 16; Singh, 2003, p. 58). In the joint family system, men were usually responsible for the economic aspects of family life, while women cared for the household and family relations, at least in the high and upper-middle class families (cf. Khatri, 1975, p. 634; Shah, 1964, p. 8). The head of the family could be the father or the grandfather, but the next eldest male would inherit his position following his death. He was responsible for maintaining harmony and fairness in decisions concerning the family (cf. Karofsky, 2000, p. 340; Mullatti, 1995, p. 16; Ward, 2000, p. 274). As he was usually the main earner of the family, especially in cases where the family owned a business he founded, he decided over the education of family members and allocated the family wealth. This position as head of family defined his juridical status of being able to decide over all matters concerning the family and not being accountable to any other family member (cf. Owens, 1971, p. 226; Sontheimer, 1977, p. 205). The residence and income of the family was commonly determined by the male side of the family. Female family members usually did not have their own property, but they had the right to maintain the property (cf. Mandelbaum, 1948, p. 123; Shah, 1964, p. 12). The patriarch decided over oc-


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cupational choices, over the future brides of his sons and also over the schooling of his grandchildren. The responsibility of the patriarch was not only to care for his children, but for all children in the family, also nephews and nieces (cf. Goode, 1963, p. 240f; Owens, 1971, 248f). His position was not questioned in the past, even when literature already suggested a change concerning the notion of hierarchy in the family: Already in 1963, Goode declared that the position of the patriarch had changed compared to the position held by the patriarch two generations earlier, as new occupational choices gave the younger generation more possibilities to move away from the family (cf. Goode, 1963, p. 240f; Owens, 1971, p. 245). His position also changed concerning the choice of brides for his sons. Owens states that this already changed when he wrote his article, as the *Kartas*[12] he interviewed still hoped that the sons would let them choose their brides, but knew that the sons might meet women outside of their sphere of influence and also decide on their own when and whom to marry without asking for permission (Owens, 1971, p. 245). Nonetheless, children are still seeking approval of the family before the decision is taken (Sooryamoorthy, 2012, p. 4).

The relationship to his children was marked by affection. Nonetheless, displays of affection were not shown openly or publicly, and they also tended to be avoided inside the joint family (Das, 2010, p. 209). There are contradictory declarations in the literature (cf. Das, 2010, p. 201; Gough, 1956, p. 834f) as to whether there was a closer relationship between father and children or mother and children.

The western case, where parents are responsible for their children and decide alone over matters of education and upbringing did not exist. Rather, the whole family could take disciplinary measures towards the children of one couple in the household. This could lead to conflicts in the families, as the wives did not necessarily agree on the methods of education deployed by uncles or the grandfather. In this case, the father had to take a position in the conflict, deciding whether to agree with his wife, who is an in-law, or with his brothers. Usually, fathers tended to agree with their side of the family instead of showing loyalty to their wives (Gough, 1956, p. 835).

The power of the patriarch concerning the education of his children was particularly important in business families, as the sons would be trained by the father and other male family members, such as uncles or their grandfather, for successorship. Therefore, the male line of the family, especially the father of the children, took care of the educational process in case of business families. Usually the eldest son was meant to take over the family business, as the concept of primogeniture was applied. His education was strictly concentrated on suc-

12 'Karta' is the name for the head of the family, typically the eldest male, who has the power and liability of decision making in the family.


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cessorship, and the father would already take him to the family business at an early age. The son's training would continue in the family business, but his formal education took place until the he was old enough to enter the family business. If he were the eldest son, he would become the successor of the patriarch, while his brothers took over different positions in the family business. The father would govern this process, deciding over the positions the other sons took (cf. Owens, 1971, pp. 226f and 229). Higher education played no significant role, as it could distract the son from his prescribed path in the family business. His position in the family hierarchy was lower than that of his father or mother. His father would choose a wife for him, who moved into the family after marriage. As soon as the son and his wife were old enough, the birth of a son was expected. The son met his father with courtesy and respect, never expressing open disagreement with him. Until the death of the father, the hierarchical relationship remained stable. This dynamic also continued after his death, as the son had to honor his dead father on various occasions (Gough, 1956, p. 835). As mentioned before, the choice of the wife was in the hands of the father. For the son, it was not common to meet his future wife before the marriage. This pattern changed in the middle of the 20$^{th}$ century, as by this time it was more accepted in society that sons and chosen wives would meet before the marriage took place. After marriage, the relationship to the father would alter, as son and father lived their marital lives separate from one another, but later the two were drawn together again when the education of the children, resp. grandchildren occupied both generations (ibid., p. 837). In general, there is a preference for sons in India, and giving birth to a son is important for the development of the family (cf. Arnold, Choe & Roy, 1998, p. 301; May & Heer, 1968, p. 199).

According to David May and David Herr, who analyzed the interlinking between son preference, child death rates, and family planning in an empirical study in India in 1968 (May & Heer, 1968, p. 200), there are different reasons for this phenomenon. Firstly, sons are seen as supporters for the family income and daughters as a liability due to the dowry system. Secondly, another reason for son preference embedded in the Indian culture was the exertion of various religious rites, as e.g. the *srāddha* rite, which was restricted to men of the family.[13] Daughters are not allowed to perform this rite and in the event that no son is born in the family, the grandson has the duty to perform this and similar rites (cf. Arnold, Choe & Roy, 1998, p. 301; May & Heer, 1968, p. 200).

The son preference indicates not only an emotional favor for sons, but also additional burden for the young men to perform according to their parents will.

13 The *srāddha* rite is a social and religious Hindu ritual, performed after the death of a family member and afterwards on a yearly basis. It shall save the deceased member from going to hell after its death (Nicholas, 1988, p. 368).


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The early childhood of a son was marked by the love of both of his parents and open affection shown by the mother. But already from an early stage on, the mother distanced herself from her son, as the father and the patrilineal kinship took over the education. Usually, sons in high caste families grew up much protected until they went to school at the age five or six. The relationship to the father remained close throughout childhood and adolescence. The son was obliged to obey his father and to show respect. He was forbidden from defying his father, both in the public sphere and the private sphere (cf. Cohen, 1974, p. 29; Gough, 1956, p. 834f). Sons were also privileged concerning the division of heritage. The division of immovable heritage usually took place equally among the brothers, as they were the ones staying with the family. After the death of the patriarch, the property would be equally divided between the brothers. The representative aspect of the patriarch's power is clearly shown in the ownership of property. Theoretically the property belongs to the patriarch of the family. But at the same time, the property held by the patriarch was in the ownership of every male in the family, as at the time of the patriarch's death the property would be either shared equally among the next generation of males or held by a non-partitioned family over generations in a "brotherhood of relatives" (Uberoi, 2010, p. 9). Following the rules of primogeniture, the eldest son of the patriarch headed this brotherhood. The Hindu law has own juridical forms for this kind of ownership structure, called the Hindu Undivided Family (HUF)[14], which gives Hindu families the opportunity to keep property undivided in the hands of a family with taxation advantages, thus incentivizing this structure. Business families also used this corporate form for tax reasons (cf. Reddy & Caldwell, 1984, p. 222; Sharma, 2010, p. 351).

The role of daughters differed significantly from the role of the sons in the traditional joint family. As they were supposed to leave the family after puberty, parents treated them with high affection during their childhood in anticipation of an early separation. Formal education did not play an important role, as it was certain that the girl would leave the paternal household after marriage to become a member of another joint family. Here she would learn to fulfill her position in the marital household, without having become acquainted with her husband or the family beforehand (Karvé, 1953, p. 75). Formal education was even regarded as a threat to her future as wife and mother and her role as stabilizer and keeper of the household. Therefore, the girls were trained to care for the household. This

14 HUF or "Joint Hindu Family Business" is a distinct organizational ownership form in India, restricted to Hindu families and subjected to Hindu law, not contractual agreements. All members of the family are regarded as *coparceners* with limited liability (restricted to their share in interest) who do jointly business under the control of the Karta, who heads the business and the family with full control and liability. The business remains in its form an HUF as long as the family keeps the estate undivided (Ministry of Communications, 2016).


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training would be continued in the marital household, where the daughter would be under the surveillance of her mother-in-law and her sisters-in-law. But, in order to find a husband with at least the same social status, also girls received some education, sometimes in homeschooling or self-learning. With this basic education, their value on the marriage market would rise (Chanana, 2001, pp. 47 ff).

Young wives in general were in a difficult position, as they were strangers to the new household, aiming to integrate themselves into an already-established family unit after marriage. The young age of the spouses at the time of marriage facilitated the preservation of the unity, as the new wives adapted to the existing rules in the family more easily. At the same time, the women not only had the possibility to adjust to the new household under the authority and with the support of an elder generation, but they were forced to adapt to the new family and, depending on the size of the family, also to other spouses. As there was no constant contact to her genealogical family, except to seldom visits, she could not rely on their support during the adjustment phase (Karvé, 1953, p. 75). Concerning the heritage in cases where the fathers died, despite the *Hindu Succession Act* from 1956 that legally enforced the position of daughters by constituting equal sharing of heritage between relatives/siblings, women have not usually been entitled to parts of land or company shares, as they have been the ones to leave the family after marriage and the threat existed that the shares would leave the family along with her (Reddy & Caldwell, 1984, p. 222). Especially before, but also after the passing of the bill, it was common to give movable property in the form of gold, money, or household appliances and clothes to the bride or to the family of the groom (cf. Sharma, 2010, p. 343 f; Uberoi, 2010, p. 235). This could happen in the form of a special kind of dowry instead of shares in the family business, or also as presents to represent the wealth of a family and to display the economic status of the bridal family (cf. Gough, 1956, p. 834; Sharma, 2010, p. 343).

The dowry could amount to six times the annual income of a family, which was one reason for the favoritism of sons in the traditional Hindu joint family. The practice of dowry and also its opposite, the bride price, is nowadays highly criticized in public and forbidden since the passing of the Dowry Prohibition Act in 1961. It is nonetheless on the rise, especially in urban areas in north India, which is traditionally the most dominant area concerning dowry payments (Anderson, 2003, p. 270). In these areas, especially high-caste families practice an intensive form of dowry-giving for different reasons. Firstly, the family of the grooms gets paid for accepting a non-productive family member, as the wife will not contribute to the family wealth. Secondly, in high-caste families, the market for grooms suffers under an excess of demand. Thirdly, and maybe most significantly, the dowry might serve as a form of pre-heritage. But in cases of


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business families, women traditionally had no stake in the inheritance of the parental business. Thus, this third reason is contradictory. Women only seldom received the dowry for their own disposal; rather, the family of the groom would receive it as a gift from the bride-giving family (cf. Uberoi, 2010, p. 234 f; Sharma, 2010, p. 351 f). Also in groups where a bride price has been traditionally exercised, Sanscritization has led to the rise of the dowry method (Uberoi, 2010, p. 233). The gift-giving would remain a usual practice in North India, as always when the bride-giver, i.e., the father or the family of the father, meets the family and especially the male members of the wife-taking family, he brings gifts to honor the family (Sharma, 2010, p. 343). Included in this gift-giving rituals, which clearly defined the hierarchy between those two families, were different other procedures to show the respect and submissiveness, as e.g., ritualized foot washing procedures or the form of reception.

At the beginning, the young wife occupied the lowest rank in the new household hierarchically. The young wife would display modest behavior, not being open with her wishes concerning family life or the use of her dowry and also being expected to show respect and subordination to other family members. Education supported this behavior, because girls were trained to be obedient and modest from a young age on (cf. Chanana, 2001, p. 53; Sharma, 2010, p. 344). The life of the young daughter-in-law in the new household was shaped by constant surveillance from her mother-in-law, her sisters-in-law, and her husband, especially in the period after her marriage and before she received her first child (cf. Das, 2010, p. 212; Gough, 1956, p. 837). In cases where the daughter would take up paid work, she would give her income to her parents-in-law, who would pool and administer her money together with the income of other family members. The Hindu Succession Act of 1956 did not alter the reality in many north Indian joint families (Sharma, 2010, p. 342). The wife had to adapt to a completely new household, often at a very young age and without the support of her parental family or of her husband, as privacy in western sense was rare and usually a separation between male and female family members took place during the day. Additionally, the husband would suffer from conflicts of loyalty in cases where he had to decide between his wife and his family, especially his mother, as the wife was said to interrupt the dyad between mother and son (Shah, 1964, p. 8).

While the dyad of husband and wife was highly valued, as demonstrated in ancient texts, open affection was not appropriate to show, neither in public nor in private when other family members were around. The status of the wife significantly changed after the birth of a son. Then she herself formed a part of the relationship she formerly interrupted and was accepted as a full family member who contributed to the male line of the family and thus also to the family prosperity. As a mother, she would have to obey her husband, but at the same


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time, she was able to influence him on a subtle level, especially in questions concerning the household or the education of children (Chanana, 2001, p. 47).

### 4.2.3 The traditional Indian family: A synopsis

Extracting from the various research-sources, it can be assumed that the joint family was never the dominating form of household structure in India, but that even when the household type the family was living in was *nuclear*, the relationships with non-resident family members were kept up as being *joint* (Niranjan, Sureender & Rao, 1998, p. 1). And despite any labeling, the high-income families continued to organize their coexistence in a traditional manner, with clear hierarchies, social rules, and norms:

> What is far more important, in sitting, speaking, eating and many other 'trivial' things of life, a number of rules of etiquette and ethic (all subsumed under the term 'proper conduct') have to be observed by one member toward another, and every kinship relationship has a code of 'proper conduct' attached to it. (Shah, 1964, p. 8)

As stated above, there is no real change in household composition noticeable during 100 years of census reports. Nevertheless, there are reasons why families lived in joint households, while other families lived in nuclear structures. There are also reasons for an increase both in nuclear and joint family households, while other types of household structure[15] tend to become less frequent.

One possible correlation is seen between literacy rate, family income, and an increment of nuclear families. Lower income often correlates with less literacy in families. In those families, the joint structure could impose an additional economic burden, and thus the head of the family might decide to promote a nuclear structure for his household.

On the opposite scale of income, the number of joint families increased (even if only minimally) over the years. This may be due to different reasons. On the one hand, families possessing land are on the one hand in the need of manpower, which is fostered by joint families in which the sons stay with the family. On the other hand, as mentioned already, a joint family structure is more expensive to be kept, which can be easier when the family is possessing land for cultivation. Business families also tend to stay in joint families. A reason for this may be the practice of property staying with the senior member of the family. In general:

Households with a high standard of living prefer to live jointly than being nuclear. The detailed analysis of the present data suggests that most of the households having a higher standard of living either own agricultural land or

15 Single member, broken nuclear and supplemented nuclear families.


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have property in business. (Niranjan, Nair & Roy, 2005, p. 648) The main promoted reasons for a decline of the frequency of joint families in India is industrialization and urbanization. This reasoning inherits two difficulties: First, no real decline in the number of joint families can be seen over the course of the last 120 years. Second, as landowning families or families with a higher income tend to live more in joint family structures than families from lower or scheduled castes and tribes, the industrialization hypothesis does not hold, as they would have been equally or more greatly affected by industrialization and emigration to the cities than land/business-owning families (Niranjan, Sureender & Rao, 1998, p. 10ff).

The statistical data show that joint families not have formed the dominant form of Indian households in the past or today, but the function and implication of the traditional joint family is in the mindset of many Indians still an example for a normative right way of living. Therefore, the investigation of the meaning of the joint family and its specific characteristics is important to understand fully Indian business families and their distinctive ways of managing conflicts. Regarding the roughly drawn regional differences between northern and southern states, it has to be stressed again that there is not *one* Indian family and therefore also not *one* single way of conflict experience among Indian joint families. As mentioned in previous chapters, the joint family presented in literature serves mainly as a role model, retrieved from high caste, north Indian families. This "model" family cannot be taken as the only significant family structure in India. But there can be an investigation of the ideal types, keeping the regional differences in mind and pointing them out where applicable.

### 4.2.4 The Indian family at the beginning of the 21th century – the integration of modernity and tradition

#### Organization of the modern Indian high-income family

As the data from the recent census collections has shown, the change in numbers concerning the family forms cannot be interpreted with the aim of a final conclusion.[16] Joint families exist and high caste/high income families more likely live in joint structures than families from a low-income range. Being joint is not mandatory or the dominant form of Indian household composition, but being joint as a family forms a substantial part of the mindset of Indian families. Even if many families live in nuclear forms today, the different elementary families, no

16 As described in section 4.2.1 census data can only be used with reasonable precaution and cannot be used to draw general assumptions about family structure.


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longer forming one household, feel as a joint family, closely knit together in kinship structure (Shah, 1999b, p. 235). In summary, it can be concluded that the joint family still is the functioning unit, even if, from a structural viewpoint, industrialization and modernization technically led to a growing number of nuclear families, especially in an urban setting (Singh, 2003, p. 53). As the family forms are changing, so is the coexistence in the families. Influences from *outside* are altering the family life, but while quantitative studies have proven that the majority of families today live in nuclear settings, research suggest that in rural areas, and maybe as well in business families, the group tends to stay joint in its functioning (Tuli, 2012, p. 83).

A trilateral resume can be drawn out of the previous sections:

1. Even while many families live in nuclear structures, the ideal is still the joint family in the psychological reality for many Indians.
2. In high income families, the joint structure is more common than in low income families.
3. The family remains the most important social institution in India (ibid., p. 82).

While in the past, rules, hierarchy and norms formed a clear picture of the social coexistence in Indian families, nowadays the situation is different: Due to societal changes, the Indian family changes, but develops an own set of norms, values and beliefs, different from the western family, but also different from the traditional Indian joint family. Its single members constantly have to find a balance between tradition and modernity, thus balancing values they consider important to be kept up with the influences of modern goals and lifestyles that are slowly influencing the whole society. This difficult situation is reflected in the relationships between family members.

The family in India is situated in its societal context which prescribes norms not only for "normal" life, but also for religious and spiritual life the *Dharma*, with guidelines and individual norms and obligations. Gupta refers to the significance of Dharma as follows:

> In its most concrete and particularistic application to society, Dharma implies a complex web of obligations and prescriptions applicable to all, though varying by social class, obligation, gender, age and position or context. However, the Dharma of a given individual, for example, may change according to time and circumstances. In fact, it is supposed to change from age to age (Gupta, 1994, p. 53).

The rules prescribed by the religious and societal framework are influencing families until today, but they are nevertheless subject to changes that form and alter family communication. Modernizing trends are incorporated, and the


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families aim at balancing traditional values while also incorporating new influences, striving to achieve a balance between tradition and modernity.

Therefore, their communication in many spheres has changed and in turn influences the ascribed and executed roles of the family as well as the socialization and inclusion of family members concerning the business communication.

### Roles and expectations in high-income families today

The Indian family has changed its communication to a great extent during industrialization, modernization and globalization. Nevertheless, it aims to keep family values and traditions alive, also concerning the upbringing of children, the education for business participation, and the communication in the marital dyad. The structural discrimination of girls is a commonplace when discussing India's societal rules. Inside the family, this often manifests in young girls receiving less food or insufficient medical treatment in case of illness (Kakar & Kakar, 2012, p. 52). But this form of particularly strong discrimination usually takes place in the poorer sections of the society. In high-income families, to which business families usually belong, girls will be cared for with the same affection as boys. After childhood, during puberty, a change from the past is visible. As it was common that girls left the family household at an early age, today the picture is somewhat different. They stay at home for a longer period of time. During this time, they learn all aspects of their role as a future housewife and caretaker for their husband at home. During puberty, the treatment of girls and boys will start to differ at home. Girls will have to accept different rules concerning their behavior in public and at home, as their contact with the opposite sex will be restricted. The timeframe of her puberty is on the one hand highly welcomed, with different rituals accompanying her biological development. On the other hand, the sexuality of young women is regarded with anxiety by other family members, as it could disturb the family's standing in society, when shown too openly by disregarding the rules of how to behave in public. Young women will accept those more or less strict rules and restrictions, as it is their "Lebensrealität" (Kakar & Kakar, 2012, p. 58), i. e. their "life reality". The situation is given, and for familial cohesion, pride, and social standing as well as for their own future as brides on the marriage market, they accept it without challenging it to a major extent (ibid., pp. 57 ff).

Despite these roles-ascriptions, their formal education no longer differs from the education sons are receiving as much as it did in the past. Giving young women access to higher education is considered to be important; in this way, young women can support the household economically after their marriage and as well as become independent in case of a divorce. A woman's education also


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helps her to gain decisive power towards her husband and other family members (cf. Conklin, 1988, p. 198; Kakar & Kakar, 2012, pp. 52ff Mullatti, 1995, pp. 19 and 22). Management, science and computer courses are appreciated among young women, as after 1991, the unleashing of the Indian economy resulted in a larger demand for trained and educated employees (Chanana, 2001, pp. 39 and 55). There is a change in the marital age and rise in women's level of education. Especially in well-educated families, there is a noticeable decline in the number of children a woman gives birth to. During marriage, the picture is similar with other time-frames in the life of a woman: the position of the wife in the family has changed and due to her education, the woman has more decisive power and is not as submissive to her new family members as it has been described in the past. Modern education of young women is embedded in societal and familial expectations at every stage of their lifecycle. Nevertheless, parents and the extended family are considered as the main deciders concerning decisions about their daughters' career and marriage. They exercise this power by influencing the psychological reality of a young woman in different stages in her lifecycle (cf. Beteille, 1992, p. 17; Chanana, 2001, pp. 55ff).

Social change alters her position towards her husband and balances power in the dyadic relation. The relationship to her mother-in-law is also changing to some extent. Traditionally, her role as a new female threatened the close relationship between mother and son. It thus led to her experiencing aggressive behavior. Nowadays, mothers-in-law and brides usually treat each other cordially, despite their different situations as working brides versus stay-at-home mothers-in-law (cf. Conklin, 1988, p. 198; Mullatti, 1995, p. 22).

At the same time, her place in society is mostly fixed as being the wife of her husband. Due to the role she adapted during childhood and puberty, she will still perform as expected by other family members. Their acceptance and endorsement is very important for her well-being in the marital household and her self-acceptance. The situation with other female family members is not as difficult as it was in the past, but it is nonetheless still conflicting. Due to arranged marriages, the family is still strange for the daughter, but her modern upbringing will help her to find a position in the family hierarchy that represents traditional values and modern education at the same time (Kakar & Kakar, 2012, p. 61f).

The role of women in business families is undergoing a visible transition. While the traditional place for women was the household, as they took care of its organization and their education was restricted, young women nowadays receive the same education as men concerning internationality and degrees. Nevertheless, the generation that is now married to the business owners is usually not directly engaged in the family business management, but caring for the philanthropic services of the business (cf. Harriss-White, 2003, p. 118; Ward, 2000, p. 274). Concerning their role in the ownership of the business, the afore-


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mentioned alterations to the Hindu Law and Succession Act from 1956 promised equal rights of inheritance. Nevertheless, usually they were rather equipped with movable goods instead of participating in ownership. This has legally changed to some degree in 2005, when the sixth amendment to the Succession Act reinforced their participation. Today, young women are increasingly taking part in the ownership and management of the businesses or in managing own ventures under the parental umbrella (cf. Ward, 2000, p. 274; Rajaratnam, 2011).

In summary, nowadays daughters are treated differently in their family than in the past, at least to some extent, and their position in the family communication has also changed. Academic honors are important, but at the same time the Indian woman is expected to be submissive and adapt to the rules concerning the behavior of women in order to become a decent wife. She will still be submissive to her husband and other family members in case of a joint family, but nevertheless, due to her education, she will have some decisive power towards her husband regarding decisions concerning family life. The whole family has to balance tradition and modernity and likewise, young women have to find their position between the two poles (Kakar & Kakar, 2012, pp. 49 ff).

For sons, the picture did not change to the extent of that of young women. As before, the birth of a son is expected and desired, and his formal education is more important than that of the daughters. Still, the son is trained to become part of the family business in business families, in order to become the successor of his father as soon as the father is too old to head the family business or following the death of the father. In general, the birth of a son is desired for various reasons: in the business context, he carries on the family name and is supposed to take over the parental business, while with regard to the family, he is supposed to perpetuate rites and traditions from which women are excluded. Nevertheless, in modern settings, daughters and sons will be equally cared for and treated during their childhood by their parents. The elder generation, as for example the grandparents, might treat the children differently according to their gender, as they are still more on the traditional side than the parents (Kakar & Kakar, 2012, p. 50).

The education of sons today differs to some extent from the education sons received in the past, but is still concentrated on ensuring a successor for the patriarch in the business, as hereditary leadership is the guiding principle (Sharma & Srinivas Rao, 2000, p. 321). Traditionally, it was common to educate sons starting at a young age inside the family business under the surveillance of a professional or senior family member. Nowadays, education outside India is common, as it enables young Indians to acquire a certain degree before entering the family business already in a powerful position. Nonetheless, experience in other companies is not valued to the same extent as experience inside the family firm (cf. Sharma & Srinivas Rao, 2000, p. 320; Sampath, 2001, pp. 61 ff). Their


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role in the business family is shaped by their future as business leaders. In families with more than one son, in the business either the eldest will take over the position of his father, or the business will be split to ensure managerial positions are divided between all of the sons. Daughters take over managerial positions in the family business in families with no sons. Family communication is still concentrated on the enforcement of traditional rules, and the eldest son will become the head of the family after his father's death (cf. Sampath, 2001, p. 61ff; Ward, 2000, p. 274). The relationship between the two is crucial, as the son is expected to take over the business. Therefore, often a strong relationship based on an obedient son and an authoritarian father is to be found in successful business families. In this case, the succession can take place smoothly, as the son will be willing to follow his father's lead. Especially in cases where the father was the entrepreneur, the relationship will be marked by the son's ability and willingness to succeed his way (Sampath, 2001, p. 56f).

Nevertheless, with more daughters participating in business communication, the position of sons is threatened (cf. Sharma & Srinivas Rao, 2000, p. 315; Ward, 2000, p. 276). Not only due to this fact, but also owing to social changes that put pressure on families to adapt to modernizing surroundings, the sons in being the future business leaders are struggling to balance different sides. One the one hand, their willingness to modernize businesses strongly exists, and aggressiveness, risk taking, and independence is encouraged by the previous generation. On the other hand, they are afraid of the conflicts this modernization could instigate (Sharma & Srinivas Rao, 2000, p. 320). They are respecting their fathers' will in business decisions and are willing to keep the family ties intact, but seek independence at the same time. Regardless of their future in the family business, the responsibilities towards the family remain unchanged, as they have to take care of their family members in both the older generation and the younger generation as soon as the parents need assistance (ibid., p. 314f). The changes for sons in the succeeding position are also visible in their private future as husbands. The authority of the patriarch is diminishing, as young men and women start to decide on their own over questions the father answered in the past. These decisions include the question of whom to marry or which career path to follow. For example, the institution of the arranged marriage helped to avoid possible future conflicts between the two families, as the alliances were carefully prepared beforehand in order to not interfere with existing hierarchical structures – today often the approval of the families is sought before the alliance is made official (Sooryamoorthy, 2012, p. 4).

As marriages are considered to build a union between two families, the choice of the right groom or bride is crucial for perpetuating families' social standing. Especially in business families, marriages are considered crucial for providing resources in the firm, as business communication is based on trust and moral


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conduct of a family to a great extent. A successful marriage with an equal family supports the standing of the business family in its surrounding society (cf. Harriss-White, 2001, p. 6f; Mullatti, 1995, p. 18; Ramakrishnan, 2012, p. 434; Yelsma & Athappilly, 1988, p. 41).

Family situations, for example marriages or divorces in nation-wide known business families, will be mentioned, analyzed and evaluated in the media.[17] Therefore, even if sons and daughters are theoretically allowed to decide whom to marry on their own, parents often still make at least a pre-selection to guarantee a satisfactory alliance without turmoil between the two families (cf. Kakar & Kakar, 2012, p. 60; Yelsma & Athappilly, 1988, p. 41). The relationship of the marital couple has changed to a great extent. Equality between both partners is the desired norm that also includes the decision-making processes in the families (Sooryamoorthy, 2012, p. 4). Today, as not all families share one common household, especially in the high- and middle- range of the Indian society, privacy in western sense is more common. This could lead to a higher importance of *romantic love*. And in fact, the romantic relationship as a couple increases in importance, but with a different time frame than in western families. In an arranged marriage, romantic emotions should evolve after the marriage and remain stable during turbulent times, but emotional openness between the two partners does not play a decisive role in the level of satisfaction in a marriage (cf. Kakar & Kakar, 2012, p. 60ff; Yelsma & Athappilly, 1988, pp. 38ff). The joint family, if it exists, can be supportive for this kind of relationship, as it can also serve as an object of aggression. The couple can take the joint family as the catalyst and object, directing the aggression towards individuals other than the partner (Kakar & Kakar, 2012, p. 72). Additionally, major open conflicts between husband and wife would not evolve, as the woman is trained from childhood on to consider her future husband as the dominant partner with decisive power. Her submissiveness and precaution in discussions will lead to fewer open conflicts in a relationship. Regarding power structures, in a traditional Indian family nowadays it can be assumed that living in a joint family supports an unequal power structure in favor of the husband, as his family will support rather his side in a discussion (Conklin, 1988, p. 191). Nevertheless, the level of satisfaction in Indian arranged marriages seems to be as high as in marriages considered to be love-marriages. In this case, it is associated with lifelong commitment and not necessarily with marital communication. At the same time, love marriages do not always promise more equality or satisfaction for the couple, also due to a lack of support from the families (Yelsma & Athappilly, 1988, pp. 38ff and 48f).

17 The matrimonial status of former Tata CEO, Ratan Tata, was mentioned in several newspapers, as well as the marriage of Vanisha Mittal, daughter of Lakshmi Mittal, CEO of Mittal Steel (Times of India, 2011).


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As mentioned beforehand, the executive power of the patriarch is diminishing as the situation evolves towards toward a more egalitarian relationship within the household (Mullatti, 1995, p. 16). Nonetheless, the patriarch is the head of the household and his advice will be requested and respected in case of questions concerning private and business life. In very traditional higher caste families, he might even have the same role as his father used to have, but this differs to a great extent from one social group to another. During the past decades, his role became more the one of a representative for the family instead of having actual power over other family members. Therefore, his internal position as a respected family member with the most experience and wisdom is still reflected in the communication with other family members, but he cannot use the subsequent decisive authority that his father or grandfather used to exercise. His main duty is to balance the needs of every family member. In the past, this was carried out via authority, but nowadays he tries to achieve consensus. Nevertheless, he decides over investments as well as the general supervision and structuring of family assets lies in his authority. His authority in the business family is seldom questioned, but his power is not ultimate, as an excess may result in other family members rebelling against him. Furthermore, also his position as owner cannot necessarily be equated with absolute power: he is regarded as the steward of family wealth and has to take care of the HUF, albeit he may have built a successful business (cf. Dutta, 1997, p. 67; Sampath, 2001, p. 140). Therefore, it is also in the private interest of family members to respect his standing in the society.

In business families, his role is strengthened through his position as the business leader. He is not only regarded as the leader of the family, but also of the business. The aforementioned importance of marriages in terms of transaction costs also is reflected in the position of the patriarch. By cooperating with other males in the family, he can reduce costs through strong ties: costs for information flow and hiring- or capital acquisition-costs will be lower when the patriarch is capable of balancing the different needs of family members, especially of those working in the family business (Harriss-White, 2001, p. 6). The hierarchical position is used to ensure stability between the members working in the business, which is especially crucial during the succession process when the business gets partitioned between the children. The elder generation exerts control on the younger generation in order to keep the family members aligned and ensure the stability of the business system (Harriss-White, 2003, p. 120).


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## 4.3 Conclusion: Changing and preserved communication in Indian business families

The study of the Indian joint family cannot be a mere discipline of anthropology, concerned with genealogy and affiliation, but has to focus on the importance of the family as a cultural factor and a place of creation of identity (Uberoi, 2010, p. 36).

Concerning the changes and constants in the family communication, it can be concluded that while a change is noticeable, "[…]the moral commitment of most Indians to the family remains very strong, and may perhaps be growing stronger[…]" (Beteille, 1992, p. 17) and "something very much resembling the traditional Indian joint family, undergirded by the usual system of reciprocal duties, obligations, responsibilities and shared sense of identity or kinship, remains largely intact" (Gupta, 1994, p. 38). B.R. Agarwala has put together possibly the most comprehensive (in its brevity) picture of the joint business family, specifically of a Marwari/Mawadi family, as he observed it in 1955:

> The family system in these sub-castes [The Vayshias – author's note] is the joint family system. The characteristics of this joint family system are that its members live together, take meals at one place (when they are at their native place), perform religious and family rites at one place and collectively, are under the authority of the elder in matters of family and religion, joint investment of capital, joint enjoyment of profits, and of incurring birth, marriage and death expenses from the joint-funds. These are some of the conspicuous characteristics of the joint family life. I do not regard it as essential that in a joint family all the members should stay at one and only one place and eat in only one kitchen. For management of business a brother may stay at Calcutta, the father may stay at Delhi […] and manage the affairs allotted to them. This cannot be regarded as disruption of the joint family. What constitutes the essence of the joint family is their common way of living or way of living common to their constituents. The family control over the finances, the deciding of marriages by the elders, when all the members of the family attend, expenses incurred from the common fund, these are some of the essential features. In these families religious and ceremonial rites are performed when all the members of the family gather together and the eldest performs the sacred rites. In a joint family the eldest, the 'Karta', is the guardian, the man who has the controlling voice in the family, he performs all the family and religious rites. The marriages are arranged with the consent of the elder members of the family, and the individual member cannot arrange a marriage by himself nor can he perform religious rites. The Marwadi community has the above basic type of joint family structure (Agarwala, 1955, p. 142).

This lengthy citation sums up the situation of the traditional business family stemming from the Marwari business community in the 1950$^{s}$. Today, the situation has changed in some aspects, while in others not. A changing societal framework (often brought in relation to industrialization, modernization, and


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globalization) influences the communication in the families. It is no longer usual to stay joint under the same roof and share every meal together, as business reality and the wish for an autonomous family life foster the existence of nuclear families. Simultaneously, the expectations concerning equal treatment among family members are growing. Nevertheless, the families still aim at keeping traditional family values alive and do so by adhering to rules from the religious and societal framework in which they are situated. This is reflected, among other aspects, in various rituals the family performs together, in the hierarchy that is still maintained between younger and older family members, or in the minor participation of women in management of the family firm. Modernity is not regarded as an abolishment of the past, but rather as a method to reflect or "discriminate among elements of the past" (Gupta, 1994, p. 56). Therefore, it might be more suitable to look for the integration between tradition and modernity in the families than to regard those as poles which exclude each other, fraught with tension (ibid., p. 54).


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# 5. Families in Germany from a historical perspective

## 5.1 Introduction to the changing German family

The term *family*, very common today and seemingly easy to understand without ambiguity, had not always the same meaning, i.e. a group, related by common descent or marriage. Its usage only dates back to the 18th century and derives from the Latin word "familia", which merely described a *house-collective*, including family-members (in the contemporary meaning) and non-family members, like domestic servants and farmhands. The differentiation between the family and other individuals belonging to the household (like coworkers and servants) is a relatively new phenomenon (cf. Burkart, 2008, p. 119; Gestrich, 2010, p. 4).

Similar to families in any culture and to the changing meaning of the term, the family in Germany has undergone several structural and systemic modifications, influenced by and influencing societal changes in a larger framework: Social, cultural, economic and legal shifts in the society always had effects on the predominant family forms, while scholars tend to argue about the reasons for these changes and about the importance of the family as a factor for the shift from an agricultural based society towards an industrialized Europe (cf. Burkart, 2008, p. 40; Hareven, 1991; Sieferle, 2008, pp. 1 and 25 ff). To determine one influencing factor at a time is impossible, because usually it is a combination of several over a large time span, but nevertheless sometimes it is possible to establish a general line of argumentation for larger changes. Exemplarily this process and the different influences can be illustrated with a closer look at the phenomenon of a sinking birthrate in the sixties.

The reason for the declining number of births most common in general awareness is certainly the *Pillenknick* (or baby bust), i. e. the sudden drop in birthrates due to the introduction of oral contraceptives in the year 1962. But scholars also suggest another reason, not so known and discussed in public: the preceding rise in the number of children born, which led to the seemingly stronger decrease in the birthrate in the sixties. This rise in turn had been


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influenced by the end of World War II and the strongly growing economy, leading to the German economy experiencing a boom and to growing opportunities for families to financially support more than one child. Other influencing factors include the rise in industrialization and nationwide public pension plans, which reduced the need, common for an agricultural based economy, to have as many family members as possible working to ensure the provision of the family. More psychological factors, like the concentration on developing and fostering the personality of the individual child and its education again reduced the number of children a conjugal couple wanted to have (Sieferle, 2008, p. 17). Movements in the societal framework like the student's movement or the women's movement further changed the perception of when and how to establish a family. The educational expansion especially altered the family planning. Achieving a higher education, women gave birth to a reduced number of children at a later date, as opportunity and investment costs were rising. The traditional gender roles become less rigid when women theoretically can have the same professional status as men (Burkart, 2008, pp. 40ff, 72f and 120).

While it might be assumed, to discuss the structural development of families is a phenomenon that is not unique for the 20th century: Already in the late 18th century, the theologian Robert Malthus postulated more awareness concerning over-population in Europe, as he dunned that the agricultural-based society could not care for the population growing at this rate. He demanded the British to marry at a later age and to exercise sexual abstinence to reduce the number of children born. His rule is nowadays known as the *Malthusian marriage system*, which equals the *European Marriage Pattern*, a terminus developed by John Hajnal. It describes a pattern that was common in Northern Europe and Western Europe for several hundred years and influenced contemporary conjugal relationships. This pattern led to a high number of single-living individuals and marriage taking place at a later age (if at all); a reduced number of children born during a marriage and a high geographic mobility outside of the parental household (cf. Burkart, 2008, pp. 40ff, 72f and 120. Hareven, 1991, p. 100).

To sum it up, as the general discussion implies, not one factor led to a decrease in the number of children. Rather, several factors with different backgrounds altered family life. This in turn altered other patterns in society. These changes the family experienced and influenced cannot be fixed in a timeline, as the nuclear family seems to function as the base and the result in family development during the process of modernization (Stamm, 2013, pp. 31ff). Similarly, the family members undergo several stages during their lives, therefore turning the family to a nuclear or an extended one, depending on the phase the members are in. Life course research highlights these links between personal timing, historical patterns, and family requirements (cf. Hareven, 1991, pp. 106ff Wheaton, 1975, p. 606). The roles and constellations of the family system are not fixed; they


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change in the course of history, accompanied by societal changes in a larger framework and show the family communications being in "constant flux" (Hareven, 1977, p. 58). At the same time, to explain changes in the family with changes in the larger society has to lead to considerations about the society being a self-referential system that alters itself through recursive processes and influences its actors on a constant base (Sieferle, 2008, p. 3).

This introduction to the chapter shall demonstrate a pattern that will be valid in the following sections: not one reason can be held accountable for changes the German family has experienced and has changed the duties and functions of these families, be it structural or systemic. Historical, societal, psychological, and economic influences are altering society and thus altering the family. As a part of society, the family is triggering changes in society itself as an active participator and agent (Hareven, 1991, p. 111). A variety of different research spectrums are occupied with establishing understanding about families. Their explorations lead to various, partially contradicting assertions about the family during modernization (Stamm, 2013, p. 32). The following sections therefore cannot even come close to a complete insight in the history of the German family as we know it today and only aim to represent central findings. Those should serve as an explanatory base to understand the special situation the business family has to deal with and the historical developments that supported this setting.

## 5.2 From the extended household to a network of relationships

Different historians and sociologists remark one thing about the development of the family in Germany: There has been no linear process, changing the family from a joint to a nuclear one and possibly leading to a loss of significance of familial solidarity, but rather a general predominance of the nuclear family, situated in different settings in a household, sometimes accompanied by more family members, farmhands, employees, and servants and at other times rather isolated in a parent-child constellation and potentially changing to a network of relationships. Referring to Isabell Stamm's introductory remark about the significance of the nuclear family as the anchor and base of the modernization process (Stamm, 2013, p. 31), also in this chapter the nuclear family has a prominent position. Insights about the nuclear family build the foundation for further considerations about changes the family in Germany might have undergone already and will undergo in the future. It is built upon research of different historians and sociologists, such as Niklas Luhmann or Talcott Parsons, and more recently, Michael Mitterauer, Günter Burkart, Rolf Peter Sieferle, Andreas Gestrich and Isabell Stamm (cf. Burkart, 2008; Gestrich, 2010; Luh-


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mann, 1987; Mitterauer, 1978, 2004; Parsons, 2009; Parsons & Bales, 1956; Stamm, 2013).

### 5.2.1 The changing nuclear family during the course of history

Recent research assumes that the nuclear or cognatic family has been dominant in Western Europe for over 1000 years and has been a pattern specifically visible in Northwestern Europe (Sieferle, 2008, p. 2). Michael Mitterauer also features the family in his description of "Europe's special path" (Mitterauer, 2010, p. 2) and refers to the prominence of distinct characteristics European families historically supported share in comparison to families from other cultures.[18] These characteristics have been shaping the communication the families share from the High Middle Ages onwards. The basic premise is that the nuclear family is not a relatively new phenomenon, but that political, social and economic conditions always supported relatively small households centering around one marital couple with children. The development of the family was always shaped by the marital age of the partners, which in turn was linked to the economic possibilities of the adolescent men. Marriage was only possible when the young man was able to care for a family economically. This led to a later marital age than in other cultures, where the young couple was financially supported by a joint family (cf. Gestrich, 2010, p. 30; Mitterauer, 2004, p. 74f; Oesterdiekhoff, 2008, p. 48; Sieferle, 2008, p. 19).

The cognatic family is the core of most German families – it is not only a structural pattern, but also a psychological state of mind to belong to a nuclear instead of a joint family. It influences life cycles of family members, informal institutions that keep the family together and relations between the single individuals in the family. It also helps to define membership of a family. In Indian families, institutions including religious ceremonies and who participates at these rituals show affiliation to and identity of a family. Similarly, in German families, the participation at gatherings can explain the membership status of family members and relatives: who takes part at celebrations, who feels obliged to send presents, or who gets informed about events in the family explain psychological affiliation to a family system (Burkart, 2008, p. 142).

18 The original quotation is "Der Europäische Sonderweg", and sometimes the term "Sonderweg" is kept throughout research dealing with the topic. The translation "Europe's special path" derives from the introduction of the english translation of Mitterauer's work *Warum Europa? – Why Europe?*. For further information on the translation: Mitterauer, 2010, p. ix.


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## Form of the nuclear family

An early and prominent attempt to describe families in western cultures systematically from a structural viewpoint was done by Talcott Parsons at the beginning of the 20th century. He conducted structural and functional research projects on various family types, especially in the United States (cf. Parsons, 2009; or Parsons & Bales, 1956). He established in his works a systematic view on monogamous relationships. Mostly nuclear families derive out of such monogamous relationships, headed by a conjugal couple. *Ego* in these families is sooner or later in the majority of cases part of two nuclear families, in a filial relationship with his/her parents, called the "family of orientation" (Parsons, 2009, p. 23) and in a conjugal relationship with the spouse, forming the next family, called "family of procreation" (ibid., p. 23) (ibid., p. 22). Accordingly, the family is based on two relations: the vertical relation on generation or filiation, and the horizontal relation on gender and conjugality (Burkart, 2008, p. 168). The family is formed as a system constituted by communication and the creation of a sense of belonging, personal importance and acceptance of the whole person (Wimmer, 2014, p. 30f; quoting Luhmann, 2010, p. 14). The choice of the partner is historically seen not so much different from the Indian way. Arranged marriages with clear strategies in choice have been the norm in the past (Wimmer, 2014). Nowadays, the choice is theoretically free, but still influenced by social rules. The status and education the partners inherit shall be similar. The institutions used for the choice serve to stabilize these social rules, as most partnerships in Germany are started via workplace, educational institutions, or leisure time activities, where people from similar backgrounds are involved (Burkart, 2008, p. 175f).

The modern family in middle Europe and further west is open and multilinear, which means that marriage is theoretically allowed with every possible partner, as long as the relation is not endogamous. Further, a difference from families in India is that the focal point is not on patrilineal descent, but on the conjugal relationship of the couple, living autonomously from the procreational family of either husband or wife after adolescence and marriage. Together with the dependent children they form a separate household. This detachment is regarded as an important step for forming an individual self-perception and perception as a nuclear family (cf. Parsons & Bales, 1956, p. 10; Sieferle, 2008, p. 19). Burkart calls these families the "Normalfamilie" (Burkart, 2008, p. 140), i.e., *normal family* that has been the aspired family form in the 19th and 20th century. The normative meaning of the term *normal family* has to be acknowledged, as it labels family forms that do not follow this pattern as *not normal.* This is the reason why the use of this term is depreciated and discussed today (cf. Burkart, 2008, p. 141; Stamm, 2013, p. 34).


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The notion of normalcy does not only point on the roles inside the family, but especially on the constellation the family as a whole inherits. As homosexual couples raising children and single-parent constellations are increasing in number and visibility, the definition of a normal family has to be discussed – interest groups frequently do so in their campaigns for more equality and acceptance of family forms that do not follow traditional norms in the society. Nevertheless, in western countries the heterosexual conjugal couple with children is the most frequent family form. The relationship and especially also the solidarity among other family members besides the parent-child relationship during childhood and adolescence is looser. This is also manifested in the rule that economic commitment in general only exists inside the cognate family and not to the general kinship (cf. Sieferle, 2008, p. 20; Stamm, 2013, p. 45).

### Changing functions of the nuclear family

Apart from structural peculiarities, the function of the family for the individual and the society as a whole is especially significant to researchers. These functional characteristics are shaped by the historical evolution of the modern family. Different theories discuss the function of the family in the society and do not come to a conclusive result. While some consider the family to be the safe haven that provides shelter and privacy in a world influenced by modernization, rationalization, and threatening changes, the theory of the *Civil Society* emphasizes the intermediate instance the family can be between market and state, reducing the influence the state can wield on the person. The systemic view pursues a similar approach. Modernization fosters the differentiation between public, formal institutions or organizations and private duties: in this process, the family loses its initial function as a holistic care-taker of various means, but concentrates on the relationships and emotions among its members. Again the reference can be made to the special path the European family took in contrast to its eastern partners (cf. Burkart, 2008, p. 144; Sieferle, 2008, p. 19; Stamm, 2013, p. 36).

A fourth theory, the theory of the *Functional Differentiation*, does not evaluate the function of the family. Rather, it splits it up in different duties the family takes over in the civil society, despite tendencies towards professionalization in different sectors. Those duties are: (1) Biological reproduction, (2) socialization, (3) social reproduction and (4) transfer of status.

*Biological reproduction* is the most obvious one; and in spite of changes in this field, as intense research and increasing societal acceptance of artificial reproduction give women the option to become mothers without being part of a conjugal couple, biological reproduction remains the first function of the nuclear family, and most children still grow up in a conjugal family constellation


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(Schlösser, 1978, p. 347). Subsequently, the family usually cares for the first *socialization* of the child, caring for the transfer of norms, social rules, and values in a family. It serves as a first frame of reference for the child, while this process is also changing towards more professionalization and constantly in the discussion of different fields in research, such as the field of gender studies, social psychology and developmental psychology (cf. Burkart, 2008, pp. 141 ff Schlösser, 1978, p. 355). During adolescence and adulthood, the family also cares for *social reproduction*, thus ensuring a work-life balance and a recreational break from professional life. As a fourth point, status is inherited via family. The social class the family belongs to will influence the life course of its members in various means (academically, economically, and in terms of relationships, to name a few examples), despite the illusion that every child has the same chances for social mobility, independent of familial background (Burkart, 2008, pp. 141 ff). Already in pre-industrial times, the status of a family was decisive, and this importance is one explanation for the prevalence of nuclear families nowadays. Among peasant families the law of inheritance claimed indivisibility of inheritance. On the one hand, this forced all family members other than the heir to safeguard themselves economically in a different way than through heritage. On the other hand, it fostered economic development of single families, as investment could be done without the threat of a division at a later stage. Concerning succession, the degree of kinship played no role. It could be any son or even a son-in–law or a male non-relative who took over the farm, as long as he cared for the economic viability of the family property. The orientation was on achievement rather than on the relationship between the persons involved (Mitterauer, 2004, p. 78). The prominence of the nuclear family is also based on historical reasons, particularly related to rules of government and economies. Mitterauer suggests that manorialism favored nuclear families, as farmers were expected to care for stable taxes to their landlords. The landlords had the power to decide over family planning: children other than the first born had to leave the farm without inheritance – farmers aimed to keep the size of their family relatively small to fit it to their economic abilities. Large joint families would have diminished the return on the farmland – another reason why landlords favored nuclear families over joint families on their land (cf. Mitterauer, 2004, p. 74; Oesterdiekhoff, 2008, 53 f; Parsons, 2009, 27 f; Rosenbaum, 1982, p. 95; Sieferle, 2008, p. 25).

### Changing roles and role ascriptions in nuclear families

Not only its function in the society and its raison d'être, but also roles inside the family system changed over time. Today, men and women theoretically inherit equal status in terms of roles in the family. Both are given the option to care


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economically for the family by working outside the household or to stay at home and do domestic work in the household.[19] This was different during the 19th and until the middle of the 20th century as the roles were clearly distributed at that time in the majority of cases.

The father/husband used to be the sole earner, caring economically for the family, while the mother/wife catered for the household and the education of the children in private sense. Patriarchal structures influenced the choice of the partner and ordered family life (Burkart, 2008, p. 158). According to Talcott Parsons (1956), the parents exercised the leadership functions in the family; the father inherited the instrumental function concentrating on outside goals, while the mother took over the expressive role, caring for the internal functionality of the family system. Together they engaged in a coalition to govern the family and to perform important duties in the socialization process of the children, as e.g., the mother cares for the primary attachment, while the father later on supports the growing independence of the child. These status roles could vary due to family lifecycles and age differences between the horizontal and/or vertical relations (ibid., p. 45). Parsons & Bales concentrated on clear roles according to gender; the mother functioned as the emotional and attached housewife (while they acknowledge the importance of the female workforce), while the father could be the distant economic caretaker (cf. Hareven, 1991, p. 118; Parsons & Bales, 1956, p. 45f). During this time the picture of seemingly typical female characteristics such as emotionality and passivity, and typical male features such as being rational, active, and focused on employment outside the familial household had a strong impact on the communication inside the family. The general acceptance of this role-ascriptions was also fostered by scientific assertions that aimed to adhere the characteristics of men and women to biological differences (cf. Gestrich, 2010, p. 6; Hausen, 1978, p. 161).

As mentioned beforehand, this classical perception of division of powers in a family is not only becoming antiquated in the societal perception today, but also normative in the sense that it determines what is normal in a family, devaluating every other role constellation as being not-normal, and thus being strange to the system. Nowadays, several role constellations are not only becoming more and more accepted but also are growing in number. Nationwide family politics are aimed to open the possibilities for both partners – for women to work outside the household and for men to stay at home and care for the children. Nevertheless, the distribution of roles is still influenced by patriarchal structures, which appoint men with privileges as opposed to women. It is still very common that the mother stays at home after the birth of a child, while the father works outside the

19 The practical implementation of the theoretical freedom of choice has to be the topic of a different discussion and would exceed the limit of this thesis.


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household, which relates in economic dependencies and a situation that is not always equally freely chosen by both partners. Burkart pleads for a differentiation between the discourse about this topic and the norms which are being exercised: while in the discussion about gender roles equality is demanded and accepted, often, the widely lived norm still results in classic constellations (Burkart, 2008, p. 158 and p. 196).

### 5.2.2 "Europe's special path" and its implications for the German family

#### Preindustrial times: The coresident domestic group and its distinction against the joint family

The joint family, with a number of nuclear families deriving from a patriarchal lineage living together with unmarried and widowed relatives, as we can find it in India nowadays and in the past, apparently has not existed in this form in Germany since the 16th century, even if scholar debates discussed its bygone existence until the 1970s (See Wheaton, 1975 for an example of the discussion.). Similar to the standard line of argument concerning Indian families, German families shall have lived in these structures that, under the influence of modernization and industrialization, changed to nuclear structures (Sieferle, 2008, p. 1). This statement has been proven to be not precise enough, as modernization has not been a uniform process that changed a whole society at once and in one way, but especially because newer research on the German family shows that an on the first glance similar, but in fact inherently different family form had been prominent in preindustrial times. It reveals that family members did indeed live in larger groups in one household than nowadays, but in a different structure than the typical joint family. The historian Michael Mitterauer therefore calls the discussion the "Mythos der vorindustriellen Großfamilie" (Mitterauer, 1978, p. 128) – a myth about the joint family, where several generations lived together with unmarried relatives in one house during preindustrial times, shared one kitchen and experienced high levels of solidarity inside their group (cf. Hareven, 1991, p. 112; Mitterauer, 1978, p. 129f; Stamm, 2013, p. 35).

The arguments against this mental picture are at least twofold: first, due to low life expectancy, the time-slot during which three or more generations could live together under one roof would be very short, and second, the inheritance system in Western Europe would not allow more than one married son to stay with the family, as the others had to take care of themselves economically (cf. Burkart, 2008, p. 116; Mitterauer, 1978, pp. 140ff). Additionally, the adoration and proclamation of a solidly united family, living in joint, patriarchal structures in the past that sadly has changed to a loosely bound nuclear family also bears risks:


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Discussions that glorify this ideal are being used to encourage patriarchal, anti-democratic and anti-feminist tendencies in a society (Mitterauer, 1978, p. 130f).

The families in the society could roughly be divided into two main sections at that time: the aristocracy and the peasant families. Marriage in aristocratic families was based on political and strategic decisions, following a given structural pattern. Besides this, their family form also did not resemble joint families. Widowed relatives lived away from the family home if the family could afford it, only the eldest son stood with the family if at all, and other relatives were usually not living with the family. The children left the family after a certain age and high mortality rates among young wives induced short marriages. Solidarity in the larger kinship network did exist, but only insofar as it was needed and useful for strategic alliances – in case strategic considerations changed, also the ties were altered accordingly.

Peasant families, much larger in number, were also not joined in their structure, but centered between the 16th and 18th century in so called *coresident domestic groups*, including non-married family members, workers and employees. The focus of this family form was not on the proximity of blood, sexual, or emotional relationships, but on the cooperation for economic reasons and social security (cf. Burkart, 2008, p. 116; Mitterauer, 2004, p. 75). As mentioned in previous chapters, the distinction between household and family is visible. While the term *joint family* assumes that there had to be at least two related nuclear families living together, the extended household could center around one nuclear family that lived together with unmarried or widowed family members and also with various non-family members, including staff and co-workers.

Until the 20th century, the coresident domestic group was not only much more common among peasant families than in other layers of the society, but partially also kept its reputation as the normative ideal. Nevertheless, differences in structure also existed among peasant families. In large and wealthy operations, a clearer century division between family members and farmhands in terms of locus and form of living was the norm, while on small farms the coresidency was more distinct. These structures existed in peasant families much longer than in non-peasant families: in the north of Germany the change towards nuclear structures began during the 18th century, while in Southern Bavaria the coresident domestic group could be found among peasant families well late until the 20th century (Gestrich, 2010, pp. 25ff).

### Function of the coresident domestic group for its members

These families were patrilinealy defined, and often lived in three generation households, but the center of authority rested on the younger conjugal couple


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from the middle generation. The patriarch could hand over the farm to the next generation and the care for the elder generation rested on the farm, whether the son succeeded or a non-family member did not matter at this point (Mitterauer, 2004, p. 77). The economic center was the household that was not necessarily defined over the bloodline with which its members were related. Therefore, mainly institutional bonds aligned the family members, not only emotional attachment. For spouses, the focus was on the institution of marriage and the social security thereof – as enforced by the absolute injunction against living together without being married – rather than on romantic commitment towards each other (Burkart, 2008, p. 116f). In general, especially among peasant families in terms of viability and well-being, the affiliation to an economic group or household was a decisive factor of identity.[20]

The state and the church supported a family system with rigid rules, hierarchy, and rituals, based on a strict morality, as formal institutions were not sufficient at that time to ensure a functioning society – informal institutions in the families had to serve in lieu of these formal institutions (cf. Burkart, 2008, p. 118; Hareven, 1977, p. 65; Stone, 1978, pp. 437ff). This statement is equally true for families all over Germany: families stood together for economic and social reasons, not merely because of emotional attachment, as other options like systematic care for elderly or educational systems did not exist to a sufficient extent. Therefore, "[t]he family was a corporate body operating as a collective unit, and the functions of the members within it were defined on that basis." (Hareven, 1977, p. 64) As the quote suggests, the family was one economic unit, where everybody supported the group with his workforce and individual salary or wealth was uncommon (cf. Burkart, 2008, p. 118f; Gestrich, 2010, p. 11). But also by then, the small peasant household usually could not cater all economic needs of the family. Therefore, single family members worked on other farms or handicraft businesses (Rosenbaum, 1982, p. 95).

### Roles and relations in the coresident domestic group

Even if the focus was not so much on patrilineal descent and the *patria potestas* was not as strong as in other societies among peasant families, the male head of the household had decisive power and took over the role as the external representative, the internal mediator and caretaker of morality. Besides these duties, first and foremost he had to take care of the economic wellbeing of the household

20 Another argument proclaiming the prevalence of the solidary group rather than of the joint family are the German family names, e. g. Meier, Schmied, Hof. Those names can be more or less translated with *dairy farmer*, *blacksmith* or *farm* and are concerned with origin or profession, not with lineage or familial agnation (cf. Mitterauer, 2004, p. 79; Wheaton, 1975, p. 615).


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to guarantee the shared risk community. In the coresident domestic group, he was not only father or husband, but also employer. Wives in the family had a much more egalitarian role at that time than later on when biologistic arguments about gender roles came in fashion. They were not only concentrated on the expressive leadership in the family, but shared most of work in the household, on the farm, or in the handicraft business with their husbands and coworkers. Usually they took over a double role: during the day they worked on the farm, while in the evening they took care of the household. Simultaneously pregnancies and childbirth happened without large adjustments in daily life. As the couple usually did not live alone, individuality, intimacy, romance, and privacy did not have the same place and importance in the marital dyad as they have today (cf. Burkart, 2008, pp. 117ff Rosenbaum, 1982, p. 86f).

Also the life-course of children and adolescents was integrated in the economic unit. Malnourishment, nursing, and poor medical care resulted in high infant mortality among poor peasant families. A surviving child was integrated in the collective as soon as possible. Education and individual development were not the center of attention as they are nowadays in German families. Attachment figures could be almost anybody of the house – the mother primarily, but also elder siblings or farmhands. The discussion on this topic also revolves around seemingly missing attachment and emotional bonding between a mother and a child. Researchers suggested that the emotionality and attachment that is nowadays common in the vertical dyad did not exist in this form, but rather a functional relationship was maintained as children were also seen as economic burden in the first place. Recent research is more emphatic on this topic. It shows that indeed the relationship was different, but the birth of many children in a family was not necessarily viewed as purely negative. Rather it was seen with some ambiguity, as emotional attachment defined the relationship, but at the same time the economic stress a child brings to the family was taken into account (cf. Gestrich, 2010, p. 35f; Rosenbaum, 1982, pp. 90ff).

A separation between childhood and adulthood did not exist until the evolution of a middle class. Children were treated as young adults and had to participate as early as possible at the activities of adults to support the survival of the coresident domestic group. The relationship was shaped by this inclusion, but also by the respect the children experienced through their participation at daily exercises from a young age on (Rosenbaum, 1982, p. 94). After marriage, the children left the family (all except for the eldest who inherited the farm in case of peasant families) and founded their own family units.

Relations in families at that time were merely based on "socially sanctioned mutual obligations that transcended personal affection and sentiment" (Hareven, 1977, p. 64). The importance of these instrumental relationships again is based on missing formal public institutions and on the wish for autonomy of a


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household. Family solidarity in economic terms was more highly valued than individual needs or preferences (ibid., pp. 64ff).

Only small-scale industry in the form of a combination of household and workplace and large peasant families were economically viable and continued to live as coresident domestic groups. The so-called *cottage industry*, the connecting piece between the coresident domestic group and the nuclear family as it is known today, changed the family system, its function and communication. The family was no longer vulnerable to economic ups and downs determined by season and fate, as it had been the case for peasant families, but could trust in a relatively constant family income. The marital age decreased, but children stayed with their parents longer than beforehand due to their integration in the cottage industry. It also happened, albeit rarely, that married daughters stayed with their families for a while (cf. Medick, 1978, pp. 286ff; Schneider, 1978, p. 274). For the first time it was possible to care for more than one or two children economically from familial income and to support them when leaving the family (cf. Gestrich, 2010, p. 12; Schneider, 1978, p. 269).

But in the course of industrialization, a form in which household and family are congruent and the workplace is separated from the family home became the dominant form. The idea of the family began to be seen more as based on romantic ideas in relations and relationships rather than just as a unit of economic necessity. In general, feelings and emotions became more important in the relationships among family members, and the idea of the whole person who wishes for acceptance and intimacy entered the communicational pattern of the family (Luhmann, 2010, p. 14).

## The implications of a growing middle class

The form of the family changed from the coresident domestic group to the separated living nuclear family, and this brought along structural and functional changes in the families.

At the end of the $18^{th}$ century, the meaning of marriage shifted from an emphasis on economic reasons to the concentration on different motives. The marriage was no longer only based on the decision of the parents or on economic needs; rather, the couple itself decided on the relationship, based on spiritual bonds, sensibility, and romantic considerations.[21] Communication began to differ subsequently. While the coupling of work life and private life in the cor-

21 Economic abilities in this case indicate the rule that marriage was only allowed to economically independent men. Which reason for a marriage was decisive later on depended on the era which is discussed. While during the Age of Enlightenment the spiritual bond between two persons grew in importance, the Romantic brought forth love marriages (Burkart, 2008, p. 126f. Gestrich, 2010, pp. 5 and 30).


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esident domestic group supported a congruence of relationship and factual communications, the new focus on *romantic love and emotions* changed the setting. As of now, the person became the center of attention in the family and the communication in the family could be separated from the communication in the organization with clear to clear context markers (Wimmer, 2014, pp. 30 ff).

An evolution of a new family form between the peasant and the aristocratic families took place, and soon this so-called middle class formed a broad layer in the society. The nuclear family, consisting of a married couple and its children, as it is nowadays the norm in Germany became most prominent. At the same time, the perception of men being superior to women was replaced by contractual agreements about single roles family members had to take over, while all were subjected to the head of the household (Gestrich, 2010, p. 5). While it had been common that workers lived with the nuclear family in one household among peasant families until the 20th century and among other classes until the 19th century because workplace and family life had the same locus, the pattern started to disappear with the increase of a middle class who worked in wage labor outside the household. During the 19th and the beginning of the 20th century, this development influenced the families, those became the place for intimacy communication, centered around its members and gave up some of its care-taking duties the state then took over (cf. Burkart, 2008, pp. 121 ff; Rosenbaum, 1982, pp. 378 ff). The separation in abilities and characteristics depending on gender was increasingly accepted in society, and a complementary relationship between men and women was established – women were housewives, men took over wage labor outside the household – a division that was not only widely accepted in society, but seemingly biologically justified (Hausen, 1978, p. 161). Simultaneously a new form of equality took entry. Women were no longer perceived as below men in status, but in their role as housewives and mothers they inherited the role of experts (Burkart, 2008, pp. 128 ff).

Along with this development, a tentative democratization of gender roles took place at the beginning of the 20th century. Patriarchal relations in the family gave away to more egalitarian connections between partners in a marriage and to a concentration on the free development of the child instead of submission. This development came to an abrupt halt during the time of National Socialism. Gender roles were again clearly re-defined, similar to the family portrait during the 19th century, where patriarchal relations designated male and female duties. In general, the family was seen as a functional unit which catered the needs of the state, while privacy and emotionality was regarded with suspicion. The inclusion of every family member in some kind of public institution is also an indicator for the functional use of the family (Gestrich, 2010, p. 8).


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### 5.2.3 The modern nuclear family, its duties and functions

The nuclear family during the 19th and 20th centuries experienced societal changes that influenced the family system directly and indirectly. According to present research, the speed of change, individualization, and functional differentiation accelerated and made the nuclear family only an intermediate stage of how it is situated in society at present. Different aspects served as examples for the whole: a more progressive divorce law, where no longer the question of fault, but a breakdown of marriage is decisive opened the possibility for both spouses to get divorced, while before the economic and social loss for the wife made it almost impossible for women to get divorced. At the same time, women were entering the workforce, becoming more and more autonomous in their decisions. A growing acceptance of gender equality came along with these changes. The aforementioned educational expansion further fostered these developments (Stamm, 2013, p. 39f).

Today it is accepted that the nuclear family is dominant in German society, but further changes that come along with an ongoing modernization also have to be considered. Several theories discuss the direction that the society as a whole and the families within society will take as well as which function the family has and will have in the future. Structural functionalism suggests that the society is bringing forth several subsystems and the institutions that are necessary for a modern society to work, as for example educational systems or code-combining institutions like the economic system and jurisdiction. The system-specific communications and their inherent institutions alter the society as a whole and the family therein.[22] The state starts to influence former family duties by establishing and enforcing formal institutions.[23] On the other hand, the family is experiencing a loss of function and further only performs as previously mentioned in socialization, reproduction, and status transfer of its members (ibid., pp. 36ff). According to the debates about modernization and change in the society, the family increasingly functions as a private haven, offering a safe place separate from the functional society. A former less known differentiation between inside and outside is taking place (Burkart, 2008, p. 131).

Structural functionalism is one path the discussion about modernizing families took that is debated in the scholarly world. Another one is the in-

22 Again it has to be pointed at systemic peculiarities of the discussion: Luhmann does not talk about the sum of institutions in his theory, but only about the system specific communications, where organizations can, but do not have to be congruent with. See Kneer and Nassehi (1997) for further explanations on this topic.

23 See for example Mantzavinos (2004) for an extensive explanation of the state as the primary enforcer of formal institutions and Kneer and Nassehi (1997, pp. 122ff) for a discussion of Luhmann's reflections about structural functionalism.


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dividualization thesis, which also tries to explain the diminishing prominence of the nuclear family, but embedded in a general discussion about a changing society. This hypothesis suggests that in a modern world, the family loses its important role in socialization and security and norm-giving in the society. A loss of security and collectivity thus seems to be the result. The individual person is no longer bound to fixed social structures. Relationships between members of the society are no longer decided over former decisive patterns in the society like social class but via individual preferences and needs. As the family grows more autonomous in the society, the individual grows in autonomy in the family – the individual thus is responsible for success, failure, and decisions about lifestyle, no longer the family. But still, the family in this society offers primary socialization as discussed above and does not dissolve in the society. Similar to its perception in the functionalist theory, it offers safety and emotional security in a more and more individualized world. The family cares for the balance between individualism and social responsibility. On the one hand, it supports a growing wish for individual and autonomous decisions about life structures, while, on the other hand, it prevents complete isolation among the members of a society. With this, it fulfills an important function in the society by offering identity for its members (cf. Burkart, 2008, p. 159f; Stamm, 2013, p. 38f).

In addition to the already presented explanations about the family as a social system that have been made in section 2.2.3, the theory of social systems also discusses the family's position in the society, its changing role, formation and communication, while it also has been questioned whether the group of families as a whole can be seen as a social system (Kaufmann, 2011, p. 42f). Different authors following Luhmann's tradition describe the society as a place with functional differentiation, where different subsystems differentiate themselves in the society. In this line of thinking, one family is not only seen as a *structural subsystem* but also as a *functional subsystem*, gaining autonomy with distinct duties it fulfills in the society. The family in this theory is the only place where the person is not only seen as somebody fulfilling a specific, system-relevant duty, but as a person with needs and wishes concerning intimate communication and acceptance of all aspects of itself as a person as well as the expressed dissolution of boundaries concerning the familial communication (cf. Burkart, 2008, p. 160f; Kaufmann, 2011, 48ff; Luhmann, 2010, p. 14).

These theories, among others, conclude that the role of the family in the society is changing, and along with it its internal system of social communication. But this does not result in a perceived dissolution of the family in single relationships or a loss of importance for its members, but in an ever growing importance of the recognition of intimacy in family relations – the family is the


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place for reciprocal, emotional relationships.[24] On the one hand, these relationships are enduring and conflict-resistant, as the specific family communication focuses on the expectation of equality over a long term and not on premises based on efficiency or direct proficiency. On the other hand, the emotions that define the relationship communication are coupled with specific expectations towards the relationship the family members share. This emotionality of family communication makes the conflicts the families experience rather uncontrollable and hard to manage (Wimmer, 2014, p. 31f).

To sum it up, the nuclear family as we are experiencing it today has changed in its form, function and communication to a great extent during the bygone centuries. The concentration on the individual and the intimacy communication the families share are two results of this change. But, already today we can see alterations that are both supported by and influencing changes the society experiences as a whole. The most prominent discussion revolves around the network theory, where a choice of relations replaces fixed familial bonds.

### 5.2.4 Different hypotheses about the future of nuclear families

Research about the future of the family discusses the form and function of the family, which already is strongly influenced by individualization, globalization, and flexibilization. All these influences result in a de-standardization of life courses (Stamm, 2013, pp. 39ff).

Today people do not live in the same family structure as they did one generation ago, and their understanding of roles in the family has also changed. In the past, the nuclear family also meant a combination and adaptation of life careers, while nowadays highly individualized life-choices have to get fitted. Women are no longer concentrated on one role, but are now adjusting their life course decisions to two distinct fields: family planning or biological restraints and career expectations. Men are also starting to reinterpret their ideas of a family life. A relaxation of the divorce law made it easier for couples to separate, despite the possibility of common children needing to be cared for by the di-

24 Other theories are existing and shall be named here, but due to less connection to the main topic will be not explained in depth. These are amongst others the *Rational Choice* theory, suggesting that individuals more and more decide over questions influencing life-course due to cost-benefit analyses, the *Symbolic Interactionism*, which proclaims a more individual or couple-based analyses of relationships and less concentration on the family system as a whole, *Marxism* which is re-strengthened in its analyses of the influence of capitalism on the family and research based on *gender* and *feminism*, with women and their role in society in the focus. All named theories are concentrating on specific topics or connections to related fields of research as e. g. economics, but, according to Burkart, fail to analyze the family as a whole (Burkart, 2008, pp. 159ff).


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vorced individuals. The free choice of the spouse changes the entrance to a married life. The aforementioned function of the family as an enabler of social capital was influenced by this in different ways: while marriages were seen as strategic alliances to ensure the flow of capital and the establishment of a successful business network, over time they became the result rather than the cause. Similar to aristocratic families, marriages inside the business elite were common (cf. Kocka, 1979, 126f.; Simon, 2011a, p. 196).

With all these growing opportunities, options, and individual decisions and the wish fulfill individual expectations, complexity in transforming representations of a good life into reality is also rising today. This leads to a constant need for reinterpretation and readjustment of individual life courses, instead of prescribed steps in a biography. At the same time, the growing complexity also forces family members to constantly take and justify decisions in front of themselves and their surroundings (Degele & Dries, 2005, p. 96).

In the future, single nuclear families may indeed be connected with each other. This might not necessarily happen in fixed relations, but rather by more temporal ties. Also geographically, the family might enter a multi-local or bi-local state, where family does not match household anymore and the concentration lies on the relation persons share with each other instead of given familial ties (cf. Burkart, 2008, p. 212; Stamm, 2013, p. 43). Pessimistic research reports the loss of security and stability in the family, as the conjugal relationship is becoming more and more unstable and familial ties between the generations are being threatened by a permanent cutoff Not enough children will be born in the future due to the strong need for individual fulfillment and concentration on the ego, where more than one child in the family might obstruct personal freedom (Aries, 1980, p. 650).

More optimistic researchers try to establish scenarios where a renaissance of the family seems possible. This includes a changing view on homosexual parents or single-parenting families and on the relationship the conjugal couple shares (Burkart, 2008, pp. 302ff). Some predict a re-strengthening of patriarchal structures in relationships and the society in general, while others proclaim a stronger position of women in society (ibid., p. 310f). At the same time, it is suggested that vertical bonds experience a re-strengthening due to growing life expectancy (it is not anymore unusual that four generations of one family exist at the same time). Parents will change even more from being the hierarchical deciders in the family to advisors and caretakers in an emotional sense. Grandparents become more important in family functions, in the socialization and education of the grandchildren. The children will have even more choices in their life courses, but will suffer from peer pressure and the constant need for decision making and justification. At the same time, they will be on more of an equal level with their parents, able to discuss these questions without precast


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opinions. In general, a more network-oriented analysis of the family seems to be adequate, as relations by choice replace relations by blood or familial ties. But nevertheless, familial solidarity does not lose its importance. Quite the opposite might be true – emotional connections serve the same function as former given ties have served. A change from the nuclear family as the ideal towards a more open interpretation of the term family is likely (cf. Burkart, 2008, p. 143; Stamm, 2013, pp. 40ff).

In the vast landscape of families in Germany, the business families have also changed their structure, function, and communication patterns. Their path will be the core content of the following section, which aims to show their ongoing connectedness to different communications logics and the specific challenges they face introduced by the changing family systems.

## 5.3 The German business family in transition

Similar to all families in Germany, the German business family changed its structure, function, and communication over time. During this process, the changes itself were not homogenous and in its details were different for every family, but the main patterns were similar throughout the group. Besides remarks about the changing structure and function of the business family, the focus in this section will be on the question how the familial communication and along with it the way in which the family business is dealt with changed over time.

### 5.3.1 The history of the German business family represented in the research landscape

In a very general framework, mostly the function of the family as an enabler of social and economic capital was considered in literature in the past. This comprises in particular the various degrees to which the family exerted its network or was used as a capital and human resource giver, depending on the point of time in history and the generation the family business was in. The role of the family seems not to have decreased over the time considering this important function, but rather to have increased in importance. Fathers supported their sons during their apprenticeships and families relied on capital flows from various family members. Strategic alliances bound in marriages were not uncommon. Michael Schäfer, who concentrates his research on Saxonian entrepreneurs and their history between 1850 and 1940, also discussed these topics among others (Schäfer, 2007). This was a period between the heydays of industrialization and


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the drastic changes brought about by the time of National Socialism and Second World War (WWII). He highlights the changes in the families. While the entrepreneurs usually derived from crafting families and sometimes only experienced some kind of basic apprenticeship, the following generations were more and more educated with university degrees and years of practical experiences, depending on the field in which the business was situated. In accordance with other researchers, Schäfer acknowledges the importance the family had as an enabler of social/economic capital. Especially in later generations, fathers/business owners supported the practical education of their sons as successors by using their business network. Sons were nominated as successors at an early age, and wives were chosen strategically for capital acquisition.

Schäfer refers to Jürgen Kocka in some of his interpretations of the historical material he gathered from state and company archives. Kocka himself is concerned with the business history, the history of capitalism, and industrialists during the early years of industrialization in Germany. Concerning his research on entrepreneurs, his leading argument centers on a characterization of the business family during industrialization. He portrays the business family as the most important enabler of social/economic capital, as its value is a giver of identity, motivation, and legitimization for entrepreneurial actions under the influence of changing family forms (Kocka, 1981, p. 221f; based on Kocka, 1979). At the same time, he emphasizes the role the family played for the foundation of a business, as often businesses were founded for providing social and economic security for the family, which in turn altered their respective life courses as to fit to business demands. The founding families of successful long-term businesses were often to be found among families situated in the bourgeoisie. It was more seldom to find this among families working as craftspeople (i.e., families in the working class). Formal education of sons outside the familial business was usually deployed at a young age, and the family of the apprentice's employer replaced the apprentice's own family with regard to his business education as well as with regard to his socialization in a private context, as he learned and was trained in important informal institutions (Kocka, 1979, pp. 104ff).

While the families were naturally very heterogeneous, the emphasis on the importance of different virtues characterized many of these families. Being protestant and performing one's duty, being decent, on time, and well-ordered were character traits that were valued. But at the same time, curiosity and vision were seen as person-oriented basic prerequisites for successful businesses. In general, the family's influence on the education and life course of the children was ubiquitous, especially with regard to the eldest son, and the whole family was subdued to a strong father's will (ibid., pp. 104ff).

The family was used as a pool of resources for every need: management,


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succession, capital acquisition through strategic marriages, and the generation of networks. Consequently, endogamous relations with high birth rates were the norm in the entrepreneurial layers of society – an analogy to aristocratic families can be made (ibid., pp. 114f). This comparison is made by various researchers, and also in connection with a discussion of predestination of succeeding generations. This predestination often meant an onus by an identity created at birth for successors and siblings, as especially in the past, the freedom of choice concerning work and living-structures that many possible successors at least theoretically experience today did not exist.

The wish and need of the founders to create some kind of affiliation to the business was imminent, albeit changing family forms. This resulted in scientific research about the history of business families frequently drawing parallels between business families and aristocratic families, as there the different roles the successors will inherit are determined at birth or even before birth (cf. Kocka, 1979; Schäfer, 2007; Simon, 2011a).

In only a few works, the history of business families, their changing structures, function, and roles are discussed exclusively, without focusing mostly on the business itself.

Again Jürgen Kocka discusses the role the family takes over for a business. While it can be indeed a pool of talents and resources, its importance will decrease over the long run due to the consequences of modernization, bringing along a growing wish for intimacy, privacy, and a general separation of household and workplace. He describes the business family in this historic form as being a transitory phenomenon that will neither be necessary nor exist in the future, with an increase in formal institutions supporting successful management enterprises and family forms adapting to a modernizing society. Social rules, existing in the past, would not be valid in the same form – an example is the possibility for widowers to remarry. Therefore, the business family (and accordingly the family business), living more or less in the form of the coresident domestic group, will vanish in the future due to a changing society and economic needs (Kocka, 1979, p. 117f).

Therefore, the question can be discussed whether business families can be viewed as modern pioneers, already living in a structure which is the future for most German families with strong intersections of business and private life, or still being more or less in the state of the coresident domestic group with its congruence of private life and workplace. Both sides can be supported by valid arguments. The proximity of different systems – family, work, and ownership – as it is given in the business family has a striking resemblance with the coresident domestic group, where work life and private life shared one common space. On the other hand, when considering the present state of intermingling between work life and private life due to advancing technologies and floating working


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hours, the possibility of home office, et cetera (etc.), the work/private-life coupling found in business families can also be viewed as a manifestation of an imminent future. This question is also tackled in Isabell Stamm's dissertation, *Unternehmerfamilien – Der Einfluss des Unternehmens auf Lebenslauf, Generationenbeziehungen und soziale Identität*, in which she develops these two hypotheses about the state of being of modern German business families (Stamm, 2013).

Therefore, it becomes necessary not only to look at the business family from a today perspective, but also to situate them in a larger frame: the historical context influenced family communication as it influenced the form, function, and meaning of families in any culture. Business families are also situated in this frame, and they are referred to as families of a unique type (Hildebrand, 2011, p. 116). The originator of this hypothesis, Bruno Hildebrand, refers to the particularity of the business family to resemble in its function the form of the coresident domestic group, while it is situated in a societal framework that is dominated by modern family forms (ibid., p. 116f).

Isabell Stamm refers to Hildebrand's hypotheses when she situates the business family between two on a first sight contradicting poles: she detects patterns from the coresident domestic group in the seemingly anachronistic entanglement between family and business, with respect to communication, form, and roles. The other extreme is the resemblance of the business family with the multi-local resident multigenerational family in which the family connection presents itself on a relational and functional layer: the business family is interconnected, bound by the common goal of the continuity of the business. In the pursuit of this project, family members living scattered over the country are bound together emotionally and functionally (Stamm, 2013, pp. 46ff).

Finally, there can be no decision about which hypothesis is true. The quintessence is rather an extension of the presented hypotheses. While Kocka emphasizes the decreasing need for closely knit business families in an industrializing economy and considers traditional business families as having been a passing phenomenon between the state of the coresident domestic group and the modern nuclear family, Michael Schäfer's analysis results in a different view. Family businesses are governed by two logics in constant need for combination and recalibration: the economic ratio from the business side and the familial ratio from the family side, forming finally a specific subset of the general business and family landscape (cf. Kocka, 1979, pp. 117f and 133; Schäfer, 2007, p. 226). Business families tend to share some common peculiarities over generations, making them pioneering and retrograde at the same time (Stamm, 2013, p. 50). But of particular interest in the context of conflicts in different business families is the change of communication and the intercourse with the


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business. Here a different part of scientific literature, not only but in the meantime also devoted to family history exists.

In an article on the historical roots of business families and the role of the family in the business, Rudolf Wimmer proclaims a different view, and thereby leads the center of attention away from structural or strict functional viewpoints onto the topic of communication in the business family (Wimmer, 2014, pp. 30 ff). He refers to the differentiation between family and business logic that is supported by the alteration the German family has undergone during its transition from the coresident domestic group to modern nuclear families, during which the different logics that mark families and organizations diverged more and more. Based on Luhmann's explorations on the family and its communications codes and on Mitterauer's analysis of the European family during industrialization, he considers the business family as a special kind of family that has to take care of an additional communicational sphere, the business. This influences familial communication, which is merely based on love and acceptance of the whole person. He refers to Luhmann when he describes the family as the only place where the individual with all of his personal concerns and expressions is accepted and expects to be integrated in this sense, and he takes the historical differentiation between family and organizational-communication as one distinct influencing factor for business families into account (ibid., pp. 30 ff).

### 5.3.2 Changing communication in the business family

Culture-wide, the structure and function (internal/external) of the household changed between the heydays of industrialization and present time from the coresident domestic group to nuclear families. Today already another form that is more oriented towards a network of relationships is visible on the horizon. The business families changed over time, too, similar to the economic framework surrounding it. While the handcrafting family lived in the community of the coresident domestic group at the beginning of the 19th century, it soon formed a part of the bourgeoisie in the event that it was successful enough and participated in the new economic and industrial options the industrialization in Germany had to offer, i.e. automation, new options concerning logistics and large-scale economics. During industrialization, the business family was usually organized in a nuclear form, albeit in its functionality it still resembled the coresident domestic group. This held especially for the interlinkage between private life and professional life most business families experienced, especially if the company was also managed by the family (cf. Stamm, 2013; Kocka, 1979, p. 117 f). Nevertheless, the separation between production facility and family life


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went along with the growth of the business and also changed the function and roles inside the family (cf. Junggeburth, 2014, p. 65; Kocka, 1979, p. 117f; Wimmer, 2014, pp. 29ff).

The family aimed at building a strong identity as a business family in order to prepare its members for a lifelong commitment to the business, which clearly made individual preferences subordinate to the will of the family. To facilitate this, the family relied on established institutions to build a common identity as a business family with lifelong commitment of its members. There were formal situations in the form of common religious rites or collective exertion of leisure-time activities, but these situations also included education for business participation, which bonded the business family in a unit and prepared the offspring for a future as owners and/or managers in the business. Beside those visible expressions of affiliation to a business family, the informal institutions, like common norms, values, and social rules were especially intended to be transferred over generations and communicated alike to build the necessary understanding (cf. Junggeburth, 2014, p. 59; Kocka, 1979, p. 121). All institutions aimed to keep the family closely knit together, as ties that were too loose could result in insufficient provision of capital (social/economic) needed for establishing a long-term successful business. The survival and success of the family as a unit was more important than the fulfillment of individual aspirations (Kocka, 1979, pp. 121ff).

Inside the family, the roles and functions did not change to the same extent as the outside structure. Regardless of the economic situation, fathers intended for their sons (at least the first-born) to succeed their role as business owners and managers (cf. Junggeburth, 2014, p. 59; Kocka, 1979, p. 124f). The importance of formal education grew as well in business families, and it was no longer sufficient to receive training in the family business or in a friendly business out of the parental network.

Jürgen Kocka identified four common traits of business families during industrialization (Kocka, 1979, pp. 120ff): (1) Patriarchal communication as guiding in the families, (2) a plurality of functions of the business family, (3) a growing emotional base in the families and (4) a resemblance of the modern business family to aristocratic families. Among these, Niklas Luhmann has analyzed the topic of the growing emotional base and the importance of specific communication forms for the needs of family members in the family. He analyzed this in the context of all families in general. Later on, Rudolf Wimmer analyzed this specifically in terms of the business family (Wimmer, 2014).

The family members were usually subdued to a father, who navigated and dictated the life-courses of the single family members as well as the strategic direction the business took. The *patriarchal communication* represented the family in front of the public and organized family life on the inside – he had the


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authority to decide over the division of heritage, the education of his children, the profession his sons would take over, and the marriage of his daughters. Entitled with far-reaching legal rights over his family, he was the head of the household and the business. He exerted his power with pressure if necessary.

At the same time, the business family catered to a variety of needs. Therefore, it balanced a *plurality of functions*. Until the late 19th century, formal institutions provided by the state were scarce and in the event that they existed, they were mostly not accessible to the bourgeoisie. There was no working healthcare system or pension plan, and thus family members had to rely on their family and on accumulated wealth in case of illness or financial problems. Besides the family, only religious groups or facilities provided similar services (Kocka, 1979, p. 121).[25] Additionally, many current public activities were practiced in a quasi-private setting. This included leisure-time activities, of which many were publicly accessible only for men, as well as religious celebrations (besides the dominical attendance at church), which were commemorated with the extended family. All of these activities bound the family members together and furthermore helped to establish and nourish the existent familial network beyond the core-family. The family was used for many activities that are currently either in the hand of public institutions or rather exercised individually outside the familial setting.

Apart from structural and functional aspects, the *growing emotional base* the family offered its members needs to be considered. While the marital dyad and also the relationship between the parents and the children was said to be more or less rational and focused on the function it had to fulfill before industrialization – a claim which is being criticized in the meantime as stated in section 5.2.2 – the business family nevertheless had to establish a solid emotional foundation as to give a reason for its members to diminish their demands; the greater good had not only to be rationally comprehendible, but also emotionally accepted. While a feeling of love and sympathy supported the collectivity a business family needed for being able to aspire a common goal and setting back individual wishes, the accentuation of feelings between family members and the acceptance of romance in the marital dyad also supported growing individualism. The so called "Liebescode" (Luhmann, 1987, p. 305) or "code of love" entered the familial communication and introduced resp. strengthened the idea of romantic relationships between the marital couple and the feeling of emotional attachment to the children. This form of communication created the sense of belonging to the family and the uniqueness and acceptance of the family member as a whole

25 Usually those facilities were intended to offer minimum help for the poorest of the society, therefore they were rather deterring for the middle class (Kocka, 1979, p. 121).


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person – irrespective of social status or personal accomplishments (cf. Luhmann, 2010, p. 26, 1994, p. 12f; Wimmer, 2014, p. 31).

Another aspect of business families, behaving as being *quasi-aristocratic* fostered the self-understanding as a business family over generations. The business family itself may stem from a small artisan workshop, or even from agrarian background. With ongoing industrialization, growing businesses and families being business families for several generations, the meaning of origin became more and more important. Similar to aristocratic families, business families cultivated their descent with emblems, pedigrees, and family chronicles as well as common, recurring family events. This "supra-individual" (Kocka, 1979, p. 124) and generations-spanning collective recognition as one family supported the cohesion in single nuclear families, but moreover also to the extended kinship (cf. Habbershon & Astrachan, 1997a, p. 47; Kocka, 1979, p. 124). Especially in later generations, it becomes difficult to establish and foster this identity with a growing family, as the family will disperse even more if not specifically worked against. The business family cared for its legacy in a way formerly only common among the aristocracy and established a self-understanding as a family stemming from one common ancestor, sometimes the founder of the business. This supported the inclusion of several family clans (if they existed) and the core function of the family as a provider of social and economic capital could be emphasized. Additionally, the family expressed its pride in its founding story and in the achievements of the founder. The expression of oneself positioned in a larger time-horizon over several generations of the same family, similar to a noble family, helps to establish the important concept of self as a business family. One's identity is based on the history and identity of the family and gets re-emphasized with the help of different institutions (cf. Lubinski, 2010, p. 117f; Kocka, 1979, pp. 120ff). Along with the ongoing business, the family tried to deepen a common understanding and identity as a business family. By this, it could fulfill the ongoing demand the business posed upon the family. With the growth of the business, also the three spheres of family, ownership, and management become looser in their connection in comparison to past times. They thus become more difficult to control and balance (Simon, 2012, p. 24). In short, by analyzing the changes of the business family again they can be considered as "Familie[n] eigener Art" (Stamm, 2013, p. 31), i.e., families of their own type, combining elements of different family forms existing in Germany through the last century. Elements of rather historical family forms, like the functions of the co-resident domestic group, and structural patters of the modern nuclear family are combined and pose the need for adapted communicational patterns upon the family members. Furthermore, the business family is not composed of different antiquated or modern structures, but rather challenged by a completely different set of logics,


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whose differentiation is supported by the historical changes the families underwent.

### 5.3.3 The differentiation of relationship communication

While the coresident domestic group allowed and fostered the congruency of family life and workplace, the separation that is the norm in the nuclear family today is challenging for business families. The families have to find other means on how to keep the family unit coherent as the modern family does not anticipate the needed and often difficult intermingling, but concentrates on relationship communication. There are no boundaries to the communication between family members as they exist in almost any other system in a society, where relatively strict guidelines form and focus the communication between its members. In a family, the communication is based on acceptance, intimacy, and the wish for attachment and romance. This dissolution of boundaries in communication slowly expanded into families during modernization and became a fixed idea and primary goal for familial relations during the $18^{th}$ century, being also the period of romanticism in Germany (cf. Luhmann, 1987, pp. 305ff; Wimmer, 2014, pp. 30ff).

The importance of personal, affect-laden communication in the family is decisive for the function the family has for its single members and also for the understanding of its relationship to the business. In the family, a person can merely be itself and introduce anything that it considers as important into the communication. There are no boundaries that dictate the topics or emotions discussed; in principle, every form of communication is allowed. Moreover, individuals also demand or expect this form of communication in every relation, be it in the marital dyad or the parent-child relationship (cf. Luhmann, 2010, p. 14f; Wimmer, 2014, pp. 30ff). With this demand, the family stands in stark contrast to the business communication, in which only certain topics and forms are expected to be addressed. The consequence for the business family is the need for ongoing balancing of intimate communication and business communication (Wimmer, 2014, pp. 30ff).

This is one of the paradoxes to which the business family is subjected: While context markers for distinguishing between family and organization-communication are needed and theoretically easily detectable for families, in the business-family connection they are less concrete. The areal and time-wise separation is often missing, which makes it harder for the communications to be clearly separated. Emotion-based relationship communication is not only taking place in the families, but also in business, where task oriented conflicts are productive and necessary, but relationship conflicts cannot be managed with


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logic steering the business communication (ibid., pp. 30ff). On the other hand, the business family is missing the congruence between the systems as it had existed in the coresident domestic group until industrialization, as it made the commitment to the business and the unity of the family not only optional or favorable, but also often inevitable or sensible. Therefore, Stamm's hypotheses about the retrograde and simultaneously forerunning family (Stamm, 2013, p. 50) is not only a perspective to situate business families in a larger historical framework, but also hints distinctively at the large concerns that business families currently have to confront.


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# 6. Summary and refinement of research questions

## 6.1 The research questions reconsidered

The business family is constantly in the need for recalibrating the communicational acts they transfer. The intermingling of family (relationship-oriented) communication and business (decision-oriented) communication puts the families under a lot of stress and results in difficult conflicts, which the families seek to handle by searching for and employing management tactics. In western business families, different fields of conflict have been found, relating to the relationship communication the families process and the difficulties that arise when communicative acts are received and processed with different meaning, depending on the dominant logic (von Schlippe & Frank, 2013, p. 392).

The historical changes in the cultural, societal, economic, and political framework resulted in family systems that differ not only often concerning their structure, but also concerning the communication they perpetuate over generations. These changes are equally influencing the conflict-communication the families experience and create.

There are several implications the preparatory work has for the following parts of the research project. One is certainly the question whether the attempt to show similarities and differences between German and Indian business families is the same as the infamous comparison between apples and oranges – therefore, this would result in an attempt to compare the incomparable. There are certain arguments that a comparison would make no sense, as that the two kinds of families are too drastically different to compare. For example, one could argue that the structural form of the Indian joint family and the communicational aspects involved with it are too fundamentally different from the model of the German nuclear family and its structural and communicative implications.

Nevertheless, in this particular context, a very specific kind of family is explored – the business family. This group shares, irrespective of the cultural background, some distinctive features, which all can be subsumed under the notion of the influence of the business on the family and vice-versa. Therefore,


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its communicational patterns can also be regarded under the notion of this influence.

As the theoretical work up has shown, the research so far has taken different routes in both cultural backgrounds. While the German business family is a topic in the theoretical discussion of some sciences, mainly business oriented, but also from a psychological or historical viewpoint, the Indian business family is largely unknown to the research community, aside from research on family businesses in general, which sometimes also include considerations about the business family in their analysis. The same holds for the analysis of certain aspects of the family life – namely the conflicts and their management, which have been discussed in the German context, but mainly left out of consideration in the Indian scientific literature on family business about this topic thus far. First tentative statements, like John Ward made in his essay on Indian business families, show that there are similar conflicts in Indian and German business families, but only in the German context do we know about structural and communicational management attempts the families employ to directly cooperate with conflicts or to balance the influence of the family on the business – the organization in different tribes for example or the inclusion of a third party in the progress to help deescalate and professionalize the discussion (cf. Dutta, 1997; Suchy et al., 2012; von Schlippe & Kellermanns, 2009; Ward, 2000; Wimmer & Gebauer, 2009).

The Indian literature on the other hand takes two directions: output is either created in the form of portraits of successful leaders or in the form of monographs that establish basic knowledge about family businesses and their families, taking into consideration the cultural peculiarities. While German research tries to demonstrate an almost linear order the business families have taken concerning structural changes that may persevere in some structure or another for a larger time span than the changes non-business families have undergone, and also concentrates on the changing communicational set-up business families are cooperating with, the changes in India are not so definite. While overall the number of joint families may be decreasing society-wide and the influences of modernization and globalization are felt, the group of families in high income families that the discussed business owners belong to often remain joint – sometimes in their structure but especially in terms of their communication. Therefore, it might just not the decisive point to draw the clear line between joint and nuclear, but rather to reflect on changes the family members are experiencing independent of the structure they are in technically, but concentrated on the social group the family belongs to and the changes specifically this group, namely high-income/high-caste families, is undergoing. This group of families is known for their social rules, strong and respected hierarchies and the em-


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phasis that is put on the meaning of family and togetherness (cf. Dutta, 1997; Karvé, 1953; Kolenda, 1968; Mandelbaum, 1948; Sooryamoorthy, 2012).

Therefore, neither the structural (being joint or nuclear) nor the societal differences hinder a comparison, and rather the opposite is true: All families share the communicational peculiarity the business attached to the family (or vice-versa) bears and thus all families experience the influence it has on the family due to its distinctiveness concerning ownership, management, and family communication. Therefore, it can be considered worthwhile to look more precisely at business families in India and compare findings from this context with research from the German context. Thus, the following qualitative research concentrates on these questions:

1. Which relationship conflicts in connection to the business do the Indian families experience and which conflict management strategies do they use?
2. In which way could the conflicts and the strategies be related to the societal framework the Indian business families are part of?
3. What could be differences and commonalities in the conflict-experience of business families in Germany and India?

With these questions in mind and the preceding literature research the empirical and analytical process can start in an informed manner.

## 6.2 The research design in a nutshell

For the following analysis and interpretation data from 11 interviews with members of 9 business families in India have been conducted in a semi-structured manner with a topical interview-guideline. The interviews have been recorded, coded and analyzed in order to find valuable information for comparing the conflict-experience and ways of conflict conduct of members of Indian business families in front of a background of social change on the one hand, but also with findings about German business families on the other hand.

The research design that is presented in the appendix and used in the following chapters reflects the need for open-endedness – keeping the small amount of research already done on the Indian business family and their conflicts in mind, any preceding assumptions apart from that would lack a theoretical basis. The preceding literature research supports the process: the information about changes the family system underwent in the countries gives valuable insights into the business family life and their conflict-conduct. Nevertheless, about the specific topic – relationship conflicts in business families in a cross-cultural comparison – no empirical research has been conducted so far and therefore a grounded theory approach, concentrated on the maximum


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amount of openness to explore the topic without too many presumptions, is suitable. Therefore, the following chapters use this approach for detecting and analyzing conflicts in Indian business families. They will present the dimensionalized findings from the analytical process that is displayed in the appendix. In a second step, findings from this analysis will be compared to results from the German research context in order to conclude the study with three propositions for cross-cultural comparisons and implications for the practical converse with change and conflict in Indian and German business families.


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# B: Indian business families


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# 7. Dimensions of conflict and conflict management in Indian business families

The following chapter displays the different dimensions and relations explored. They are informed by the phenomena detected in the interview material (in the appendix) and grouped according to common denominators. Firstly, the findings concerning the conflicts in the families will be elaborated, followed by the descriptions of conflict management dimensions. The summary and conclusion to this chapter will present first assumptions concerning the first two research questions. On the one hand, different subject areas that have been identified to be conflicting in German business families can also be identified in Indian business families. On the other hand, different topics can be more related to the societal-framework and its influences on the communication in the families.

## 7.1 Dimensions of conflict

Deriving from the various code-families that centered about different fields and sources of conflict, created through misinterpreted and misconnected acts of communication in the families, different primary dimensions can be grouped. Those dimensions describe the de-facto fields at a more abstract level and can already be related to cultural influences and influences from paradoxes, coming into existence due to various particularities the relationship business family/family business entails.

Concerning the conflicts that appear, the main topics discussed have been the generational tensions, often related to differing perceptions of equality regarding the business and the family context and the succession process. On another level, but with similar implications, the change of existing rules or the perceived breach of family values threatens the communication, and the question of how to cooperate with influences from the outside through incoming individuals tackles peaceful communication. Finally, the loosening cohesion between the family members and the threat of no longer being able to secure the


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working system through deviations is perceived as conflicting. These different topical families will be closely regarded hereafter.

### 7.1.1 Tabular overview

The following table gives an overview over the conflicts families characterized in the previous sections and displays the dimensions found as a common denominator for single code families. At the bottom, the main dimension that concludes the findings is displayed.

| *Conflicts* | |
|---|---|
| *Dimension* | *Phenomena* |
| Differing acceptance of individuality and collectivity in the generations | – Business before family<br>– Missing Cohesion<br>– Being greedy/being content |
| The threat of destabilizing / unexpected system communication | – Intrusion into the family |
| Changing acceptance of power distance | – Conflict with existing hierarchical structures |
| Growing difference in applied logics | – Equality vs. fairness<br>– Role of the business in the family<br>– Succession in management<br>– Succession in ownership |
| Disappointed role/relation-expectations | – Transfer of power |
| *Core dimension: Changing institutions alter the communication in the families* | |

Table 2: Conflicts – Phenomena related to dimensions

In the following sections, the different dimensions will be characterized and brought into relation to the code families explained in the appendix.

### 7.1.2 Differing acceptance of individuality and collectivity in the generations

Geert Hofstede, in his large cross cultural survey on the mindset and communications of persons in organizations, families and groups in different cultures, also regards the differing emphasis a family places on individuality or collectivity as deciding for conflicts and conflict-communication.[26] According to his findings, in joint families with a collectivistic mindset, to negate a communication is a much larger confrontation than it is in a culture where individuals

26 Hofstede relates the distinction also to various other characteristics in communication, but in order to concentrate on conflicts, those will be excluded from this section. Further information on the topic can be found Hofstede, Hofstede & Minkov, 2010.


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grow up in nuclear families, concentrated on the individual and its aspirations. In the latter, clear-cut communication, and to accept the confrontation in a constructive manner, is regarded as a positive and necessary characteristic. India scores 48 and ranks 33 in the global survey of individualism among the countries analyzed. This indicates a medium overall result, but a low rank (differs between 1 and 50 among all countries), therefore, indicates that compared to other countries India is less individualistic (Hofstede, Hofstede & Minkov, 2010, p. 106f).

Another study occupied with the differences in expectations concerning individuality and collectivity (among other dimensions) in the families is the Global Leadership and Organizational Behavioral Effectiveness (GLOBE) research project. While being primarily engaged with organizations and leadership styles, it also pertains to the group level and families. Concerning the dimension of ingroup-collectivism, the study differentiates between two factors, the societal practices and the societal values, therefore, between *how it is* and *how it should be.* In these two sub-dimensions, the results from the Indian context presented a medium approach to *how it should be* and a high result in *how it is* compared to other countries, therefore it can be deducted that families in India practice a high level of collectivity, while the importance of it is only regarded with medium concern (Boopathi, 2014, p. 81f). The high level of commitment one shows towards his/her family is regarded as one essential feature of the Indian society (Kakar & Kakar, 2012, p. 15). One assumption relating to these studies is that members of business families from collectivistic societies are more prone to experience conflicts due to double-bind dilemmas: One option to manage these dilemmas is to exit the system. This might be more difficult in societies that put a strong emphasis on cohesion and collectivity (Litz, 2011, p. 130).

Pertaining to all studies of this kind is the missing differentiation: families in India come from various religious and societal backgrounds, speak different languages and live in different structures, which makes an overall comparison difficult. Nevertheless, the analysis of the interviews revealed issues that are described in these studies as well. Whether it concerned the cohesion the families experience among its members, or the place the business takes and receives in the family-communication, and also the comparisons between the lifestyles of the family members and nuclear families, the interviewees made the changing levels of collectivistic thinking and communicating responsible for conflicts in their families. They were not sure whether the upcoming generation would be able to work together like they do with their brothers or cousins, and whether the desired and essential level of cohesive action and communication could be established among generations no longer living together. They made the collectivity they experienced responsible for the success of the business, as par-


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ticular interests are placed behind the common interest of keeping the business successful. The interviewees observed higher levels of individualistic behavior, interest and needs among the family members compared to past time, and made the differing lifestyles and expectations responsible for conflicts in the families.

### 7.1.3 The threat of destabilizing / unexpected system communication

This dimension primarily engages with the question of gender discrimination and how it was directed in the business families. Only in one of the families interviewed, in the present generation working in the business, women were actively involved in decision-making in the family business. But also apart from the business communication women were regarded as troublemakers – they were made responsible for changing expectations among single nuclear families and for disturbing the communication among the otherwise like-minded brothers. Therefore, the solution to exclude them from business-communication to the largest extent possible is not far to seek. Apart from the wives, particularly the daughters are concerned by this pattern. While it was one aspect of the traditional Indian family system that daughters left the family as soon as they are married, and that therefore also the communication among the brothers could stay free from their influences, today the scene is changing to a large extent.

In the families, wives are less submissive and expect to take part in the communication on an egalitarian level. In the business family itself, daughters are educated in the same manner as their brothers and can be equally willing to participate in the business communication. While the interviewees positively acclaimed this change of role and options, the change in the communicational set-up of the families was regarded with suspicion and concern, as it indicated that different patterns in the business families would have to change alongside with it. Former clear-cut decisions, like who will succeed and how will the business be divided, are less conclusive today and even more so in the future. The complexity of the systems is growing, with more members being able and allowed to participate in the communication in different spheres, than it was possible one generation ago.

### 7.1.4 Changing acceptance of power distance

Power distance, another dimension described by Geert Hofstede, explains the relation between the wish for autonomy or direction in a group. He defines power distance as: "[t]he extent to which the less powerful members of in-


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stitutions and organizations within a country expect and accept that power is distributed unequally" (Hofstede, Hofstede & Minkov, 2010, p. 61).

Therefore, the power distance index tries to measure the level of inequality in a society and how it is accepted among the members of the society (ibid., p. 54). In this definition also families are included and India scores high among the countries analyzed (ibid., p. 61). Research on conflicts relating to double-bind dilemmas in business families proposes the assumption that conflicts due to these dilemmas are more likely to occur in societies with high levels of power distance, as the children are more likely to bow to the parental authority (Litz, 2011, p. 130). Concerning the business family, one has to regard three contexts that influence the communication in the family, the business, the ownership and the family itself. What adhered to the Indian families was the clear distinction between having power and authority, or not having the authority to decide over family matters. Patterns of this can be found in literature concerning Indian families, whether they described the family as it was or as it is today (cf. Denault, 2009; Garg, 2016; Owens, 1971; Ramu, 1988).

Closely related to it is the acceptance of a hierarchical pattern of communication, in which the elder and younger members of a family are situated. Therefore, often the eldest male in the family had the authoritative power over his children and younger siblings. This was not necessarily only true for the men in the family, but also for the eldest female – not only the father-figure in the joint family can become *Karta* nowadays, but also the mother (Garg, 2016).

Among the families visited, younger family members question the authority of age. Outside influences are made responsible for it, similar to the reasons for changing cohesion. Also similar to the differing influences that educated women bring into the communication, the change was not necessarily regarded as a major conflict by the interviewees, but the outcomes were explained as conflicts in the family and the business nevertheless. Whether family members stated that they could not work with younger cousins who did not accept the leadership of the elder, or made younger sisters-in-law, who neglected the decisive order in the family communication, responsible for fights, the conflict often related to the acceptance or disapprobation of inequality and guiding protection by one elder member among the family members.

### 7.1.5 Growing difference in applied logics

Which logic is applied in the communication in the families and the business is described as a difficult issue in German business families. Usually, in the families, equality and inclusion is the deciding concept, while the business needs and expects a decision-making communication, where hierarchical and function-


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oriented communications are created. In business families, both contexts are mixed and often cannot, or only with great difficulty, be separated in the communication. The problems coming along with this intermingling often can be found in distinctive circumstances and also on a general level. This is often the succession process, or also the emotions connected to the business, whether it is regarded as a burden by some family members, who feel neglected or whether the succession process is marked by the difficulty to decide between children who are loved equally and expect to be treated equally, while the business demands a decision based on merit, not on equality (von Schlippe & Kellermanns, 2009, p. 182).

Also among the Indian families interviewed, the topic was discussed, but in a different way from the known patterns in German business families. Not so much the intermingling of communications was regarded as conflicting, but rather the changing arbitration between logics applied. The family communication was hierarchically structured. The decision-making power was in the hands of the eldest male, and – similarly to the differing acceptance of hierarchy discussed in the previous paragraph – this concept was questioned under the consideration of family logic and business logic. Growing families, attached to the business, indicate also that there are more members theoretically available for succession in management and ownership. Important positions in the business can, but do not have to be staffed with family members. Where family logic and business logic intermingle, the expectation could be that every family member is welcomed and expected in the business, not depending on his or her ability. Simultaneously, patriarchs decide to split shares equally between their children, not depending on their position in regards to the business.

The expectation that rules of the family are concurrent to those in the business worked over generations, with accepted power distance and the strong separation of women and men concerning the business and family communication. But with growing businesses and families and a changing societal framework, the interviewees stated that the distinction is also growing, which leads to disappointed expectations among the family members. This often resulted in uncertainty over how to go on in the future concerning the succession in management, or also the difficulty to decide over who should be part of the management team and who not. Similar difficult was the arbitration between working family members and not working family members (in the sense of *in the business*). Where ownership was split equally, conflicts came up due to the experienced unfairness of the equal split.

The changing process can be summarized in different steps: while in the past the hierarchical structures were accepted and expected, equality between siblings is regarded as fair today, and as this is questioned more and more, the concept of merit-based decision making finds its entrance into the business


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system, while the family is still regarded as the place for applied equality. The drifting-apart of the logics leads to conflicts in the families.

### 7.1.6 Disappointed role/relation-expectations

Role expectations are met, concerning business- and family-roles alike. Whether the patriarch decides over the future of his children, or the mother is particularly concerned with the wellbeing of the family, attributions according to one's role in the family system, often depending on age or relation towards other family members, can be found, and are not easily changeable (Schwarz, 2013, p. 105). The Indian family is no exception in this case. Michael von Brück describes four different stages, particularly male members of the society ideal-typical transgress during their life-course. All different stages are equipped with expectations towards behavior and communication. During the final step, men are expected to differentiate from business and concentrate on spirituality and meditation (cf. von Brück & von Brück, 2011, pp. 122ff; Interview Sudhir Kakar, 2014). In the families interviewed, many accounts of this could be found. Patriarchs often retained from active positions and concentrated more on philanthropic activities the business family carried out. They acted as mediators in the families and as visionaries or value-transmitters in business and family alike. The patriarchs were not asked for making decisions, but were respected for their long-term view and wisdom, and were honored with titles in the business system. Nevertheless, on different accounts interviewees referred to conflicts they observed in other business families or to conflicts that were discussed in conferences and media, where the father did not want to leave the business and continued to influence the business communication, also on the managerial level, even if his son(s) already took over the formal leadership in the company. Similarly, this affected attributions according to gender and communications in the families. As explained in earlier paragraphs, women in many cases are no longer willing to act submissively in their marital family. This is true for example in regards to the relationship they share with their mothers-in-law, which was described as a traditionally difficult relationship, often resulting in internal conflicts, when women had no option for communicating their concerns. This also resulted in distorted families due to loyalty-conflicts young men experienced, when they had to arbitrate between standing with their wives, or with genealogically related family members. Even if it was not a clear-cut decision young men had to make, and even if the mother-in-law often communicated on behalf of the whole family, the duties towards the family should be of primary concern and the marital dyad was subordinated in importance (Kakar & Kakar, 2012, p. 62f). As the view is changing on what


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family members can expect from their counterpart in the communication, or what they are willing and able to deliver, the likelihood of conflicts emerging out of disappointments is increasing.

## 7.2 Dimensions of conflict management

The following sections present a dimensionalization of findings concerning the strategies for conflict management mentioned by the interviewees. Similar to the conflicts, those have not necessarily been attached to particular situations or – in this case – conflicts the families experienced, but also to general patterns on how the families aim to stay cohesive and aligned for cooperating with the complexity the business system holds for the family communication and vice-versa, for the changing communications in the families and their ongoing influence on the business systems.

In a first step the tabular overview will be displayed before the different dimension will be explained in greater detail in the following sections.

### 7.2.1 Tabular overview

In section 7.1 the conclusion over the conflicts found in Indian business families and how they can be situated in and are influenced by the larger historical and sociocultural framework has been displayed. The following sections will follow the same order concerning the conflict management in the families. The different code-families could be grouped and different patterns and relations were discovered among the groups, codes and interview segments. Those were formed to dimensions that are displayed in the table below.

| *Conflict management* | |
|---|---|
| *Dimensions* | *Phenomena in conflict management* |
| Changing and new formal institutions | – Advanced training<br>– Charters and councils |
| Attachment & separation | – Attachment through proximity<br>– Structural separation of the business<br>– Structural separation of the family |
| Expected communications as relationship markers | – Silencing<br>– Spirituality/Values/Rituals<br>– Doubts about formal institutions<br>– Waiting and becoming mature<br>– Change through authorized entities<br>– Fathers/Mothers |


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*(Continued)*

| *Conflict management* | |
|---|---|
| *Dimensions* | *Phenomena in conflict management* |
| Stabilizing system communication & allowing differing communication | – Consenting<br>– Cooperating/Asserting |
| *Core dimension: Consideration of institutions* | |

Table 3: Conflict Management – Phenomena related to dimensions

The identified dimensions and the central core dimension form the content of the following sections.

### 7.2.2 Changing and new formal institutions

The changing institutions in the larger societal framework have been made responsible for inducing conflicts in the familial communication, as described in section 7.1. These institutions were mainly adhering to the category of *informal institutions*, therefore the rules, norms and conventions, influencing the familial communication. Those are said to be in change, and that often resulted in conflicts the families experienced. One primal strategy of how business families respond to those changes and conflicts, are formal institutions that structure the decision-making process in the families/businesses, and alter the competence with which conflicts can be handled in the families. Those methods are not distinctive to Indian families, but rather universal among business families, even when they can be regarded with suspicion. They will unfold their usefulness when members of the system can concur with the process and result (Kellermanns & Eddleston, 2006, p. 365). Accordingly, the interviewees showed different levels of acceptance concerning formal structures, particularly when it came to family decisions and communicational premises. Nevertheless, charters were in use, not exclusively, but also in the business system and supporting different processes that were described as particularly difficult like succession in ownership or management. Sometimes, the families also had specific family councils that consisted of family members, close friends or experts from research and science, which helped them to discuss critical topics coming up in the families, often related to rather grave change processes like the restructuring of the business. Another source often made responsible for knowledge concerning the peculiarities of business families, the interviewees and their families have, was the network they used for discussing topics specifically related to their situation. These came in the form of organizations the families were part of, or of workshops and conferences they visited, often on an international level. These networks, albeit completely differing from their today-form, have a long tradi-


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tion in India. One example are Marwaris, a network of traders, especially influential in the East Indian business community at the beginning of the 20th century. It was, besides its practical functioning in money-lending and contracting, also used for more informal purposes of exchange and knowledge creation and preservance (Gupta, 2008, p. 38).

Today the advanced training has taken more universal forms, and present and future generations are preparing for transitions and changes business families experience. They were displayed as supporting the management of different paradoxes emerging from the missing contextual differentiation between the family and the business system. Equally, they were described as balancing the influence of the family on the business where necessary.

### 7.2.3 Attachment and separation

These on the first sight contradicting orientations can be brought into relation, when they are regarded with special focus on their function for the business family. Creating attachment to the business by activities that include business communication in some form, or enable family members to regard the business as means of establishing a collective sense in the families, has been found supportive for tolerating the business communication also in growing German business families (Interview with Prof. Fritz B. Simon, 2015).

One primary concern of the interviewees was how they have been led to the business – often by intermingling communications that took place in familial situations, or by working in the business from an early age on as interns or trainees. Similarly, they wanted their children to be attached to the business, but without the pressure they experienced during their education or observe in other business families. The means of how this attachment has been created in the past has changed to a large extent. While not all families lived in joint structures, the communication concerning the business among male members often took place directly in the families – supported by close proximity they shared, not only, but also structure-wise. Nowadays the attachment has to be created more consciously, but is still influenced by the circumstance that many families try to stay close to each other if the business allows. Similarly, family events are created or exerted where the whole family comes together and shares communication over business and family topics. These events can be regarded in relation to the second part of the dimension – the separation.

Conflicts often emerged out of the proximity and missing space the family members experienced. The individual lifestyles could be observed closely and not seldom interviewees narrated about conflicts that emerged due to the missing space for unfolding one's individuality. The families visited found means


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to create space, which often resulted in moving to different houses in the neighborhood. The separation process was described as easing out tensions among family members.

In the business, functional and hierarchical differentiations are regarded as supportive for relationship-conflict prevention in the business (Suchy et al., 2012, p. 349). The Indian families exercised this form of functional separation, also to converse with the equality that is often applied and expected among the brothers. As often more than one brother or cousin was working in the family business, different branches were assigned to them, which supported a functionalization and separation of different spheres of decision-making in the business. In the families the interviewees tried to separate business and family communication, at least when they had conflicts that they assigned to the business context.

Creating attachment to the business on the one hand, and separating the communication in the families and/or businesses on the other hand are not mutually exclusive strategies. They rather support each other's aim to create space for the business in the family communication, while the family communication, resp. the communicative acts created by family members, are not devaluated in their importance and receive their own space of meaning.

### 7.2.4 Expected communications as relationship markers

Beside the already mentioned doubts about the effectiveness of formal institutions, the interviewees repeatedly mentioned patterns in their communication that helped them to create cohesion and proximity in mindsets. Whether it concerned the spirituality that they practice together, or the values that they try to transfer from one generation to the next, these formalized – in the sense of content and/or structure – acts of communication created a common understanding among the family members about how and what to communicate to the counterpart in the situation. This bears resemblance to how Niklas Luhmann describes organizations – the known rules constitute the system and membership is defined (Luhmann, 1998a, p. 830). When referring to conflicts in German business families, often the missing/hard to detect context markers lead to misguided communication. The context marker may be a differentiation between workplace and family home or also different persons with whom communication is created – business families are often influenced by both contexts in unison (von Schlippe & Frank, 2013, p. 395).

The business families in India did not attach conflict-meaning to this issue, they only seldom referred to communications that adhere to the business context taking place in the family setting as negative for family communication. Rather


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the relations among the different roles in the families and how specific forms of communication attached to these roles were regarded as conflict-inducing when neglected. Simultaneously the kind of communication they share in specific relations – brother/father; daughter-in-law/brother-in-law, to name some examples – was described as the major influence for conflict management and cohesion among the members. Deriving from the different assertions, it seems as if the rules and norms in communication can work as a replacement for the missing markers, not attached to separate contexts, but to different roles and relations in the communication. This can also be a reason for why sometimes the integration of a professional counselor is not the preferred method for equalizing the communication between the members. They are not as accepted in the institutional setting as spiritual leaders who are seen as part of the communicational setting – not necessarily in case of a conflict, but in general in the families.

### 7.2.5 Stabilizing system communication & allowing differing communication

The previous dimension of conflict management referred to the strong informal institutions that ordered family communication for generations. Despite these traditional influences, the family members relied on cooperation and open talk in critical situations, also integrating members that would traditionally not directly take part in the communication. These changes are often intrinsically conflict inducing, but, when supported by the integrated members or initiated by respected entities, helped to ease out communications that have been described as fraught with tension and equipped with hurdles that were impossible to come by for the hierarchical lower positioned family members. Communication that differs from the traditional is more and more expected and hierarchies are flattened, when it is concerning family communication. The sociocultural framework induces and supports this change: new communications (in form, content and structure) are brought into the system, and, while surprising and possibly misunderstood many times, get integrated over time with the help of change agents, time and space. To overcome the threat of destabilization from differing communication, separate spaces are created, where only specific communications are allowed – the brothers rely on consensual decision-making and exclude their wives, fathers or children from the setting – they form one cohesive opinion before including others. This gives the specific setting space, without unexpected communication (apart from that adheres to any communication) and reduces delays in decision-making.


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## 7.3 Conclusion: Sociocultural factors of conflict and conflict management

At the beginning of the analytical section the questions were asked, which conflicts the Indian families experience and which conflict management strategies the families apply. While the different phenomena should inform the question for the topics that have been found conflicting in the families and the strategies they apply for the management of these conflicts, during the analysis of the interview corpus the sources of the conflicts became more prominent. The expression got enforced that the sources of conflicts in the families and the management of those can be related to different worlds of experience and expectations the members of one generation share, compared to other family members with whom they nevertheless share the space the business and the family system propose and require. They are, much like German business families, companions in fate as long as they consider the business to be worth the effort to cooperate, despite the conflicts they experience.

Therefore, the preceding analysis informed mainly the first research question, namely:

1. *Which relationship conflicts in connection to the business do the Indian families experience and which conflict management strategies do they use?*

During the analytical phase, different phenomena have been detected and brought into relation in different dimensions. When regarding these abstracted phenomena and the conditions and contexts with which they were brought into the analysis by the interviewees, one central contextual concern can be inferred that supports first findings concerning the second research question. Therefore, the following summary centers mainly around the next question:

2. *In which way could the conflicts and the strategies be related to the societal framework the business families are part of?*

The following core-dimensions aim at exploring this question further.

### 7.3.1 Main driver for conflicts: Challenged institutions in family communication

Informal institutions can be defined as rules, norms and conventions ordering the communication in a society. The institutions in a society are never fixed for


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eternity, but nevertheless enduring and resistant to change. They are valid for members of a society and said members do well to stick to those, as any form of misbehavior in regards to the institutions is usually sanctioned by other members of the society, which can finally culminate in the exclusion of the deflecting member from the group. Therefore, norms are regarded as powerful players in the larger framework of conflicts and conflict-regulation (Axelrod, 1986, p. 1095).

Institutions, despite their endurance, are in change in India, and this process does not pass unnoticed in the families. What adhered to the dimensions depicted in the table 9.2 was their relation to *change*. Whether it concerned the difference between collective and individual thinking in the respective generations, or changes of role-attributions, conflicts emerged from the difficulties families experience incorporating changes that they perceive as threatening to family alignment and cohesion. The communicative acts in the family, and what to expect or interpret from those, are equally influenced by the institutions forming the society, and therefore influenced by the change process.

Family members grow up and learn during their socialization how they are allowed and expected to communicate, what is their place in the familial communication and what other members of the family situational expect in the communications. (cf. Burkart, 2008, pp. 141ff; Schlösser, 1978, p. 355). While the change process does not necessarily result in conflicts, in the families interviewed and also when related to research on business families in Western countries, several aspects can be regarded in this framework. The different systems that consist of communications, cannot rely on communication-premises anymore that have been valid for generations. More and more influences from the outside, also from outside the societal framework the families are directly situated in, are destabilizing the communication in the families and are changing the expectation frame. More misinterpreted acts of communications are the result, and often an open negation is possible today, where it has not been one generation ago. In the diverse field of institutions, especially different concepts of individuality and collectivity between the generations were made responsible for conflicts in the families. This was often brought into the discussion by explaining how the generations differ in their perception of hierarchy and authority. While critically discussed by the family members, nevertheless the incoming generation was accused of wanting more power while not having the foresight the elder generation brings in the system.

The breach of family values, e.g. equality, is one of the largest conflict-inducing symptoms they experience. With *equality* in mind, families made sure that every (male) family member feels equally accepted, treated and loved – a concept which reaches its limits in the business as soon as a company meets the market in all its force, or the family is growing over generations. Institutions that have been


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in place for generations help to overcome this threat, but are tackled by the upcoming generation.

Deviation from the system is conflict-inducing, and the historical supported order the system uses to function is tackled by influence from social change. The fear of a breach of family values, or the intrusion from outsiders, as what wives are regarded at the beginning of a marriage, are all symptoms that are visibly threatening family cohesion and alignment. This alignment is needed, even more through the changes the family experiences, be it structural or communicational, for the ongoing success of the family business. Conflicts are the visible manifestations of these symptoms and are growing the more the family is on the one hand holding on to traditional institutions, while on the other hand, allowing changes to infiltrate their communication, as not all family members are in the same pace embracing the changes which are gaining ground.

The institutions that catered for specific needs in the business family, and held the system stable in the sense that norms of communicating in the families were repeated and known, are threatened. The changing sociocultural framework asks for the integration of new rules that have been found difficult to incorporate for the families on the one hand, but have been accepted as existing and in the need for management nevertheless. Therefore, as the central concern among the families visited could be identified the following:

> *Traditionally enforced institutions in the families, ordering and influencing their communication, are in change. This change is observed and regarded as threatening to the stability of the family alignment.*

These institutions are not only challenged by the changing socio-cultural and -economic framework, but also by the additional complexity the business communication brings into the families. While the intermingling of communications was not described as a major problem, the comparative processes among siblings were named as the primary negative influence on family communication. This conflict is known in business families in Germany as well, as the theoretical introduction has shown. Siblings compare their stake in the business or the power they derive from it, as well as differing lifestyles connected to differences in wealth (von Schlippe & Kellermanns, 2009, p. 187). The comparative processes are threatening on different levels: they affront the concentration on collectivity, as differences between individuals are becoming visible. Further, they are opposed to the hierarchy and authority deriving from it with which the family and the business communication were traditionally ordered. As it is no longer accepted what is given by the entitled authority, the stability of the business family communication is in danger. This conflict is further enhanced by the second most named reason for conflicts: the wives who come into the family after marriage are changing the communication and are regarded as enhancers


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of the comparative processes. Male family members, whose cohesion is needed for business success, observe the influence of their wives, as it is said to further strengthen the comparative processes.

Also the mechanisms and strategies applied for conflict management are situated in this framework. But, while in the case of conflicts, modernity and tradition can be described as two excluding poles regarding the statements of the interviewees, conflict management means rather to integrate both and to carefully assess the most important institutions for family communication.

### 7.3.2 Central strategy for conflict management: Consideration

All business families met in India explained repeatedly that they undergo a constant change process that alters the communicative acts in the families and leads to misunderstandings, most often in connection with institutions that are deflected, when seemingly common rules are neglected in the communication. This concerned the business and the family communication, but traditionally, the rules that ordered communication in the family were repeated in the business – therefore the communicative acts created in the systems often were subject to the same institutional logic. As long as the management positions are staffed with family members and the hierarchies in the families are the same as in the business system, the congruence of logics worked as a conflict management method on the relationship level. But the change process that is taking place in the society also concerns the business families. The logics are starting to differ, which destabilizes the communication and brings in the dimensions of conflict known in German business families. Nevertheless, the interviewees considered different strategies to be successful in managing the conflicts that come up in their relationships. Those resided mainly on two levels that both had as a primary goal to ensure cohesion among the family members:

> *On the one hand, the families aim to preserve institutions that have been proven useful for stabilizing the system communication, while on the other hand, they change and abolish institutions that they regard as no longer applicable in their families.*

The first strategy was named most often. Whether it concerned the equality among the siblings or the positive influence of shared spirituality, the interviewees referred to different means of how the family ensures the alignment among family members with the help of informal institutions that stem from the sociocultural context and are historically valid.

The emphasis was put on the perpetuation of those communications that should ensure the common mindset with which communications are expected and welcomed by the family members. This also included the general commu-


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nicational rules and defined communicative acts produced among specific relations in the families, often in a vertical relation.

Nevertheless, other institutions are in change, partially due to communicative acts the business system creates and partially due to the general awareness for changing communications in families. These are for example the joint family system with its structural proximity that led to conflicts in the families in past time, or the restricted communication between specific roles in the family communication. Interviewees explained how in their families, these rules are in change without deflecting from other cultural norms. These changes helped to cooperate with the additional sphere of influence from the business system and the conflicts emerging due to it, as for example the comparative processes among family members are reduced with additional space and the acceptance of individual lifestyles.


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# C: Consolidation with findings about German business families and development of propositions


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# 8. Consolidation with findings from German business family research

## 8.1 Introduction to the chapter

A systemic view on conflicts in business families names paradoxes resulting from the entanglement of different contexts – the family, the ownership and the business – as the ideal surrounding conditions for the evolution and worsening of conflicts in business families. Additionally, families are a perfect breeding ground for conflicts, as a place where emotions are expressed with strong intensity. The business poses an additional layer of influence on the family, whether it is regarded as a family member by the founder or as an aspirational future or burden for the successors and further family members. The predecessor and the successor experience a double bind relationship; both share the object of desire, the successor receives the message to be equally successful as the predecessor, but meets restrictions in striving for this aim. Those are posed by the predecessor, who wants to let go, but is fearing that he/she might lose his/her important role and equally is not sure about the capabilities of the successor. Their communication entails mixed signals and hard to understand directives. This tense situation can result in family conflicts related to the place of business communication in the family system or the equality that is sought between all siblings on the one hand and merit based rewards and promotions on the other (cf. Grote, 2003, p. 119; Kaye, 1996, p. 353; Litz, 2011, p. 123; von Schlippe & Kellermanns, 2009, p. 182).

Business family members are situated in and influenced by different logics simultaneously. Often, it is not easily resolvable with which logic the communication takes place, resp. whether the counterpart(s) in communication is/are experiencing the same system environment at the same time and communicating accordingly (von Schlippe & Frank, 2013, p. 395).

In the preceding chapter, the different conflicts and conflict management methods among the Indian business owners have been presented and analyzed. It could be explored that indeed many conflicts in the families emerge in connection to the business. Nevertheless, when closely regarding the underlying


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dynamics, one is bound to acknowledge the stabilizing influence of sociocultural institutions in the families on the one hand, and the difficulty to incorporate changes in the communication set-up on the other hand.

In the following sections, the comparison to the German business families will be made. Dimensions of conflict presented in research will be adducted and the question of whether single items or whole system-communications are comparable will be discussed. As explained in detail in the theoretical introduction to the thesis, there are various conflicts that are plaguing business families most, located in different relationship constellations and deriving out of different expectations with which in the different contexts communication is created. This can result in emotional relationship conflicts that are most likely harmful for the business, but equally harmful for the family involved (Eddleston & Kellermanns, 2007, p. 546). System theorists consider the different communication expectations that are valid in the family, the ownership or the business systems, and the paradox settings with which the members are confronted as the ideal prerequisite for family conflicts if the family does not develop strategies on how to cooperate with the given setting (cf. Habbershon & Astrachan, 1997b, p. 43f; von Schlippe & Kellermanns, 2009, p. 184).

## 8.2 Similar and differing patterns of conflict in India and Germany

The final step will now be to check for comparability between the families from different societal contexts, in order to find out, whether the interconnection between the business and the family-system supports common experiences regarding conflicts, even if the families themselves are situated in different worlds of experience according to their societal background. Equally, possible distinguishing features will be highlighted.

This will be done by firstly connecting the findings from the analysis of the Indian context to fields of conflict named in research literature in the German context. In a subsequent step, an assessment concerning the different strategies and fields of conflict and how the Indian interviewees evaluated them will be displayed, before examining the single aspects more closely.

In comparison to German business families, particularly the deviation from cultural norms on the one hand, or exactly the opposite, the sticking to known rules, even if the environment is changing on the other hand, seems conflict-inducing for the families. The conflicts among Indian business owners were, with the help of the grounded theory method, analyzed and clustered concerning its core dynamics. It became explicit that conflicts appear between parents and


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children and among siblings, often related to perceived infringements of norms and values, to which the family situated in its cultural and historical framework relates. The dynamics of conflicts are often illuminated with comparable – and therefore observable – codes, and condensed in areas where also German business families experience the paradoxes resulting from the intermingling system-instructions that do not necessarily turn conflicting but offer ideal surrounding conditions nevertheless. Arist von Schlippe and Franz W. Kellermanns grouped the relationship conflicts that harm business families most in five fields: (1) Centralization of power, (2) comparative processes between shareholders, (3) converse with complexity, (4) succession (5) attributions according to gender (von Schlippe & Kellermanns, 2009, pp. 184 ff). These conflicts can manifest in various ways: in the paradox interest the successor poses upon the predecessor and vice-versa, in the rivalry between siblings striving for more attention and power, or in the feeling of being hurt in one's identity or trust (cf. Gordon & Nicholson, 2008, 13 ff; Levinson, 1971, 378 ff).

In the following sections the possibly harmful dynamics, adhering to these processes in business families, will be transferred to the findings from Indian business families, to state whether they are equally threatening in this context or whether business families in India are different communicationally equipped to handle critical tensions in family development and communication. The following table displays the findings in short.

| Fields of conflicts | In Germany (Von Schlippe & Kellermanns, 2009) | The Indian group |
|---|---|---|
| Comparative Processes | Single nuclear families or siblings compare fractions of shares and relate those to feelings of unfair treatment. The seeming solution to divide equally perpetuates the problem with growing families and incoming generations. | – Shares are split equally (among male siblings in the past, nowadays also including daughters)<br>– Siblings compare lifestyles<br>– Primat of equality and modesty |
| Complexity | The family is growing, and more persons are influencing the communication. Missing context markers and different logics guiding in the systems are leading to conflicts in the families. | – Violation of the collectivity norm<br>– Fear of destabilization: Consent among brothers<br>– Conflicts owing to new family members |
| Succession | Rivalries between fathers and sons or among siblings make the succession process conflicting for family members. | – Change from primogeniture to merit-based decisions<br>– Violation of role-ascriptions |


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*(Continued)*

| Fields of conflicts | In Germany (Von Schlippe & Kellermanns, 2009) | The Indian group |
|---|---|---|
| Centralization | One person acts as the head of decision-making. Informational asymmetry or alliances not understandable to other persons harm the relationship in the family. | – Replication of communication in family- and business-system<br>– Changing acceptance of hierarchy and power distance |
| Attributions according to Gender | A growing number of women in management; Work/family conflicts | – Inclusion in ownership<br>– Exclusion in main business<br>– Entrepreneurial functionalization |

Table 4: Comparative aspects of conflict in India and Germany

It shows that there are several similarities concerning the different fields among the Indian families and German business families. Nevertheless, the renewed inspection of the data has shown that while the Indian families indeed experience conflicts in the different areas, they attach different meaning and significance to the single dimensions. Equally, they emphasize different strategies for cooperating with conflicts more than others. The graphic on page 161 displays these evaluations.

The cross-case comparison showed that most interviewees perceive the *complexity* – growing families, a growing number of persons wanting to be part of the business, a growing number of voices included in the communication – as conflict inducing. Similarly, comparative processes between siblings, not so much concerned with different stakes in the business, but rather with different demands and derived acts, are named as one major source of conflicts in the families.

The concerns regarding *centralization*, *succession* or *attributions according to gender* seem to be only of minor relevance up to today. This can be connected to the different strategies the families denominate with which they focused or unfocused work against the conflicts. On the one hand, there is the assessment of traditional rules, of which some are abolished – like the exclusion of daughters in ownership – while others are kept alive, as long as the family/business structure allows it, and then are transferred into a metaphorical frame, as for example the centralization of power in the patriarch, who becomes a chairman concerned with vision, value and advice, subsequent to his active role.

On the other hand, these conflict dimensions are already included in formalized decision-making procedures, or have not been described as problematic. The succession-process is one example for this bifurcation: families had councils and boards installed that were involved in the process, especially concerning the upcoming decisions, or the families postponed the decisions as


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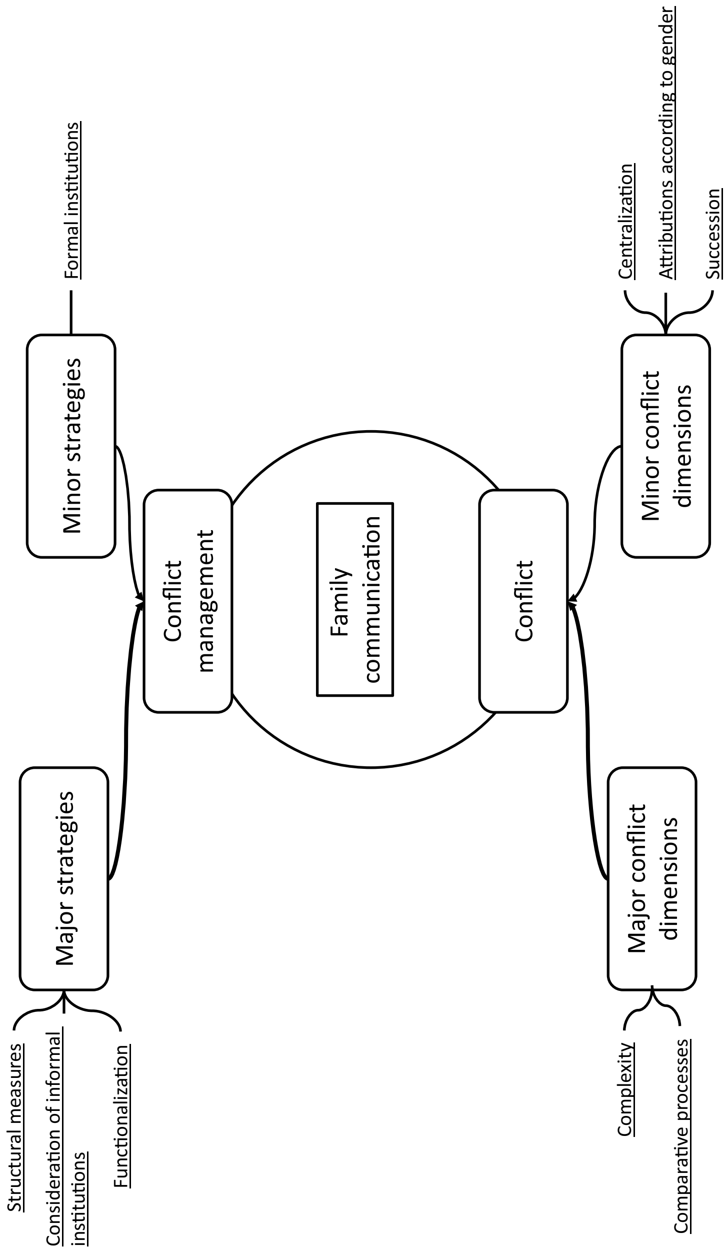


Figure 3: Assessment of dimensions and strategies (Own elaboration)


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their children were still too young. Regarding the past processes, a functionalization and hierarchization of decision-making communication and preservation of institutions were most immanent: brothers headed different branches, ventures or functions in the group, and the eldest took over the responsibility for the whole family business. Nevertheless, research concerned with the succession-processes in Indian business families describes these processes as difficult, mainly due to the differing demands the family and the business system have, and the difficult balance between autonomous decision-making and collective aspirations of the family that confront the successors (Sampath, 2001, p. 10). The interviewees described changes in the framework, especially after the patriarch deceased, and the head of the family and the business stopped to exert his influence. Their way of working with this topic was to switch from a single-person business to a collectively managed company. A split of the business was named as one outcome, but during the interviews this process was described as amicable in most situations. Nevertheless, these splits can also be regarded as preventive or managing steps in an upcoming or active conflict among the brothers and nuclear families involved (ibid., p. 11).

Particularly concerning the family-context, structural measures the families took were mentioned as precautionary managing-strategies: most families either moved to separate houses in the neighborhood (if the business context did not prescribe to live in different cities) or shared large houses with separate households. This gave the single nuclear families enough space to detach from the strong influence the joint family exerted, in structural and normative means, without losing the attachment to the family.

The following description offers a closer look at the different fields in the German context, and how the Indian situation can be located in this pattern.

### 8.2.1 Comparative processes in a different sphere

Comparative processes among shareholders are, regarding the sources of conflicts interviewees named, on a prominent position among siblings. But a difference to German business families is visible. In this context, an equal distribution as it is the norm according to family logic most likely leads to severe conflicts in the families as soon as the families are growing and therefore the ownership will be divided among more and more persons, making decisions in the ownership context difficult (cf. Davis & Herrera, 1998, p. 256; Wimmer, Groth & Simon, 2009, pp. 153). In the Indian context, an equal distribution among family members is the norm according to the interviewees. Family members usually named the equal distribution rather as a mode for conflict management than for conflict enhancement, which could be due to the fact that


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comparative processes among siblings were named as the most intriguing source of conflicts in the families involved.

But in contrast to the conflicting power the distribution has in German business families this did not so much affect their role as shareholders. The difference made referred to a gender bias, particularly concerning the retired and the active generation – here, mostly the equal distribution between male siblings was directed. Concerning the upcoming generation, also daughters were named as being part of the heir-pool and being equally considered in ownership. On the one hand, this referred also the problem of gender bias – up until today women are discriminated in the ownership even if they are legally treated as equals since the sixth amendment to the Hindu Succession Act of 1956 has taken effect in 2005 (PTI, 2011). Since then, women have to be regarded as coparceners "for any partition made in intestate succession" (ibid.). Traditionally, women left the natal family after marriage, which also excluded them from the pool of heirs. But given the male dominance in succession, it remains questionable whether the equal shareholding among brothers and sisters will exert the desired conflict-managing influence. The equal shareholding works so far when the power in the families is distributed among closely related brothers who exclude any communication that could lead to loyalty conflicts among the single nuclear families. When changing institutions (like for example the inclusion of daughters in ownership) are incorporated, but no measurements are taken to ensure the coherence of the families also with a growing number of shareholders, the danger of the families developing conflicts due to the equal separation is high.

When everything is shared equally the following generations are not necessarily prone to develop more conflicts due to equal separations. This depends largely on the strategies the families employ, whether they tend more in the direction of a carefully organized "Joint Family Organization [translation by the author]" (Wimmer, Groth & Simon, 2009, p. 149) or whether the family dispersion will lead into the direction of an organically grown "Tribal Organization [translation by the author]" (ibid., p. 149).

Both modes seem to be fitting in the Indian context. The adherent danger to both forms is the growing number of shareholders, possibly resulting in a mass of persons all being economically tied together, but no longer aligned by a common goal (ibid., pp. 150ff). While not referring to this specific fear, interviewees mentioned repeatedly their apprehension that family members in upcoming generations will be less and less aligned and that the cohesion among the family members is missing. Changes in the family structure substantiate this threat – in an Indian joint family, at least first degree cousins would live together and share the same space as siblings do, while in nuclear families scattered over the country the needed proximity could be missing if the family does not take specific care of it through family organization and common strategies. (Hab-


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bershon & Astrachan, 1997b, p. 43f). The families introduced means of how to create attachment among its members and how upcoming family members are led to the business. Nevertheless, they expressed fears concerning the cohesion in the upcoming generations and often had no formalized means for succession processes or similar procedures. They rather used informal structures or institutions in which influences from the formal and informal spectrum are interleaved, like spirituality deriving from religion.

Differently evaluated were comparative processes among siblings, according to their lifestyles and appropriation of income. Herein lies the most obvious source of conflicts, according to the interviewees. Family members made sure that they tried not to let this matter become too immanent in their families with formulated rules like receiving the same income among the brothers on the one hand, but also by stating that they act alike between the brothers on the other hand, explaining that due to their like-mindedness this problem simply does not occur or that the family is too close in its aspirations for letting single members deviate from known rules. Nevertheless, given the frequency with which it was mentioned as a reason why siblings start to argue, it seems to be a common source of conflicts. Slowly changing institutions are heating conflicts concerning this topic – family members living in one home, receiving money from one source and being treated alike supported by a system where the continuation of misconnected communications was not openly allowed – to negate the like-mindedness and equality would have meant to negate a constituting logic of the system. This was supported by a congruence of rules that did not exist in Germany in the recent generations due to the differentiation of the nuclear family more or less separated from the organizational context (Wimmer, 2014, pp. 31ff). Differing expectations in the family or business system were reduced to a sustainable minimum in the Indian families, but modernizing influences are changing this set-up. Management tactics are ranging from aiming to preserve traditional patterns, which is difficult due to changing expectations from a generation that constitutes with their communication new webs of meaning, to a deliberate acceptance and incorporation of new rules.

### 8.2.2 Dealing with complexity – synchronicity of system logics

One of the main drivers for conflicts is the complexity the differing logics pose upon the systems family, business and ownership. While especially "ownership" is backed up by the legal system with its own implications and requirements, it at least offers a frame of reference the members of the business family can adhere to. Concerning the other two – family and business – the system-requirements are less obvious. Recent research suggests that there are not persons belonging to


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one, two or three subsystems at the same time who communicate according to the system they are in at any given moment. It is rather that the systems are constituted by and constituting communication, creating their own web of meaning depending on which logic, expectations and used codes are deciding. Context markers help to "determine how meaning should be assigned to communicative acts" (von Schlippe & Frank, 2013, p. 395), but the dense structural coupling between the systems and the exertion of reciprocal influence enhance the complexity with which members of the systems have to comply and make it difficult to decide over the kind of communication that is executed in any given moment (ibid., p. 395).

One possibility to converse with this difficulty could be the approach to strengthen the context markers to make it detectable more easily which web of meaning the partner is "coming from", therefore with which logic in mind he/she is arguing (ibid., p. 395). The family members interviewed did only to some extent refer to this difficulty. Some explicitly stated that they try to separate one communication from the other by using existing markers like the company environment for contradistinction, but in case of arguments it remains doubtful whether this strategy will work. What seems to have supported the families in India up to today is a synchronization of system logics. The often-mentioned hierarchy in the families is no longer to be found in this manner in German business families. While, for example here the patriarch might be highly respected, too, his position is not unassailable to the same extent given the egalitarian communication most nuclear families apply among its members (even if often the practical implementation of this equality between family members still is missing in the families concerning their roles and role-ascriptions) (Burkart, 2008, p. 157f).

Traditionally, the position of the patriarch in the family was the same as in the business, and this congruency also related to succeeding sons or to wives who were excluded from the business system and were regarded as outsiders in the family. In his case study about the management of succession in Indian business families, D. Sampath (2001, pp. 70ff) also refers to the frictions coming into force in non-business families due to the missing synchronicity of tasks the individual experiences in the family and the organization or business. One the one hand, in contrast to agrarian societies, modern societies have different expectations regarding its members according to the system to which they relate at any given moment. On the other hand, business families tend to synchronize these patterns despite the influence of a globalizing environment. He concludes with the hypothesis that the individual in the system was not confused about which context mainly influenced his communication at any given time. Regarded through the lens of the social systems theory, one could thus argue that the markers did not have to be as clear cut as they would be in German business


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families in order to avoid conflicts due to unclear communication. Acts of communication would always occur in the context of relationship communication and the organizational order would resemble the familial order.[27] Hierarchy, authority and respect in the families repeat or synchronize the system of communication and create webs of meaning that are missing – or not needing – contextual markers for differentiation. Another aspect relating to a growing complexity is the inclusion of daughters in the succession process. Here, again, the traditional family system supports a reduction of complexity regarding the numbers of family members involved. Women have been excluded from the business system (and the ownership system as well, but this is in change according to the interviewees), which reduced the number of family members included in the communication concerning the business. Moreover, also concerning the alignment of the family their communication was excluded to a large extent. While they exerted influence on their husbands and children, in traditional joint families the larger group would nevertheless be the decisive entity, directed by a patriarch and his sons (Sooryamoorthy, 2012, p. 4).

One aspect of a working family strategy can be to exclude spouses from participation in the business (Baus, 2010, p. 147). Nevertheless, this does not concern the family communication. Regarding the importance of the nuclear family in Germany, it is difficult to observe the same exclusion of certain family members from the exertion of influence regarding the alignment of the whole family. Moreover, open communication is said to have a moderating effect on relationship conflicts (Nosé et al., 2015, p. 19). Equally among the interviewees, open communication was proclaimed as having a positive influence on conflicts in the families. Moreover, equality between men and women has become an important value that families reinforce in their communication and the traditional "axis of decision-makers" (Sooryamoorthy, 2012, p. 4) – the father and his sons – in the family is no longer as clearly defined as it once was (ibid., p. 4). This stands in contrast to the traditionally enforced exclusion of certain voices and it remains open how the following generation will incorporate both directions – the tradition that helped the business families to experience less open conflicts and the open communication that is expected by the younger generation.

27 A replication of rules is also visible in the relationship between business families and employees of family businesses in India. The proximity to the patriarch in terms of position in the business and in the society determines the level of trust with which the employee is considered. Informal bonds between the employing family and the employees strengthen the closed group relationship further. The group of employees closest to the patriarch will be treated with special care, similar to a welfare system, but in case of a missing social security system, dependent on the goodwill of the patriarch and owning family (Dutta, 1997, pp. 183ff).


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### 8.2.3 Centralization of power in the Karta/patriarch

On first sight, centralization of decisional power and information as one main area of conflict does not seem to bother Indian business families to the same extent and might thus be regarded as unproblematic or even desired and prescribed in the Indian business families. The patriarch often runs the business in managerial terms and is also responsible for decision making in the family. No family member interviewed complained about the resulting informational asymmetry. This could stand in relation to the proposition that on the surface, the centralization protects the family against many conflicts, while it essentially is a tabooing of conflict communication that could worsen the problem in the long run (cf. Sorenson, 1999, p. 137; von Schlippe & Kellermanns, 2009, p. 188). Therefore, it is possible that family members even prefer to have one person in charge of everything as long as no one questions this person. In the Indian family, this concept is legally enforced by the Karta rule and the power of the patriarch, the eldest male in the family[28], over the joint family also in economic terms (Agrawal, 2010, p. 189).

Hesitation about the role of the patriarch was not to be found. No other family member was described as being the person with the most power based on age, exceptional insight, wisdom, and long-term view. Rather, his position was regarded as important and to be respected due to aspects of his role other family members admired and ascribed to his persona. Moreover, the families had their own management tactics that culture-related aspects of family life kept on hand for them. The patriarch will stay the most respected family member and also the person one refers to in case of questions regarding the long-term decision making in the family and the business after his retirement. Apart from that, he will refrain from direct influence on a day-to-day basis, thus changing his role without losing his status. The centralization does not bother the families to the same extent, as it is rooted in their familial communication on the one hand, but also circumvent on the other: while the status remains, the actual power of decision making will be transferred to the next elder male or other entitled persons.

Apart from the information gathered from the interviews, the centralization of power in the person of the Karta is indeed criticized by researchers analyzing the joint family system. It is said to enable the most influential family member to exploit other family members economically and psychologically (Deb &

28 Nowadays also women can become Karta of the family, a case which was ruled out by India's high court in 2016 (Garg, 2016), but among the families visited no women was referred to as heading the family or wearing that title and given the recency of the sentence, it remains doubtful that it has been the case in India in the past or presence very often.


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Chadda, 2013, Sec. 2). Nevertheless, for the specific demands of business families, the cultural acceptance of centralization offers benefits regarding the avoidance of open conflict communication as long as the structure does not get. Even when the unofficial power of the patriarch should decrease and rather open conflict-communication should become the norm in the families, it is fairly important for the family to keep up his status in emotional power in the family. Regarding conflicts in business families that come up due to a patriarch who cannot let go or feels useless after retiring, the high standing he inherits in the families in India might remain a powerful conflict-preventing strategy.

### 8.2.4 Succession

The conflicts in the transfer of ownership and management between the generations can be particularly grave. As the interviews have shown, this had not been a problem in most cases so far – ownership would be divided equally between the male siblings and management positions according to age. Additionally, in certain cases, the brothers would head separate companies while the eldest would be responsible for the whole family business group. This functionalization supports differentiation of decision-making and is regarded as a preventive measure of conflict management (Suchy et al., 2012, p. 344f). In a greater extent it has partially been augmented to include different ventures from different sons in the family business group – a pattern which can also be found outside of India. Predecessors are trying various models of conflict management by suggesting their sons to venture on their own or by not allowing family members to succeed in the business and therefore separating the business and the family to some extent (the ownership will still be there, though) (Grote, 2003, p. 121).

But at present and in the future, families experience difficulties in the process of handing over decisional power between the generations. Family members reported about other members who were disappointed of roles in the business assigned to them and the difficulty with which the relationship communication in the family can be repeated in the business communication, especially when the power of decision of the joint family is questioned and neglected. So far, the families seem to have answers prepared, often supported by discretionary power in the family system, while the communication as a matter of fact is concerned with expectations from the business.

Rivalries between successor and predecessor, as Levinson has described already in 1971, are one part of the problem. Both parties have to cooperate with paradoxical claims where, on the one hand, autonomy in developing the business is demanded, but on the other hand, the successful course of action the


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predecessor has taken is prescribed as the only working option (Levinson, 1971, pp. 379 ff). The tension between autonomous and heteronomous demands is one side of the coin, rivalry among siblings and unclear markers of meaning are the other side. Conflicts arise based on which attribution positions are staffed, whether this follows family logic or business logic, and whether this can be differentiated in the business family. Pramodita Sharma and A. Srinivas Rao's study of successor attributes in Indian and Canadian firms revealed that the relationship between the incumbent and the possible successor as well as the compatibility of goals with the current CEO is evaluated as more important in the Indian than in the Canadian context, even if the topic was not ranked as highly important by the respondents in the Indian context. (Sharma & Srinivas Rao, 2000, p. 319).[29]

The interviewees typically expressed that the best one should succeed, and those assertions were often brought in relation to the merit-based choice the predecessor or executive board would take. Nevertheless, often the interviewees, mostly executive directors or CEOs of the family business, described themselves as having shown interest in business matters and accordingly were taken into the company from an early age on by their fathers and uncles. A different matter seems to be the upcoming generation. The basis is the same: sons show interest in belonging to the business. But according to the interviews, the family system is slowly diverging more and more from the business system. Parents repeatedly stated that they do not want to pressure the decisions of their children and that they are open for any future plans their children might have.

The change in societal communication influences family communication and business communication alike. The aforementioned synchronization or tight coupling of familial and business logics hindered unclear communication from strongly coming into force. Expectations in both systems did not only influence each other and were not easily separated, but were often the same regarding the arbitrament that was applied and the congruent hierarchy in the family and the business.

The change is already visible and the expectations are starting to diverge with growing families and increasing influence from outside the frame of the family system. To circumvent the conflicts that would necessarily emerge from this, the personal disposition of the favorite successor is taken into consideration, while other individuals from the pool of possible successors either get another influential position in the business or family, or are said to be personally not

29 Sharma and Rao explain this tentatively with attribution theory according to which the respondents, all incumbents themselves, would rate their objectivity higher than situational influences – therefore the predecessors assume that the decision about the successor is based on professional and not relationship-attributed reasons. This effect, called correspondence bias, was described by Fritz Heider (1977).


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interested. The necessary strategic planning is often postponed and sometimes completely neglected, due to the relationship-based decision to exclude the business from the family communication. This does not solve the upcoming conflicts, but might even let them grow. Possible successors and incumbents can step into a trap of succession, planning their lives according to their future involvement as successors, while other options to progress are closing, or the family business becomes the safe haven for family members who failed elsewhere in occupations (Kaye, 1996, p. 361).

### 8.2.5 Attributions according to gender in the family communication

Cultural prejudices determine the discussion about the role of women in India in general and the ongoing discrimination of women is discussed in media and science. Nevertheless, it cannot be claimed safely whether the Indian business family is a particularly fertile or hostile environment for conflicts emerging out of gender biased role attributions. However, this field has already been covered up to some extent in international research, and the results show that women do indeed suffer from attribution bias: on the one hand, it is said that they are particularly strong in cooperating with conflicts, and on the other hand, they are more prone to experiencing conflicts emerging out of work/family relations and tensions (cf. Shelton, 2006, p. 286; von Schlippe & Kellermanns, 2009, p. 188f). Women face difficulties resulting from attributions ascribed to their persona by their preceding fathers, especially in the succession process. They are said to be too fragile or too soft to run a business (Cicellin, Mussolino & Vigano, 2015, p. 100). But apart from problems that occur during the succession process or concern work/family relations in general (which is often not specifically concentrated on business families), not a lot has been researched so far concerning the role of women in relationship conflict and conflict-management in business families/family businesses (von Schlippe & Kellermanns, 2009, p. 188f). Therefore, also due to the known discrimination women face in the Indian society, getting to know more about their role has been a special aim during the interviews. Several interviewees – male and female – asserted that women are indeed responsible for conflicts the families experience. But this has not been concluded from special attributes they share due to their femaleness or from their communication concerning the business, but more from the new and strange communication they bring into the family system after marriage. They often were regarded as troublemakers who derange the working system that mainly consisted of the parents with their sons, after the daughters got married and left the cognatic family. While the interviewees made no reference to timely shifts in perception concerning a particular female role in conflict or conflict-


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management, the ambiguity of their role in family communication in general has indeed been remarked.

There is a distinction made between related family members and incoming wives. On the one hand, the recognition of daughters to be in the circle of possible successors is new to the system, while the high status mothers have, especially when they are the eldest in the families, exists in the families unrelated to changing communications. On the other hand, incoming wives were often described as intruders. Nevertheless, due to structural and communicational changes the families are undergoing in general – for example, by forming a nuclear family in a private home or by women being highly educated and living professional lives apart from the business family system – they create their own influential space and standing.

Concerning the comparability of conflicts emerging in this field, the approximation the families are experiencing offers the possibility for an outlook in the future: Already today, daughters of Indian business families are considered in ownership just like their brothers. According to the sparse research in the field, they are also equally taking up managerial positions when their families move away from the traditional system and role allocation (Karofsky, 2000, p. 342). Most of the visited families made sure to declare the equal possibilities their sons and daughters will have in the future concerning succession, but in the present generation only two wives were engaged in the business conduct. The upcoming generation, if the pattern of change remains stable, will have to cooperate with the same conflicts due to work/family stress or biased reflections on who is most suitable for leading a business. Nevertheless, up to today, the conflicts seem rather to revolve around the influence of wives on the communication, not so much around their strength in conflict-communication or the difficulty to balance work- and family-life.


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# 9. Practical implications: Propositions for cross-cultural comparisons and shared learnings

## 9.1 Three propositions for cross-cultural comparisons between Indian and German business families

Deriving from the theoretical introduction and the comparative analysis of conflicts in Indian and German business families, different spheres result. These spheres have been especially immanent as separating the familial communication in one culture from the other. Nevertheless, the common denominator as which the business functions is one particularly strong influential factor in familial communications, partly resulting in similar conflicts and management methods, even if the system-inherent logics often differ in great extent. This is also due to the different time frames in which the changes the familial communication undergoes are situated. Therefore, the following three propositions display the summarized tentative findings concerning present and possible future commonalities and differences the business families share regarding their conflicts and conflict management methods, despite or due to their existence as business families, situated in very different historical and societal frameworks.

### 9.1.1 Proposition 1: The families are at different standpoints, but experience similar conflicts

When regarding the historical evolution of German and Indian business families and especially the changes they underwent during the last two generations, it becomes apparent that the different paths the families took prominently separate the families.

There is the German business family, which went "Europe's special path" (Mitterauer, 2010, p. 2). Already during the High Middle Ages, social, religious, political, and juridical influences led to a "nuclearization" of families, therefore, to a shift from an extended household to nuclear families, where the marital dyad


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with children became the primary familial institution (Keilman, 1988, p. 306). The form of the "whole house" offered additional space for individuals not (yet) able, often economically, to build an own family. The society was stratified according to the social standing one had in the system, and the family was essential for the social and economic survival of the individual. Changes in the modern era brought with it in turn influenced the purpose of the family.

Industrialization, urbanization, an improving educational system, and a growing middleclass led to a different meaning of family. It has become less a viable structure than a form of choice, which no longer caters to the survival, but to the personal well-being of its members. The family has become the distinct place for privacy, emotions, person-related communication, and acceptance of the ego. For the business families this means additional pressure – more and more the logics, requirements and decision-premises of the systems are starting to differ. The identity and cohesion of the family are also determined by ownership of a business (cf. Wimmer, Groth & Simon, 2009, p. 107f; Kocka, 1979, p. 135). However, when families become a matter of choice, it becomes less compulsory to support the business system. Therefore, business families have to find different ways to contend with the paradoxes, which serve as breeding ground for conflicts that the different system-logics permit.

On the other hand, the Indian business family went a different way, even when only regarding the past 100 years. The joint family system was and is a stable institution in the society, albeit it can be attributed to a changing environment. Large upheavals in the politico-economic setting always had an influence on the business families. For example, during the pre-independence period, large trading families were strong in business and up to 30 people lived under one roof. Ownership has been usual to 100 % in the hands of the family and every male member would participate in the business, while personal income – if it existed – was only received as required and as decided over by the Karta of the family. During *License Raj*, families followed the diversified entities locally. The closely-knit joint families, albeit they still exist and are very influential in its communicational implications, were not the only form of living arrangements anymore. More loosely connected joint families also emerged, and nuclear families became socially accepted, as well. But, the communication and institutional rules of the joint family were equally valid. Nevertheless, the families started to diverge from one common hearth. If they could support it economically, they still lived under one roof, but the houses grew to accommodate more people (Interview with Prof. Kavil Ramachandran, 2014). This resulted in more privacy but less cohesion in terms of family communication. The needs of the business system in turn were still catered by family members. Post-liberalization family businesses started to grow as permitted by the social market economy, and the families grew along with it. The communication in the business and the


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family changed as well – international influences, the possibility to work outside of the parental business, and the growing presence of women who wanted to join the business altered the setting. But still, the norms of the joint family are visible on many fronts: it remains the cultural ideal, whether followed by form or not (Dutta, 1997, pp. 61 ff). Among the families visited, particularly the congruence between family and business norms is another result of the strong communication boundaries prescribed for family members. To ensure the family cohesion needed for keeping the business prosper and also due to the fact that still the family is the main resource for the management of the businesses with its various sub-companies, norms in the families are replicated in the business. Relationship- and decision-communication are not selective in most cases. The reasons for this are to be found in the history, religious and cultural influences, and the sociocultural setting with the joint family being the cultural desired norm. Other factors include the internationalization of businesses only recently being possible and especially the strong presence of family, religion, and ritual in the daily life (Sampath, 2001, pp. 17 ff). Therefore, it is not only the case that the business still is a safe haven for many family members, but that the family is the strongest institution the Indian culture offers with logics that are partially the same in business and family, for example, the often-mentioned hierarchy in the family, which works as a pattern for many decisions that have to be taken in the business context, or the legal norm of the HUF, which supported the reproduction of established communications from the family in the business.

Nevertheless, much like in German business families, these institutional norms are in flux and are starting to differ to a greater extent between family and business. With the aforementioned changes the families experience, the institutional power of the joint family also is diminishing and along with it, the same conflicts known to German families are finding their way into the families, especially as context markers are, due to the aforementioned long-existing congruency, even rarer among the Indian business families than in German business families.

- With growing families and women becoming more powerful in communication, the pool of possible successors is also growing, which makes it more difficult to decide about succession. Simultaneously, the young generation is facing a variety of options to choose from for their future career, and the continuation of the business is not as secured as it was in previous generations. The core of this conflict is the same in any country, and families regularly fail to address the various conflicts inherent to the succession process (Grote, 2003, p. 113).
- The younger generation does not accept the remuneration by requirement, but starts to compare their contributions and rewards with their siblings. They also compare their rewards from contributing to the business with those


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of their peer group outside of the family system (Interview with Prof. Kavil Ramachandran, 2014).

- Missing autonomy of the young generation due to strict decision structures is becoming more and more problematic in the Indian families visited and is less likely to be accepted in future generations. This is a conflict that produces uncertainty outside India as well (cf. Hoover-Dempsey & Sandler, 1997, p. 9; quoting Harrison and Minor, 1978, p. 799; Levinson, 1959).
- The authority of one single individual, typically the Karta, is still strong in the families, but his influence is decreasing. More communication without one decisive voice increases the likelihood of unexpected and misaligned communication. The apparent simplicity with which the succession took place in the families visited was often attributed to the personality of the patriarch, but research suggests that indeed the letting-go is as difficult for Indian business owners as it is for Germans (Karofsky, 2000, p. 342).
- The differentiation between equity and equality concerning the treatment of children is a different task in any business family. While Indian owners conceded that their parents decided hierarchically concerning the management succession and considered their sons equally in ownership, they were installing measurements of interest and merit concerning management succession, therefore moving away from an equality norm, while maintaining it in ownership extended by the inclusion of daughters in the owner-circle. Members of collectivistic societies are more prone to refer to an equality norm in allocation, but given the different socialization the following generations are experiencing, a rise in an acceptance of equity-norms would be in accordance with findings from cross-cultural research (Leung and Iwawaki, 1988, pp. 43 and 46).

The results of this change are to find among Indian business families that are breaking up businesses among different branches of the family or going to court in order to use the legal system as means of finding a settlement in family conflicts. But the conflicts are becoming as threatening to the families as anywhere in the world and are equally likely to infiltrate the relationship among family members and the successful continuation of the business.

### 9.1.2 Proposition 2: The contextual influences offer different means of cooperating with conflicts

There are known strategies from business families on how to cooperate with conflicts in their families on the point of intersection with the business, as they have been described in section 3.4. These strategies show how families deal with


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conflicts emerging in the family or at the intersection with the business that always threaten to break family relations or hinder business success.

Putting them in the Indian context without alteration has not proven to be satisfactory for the families – they require an "indianizing" of means, especially when they are concerned with the family context. Societal and cultural factors influencing the family communication cannot be left out of consideration – they influence conflicts and their management strategies alike. To stay united, the families use rituals and rites that regularly bring the family into one space of meaning, or they work with spiritual advisors who are accepted in the families and can work with the several interest groups on different hierarchical ranks. This is particularly helpful, as it is still not common or widely accepted to use the work of a professional family counselor or therapist (Karofsky, 2000, p. 343). The findings from the data support the view that strong institutions in the Indian families help and hinder effective conflict communication. One the one hand, they seem to support conflicts that hide until they become too difficult to handle with the normal means of communication, and on the other hand, the aforementioned rites and hierarchies that are often still exercised supported appreciative communication in the families. When directly comparing the different management methods Indian and German business families use, it becomes apparent that the Indian families use additional potential, but are missing other opportunities due to less acceptance in the society and the family.

- Joint living families have the structural advantage of being able to separate in a first step. While this is still difficult in the Indian society to do so without being questioned by a critical environment, when phased in carefully and in a well-reasoned manner, it can support the privacy needed for being able to communicate about conflicts, and it can also equalize the still strong hierarchies in the families, at least on a daily basis. German families do not experience missing privacy. Quite on the contrary, they have to find means for creating alignment despite the societal framework that supports fragmented, loose coupled nuclear families (Wimmer, 2014, pp. 30ff).
- During the interviews, the interviewees denied wanting to act like the father, as it seems to be accepted that no one can act like him, also simply because they do not yet have that role. This could indicate that the double bind theory – they must be like him, and simultaneously, they must not be like him – might not be as intimidating as in German business families, due to more clear roles and transgressions (Grote, 2003, p. 118).
- The system congruencies offer the hierarchical functionalization of family communication in the business, which is also supported by the exclusion of women. The hierarchy stemming from traditional family ties thus did not necessarily support the functionalization of the conflict-communication from the family transferring to business, but made relationship communi-


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cation, as it is already hierarchically structured, more acceptable in the business context. Structural measurements in the business, like assigning each sub-company to one brother or splitting the tasks into different functions, has proven to be useful in German business families (Suchy et al., 2012, p. 349). This is also true for the Indian families, but the deciding instance often remained the father. Trust in the integrity of the person leading the family and/or the business is a deciding factor for the success and continuation of the family business in Germany. But, in difference to the findings from the Indian context, the position cannot be naturally inferred from a hierarchical structure in the family (Wimmer, Groth & Simon, 2009, p. 163).
- The influence of spirituality supports conflict communication, and family members can rely on support by spiritual leaders when having trouble with voicing concerns. The *Dharma* is the superior guiding principle that prescribes an ethic of how to live. It comes down in several norms and obligations towards the progenitors, spiritual leaders, and gods (von Brück & von Brück, 2011, p. 37 ff). Rituals bring family members closer together on a more frequent and routinized level than with the installment of a formal constitution, which, according to the interviewees, were often either postponed in planning or dismissed as not useful. Nevertheless, much like German business families, they use formal structures where they consider them as applicable (Ludwig, 2014, p. 183). The often mentioned change of status of patriarchs and the resulting ease of transfer of power between fathers and sons can be brought into relation with the acceptance of *Dharma*, but it remains questionable whether with ongoing societal changes the normative impetus of role change stays as strong as it is up to today.
- On many occasions, interviewees in India referred to values vivid in their family communication as the basis on which their conflict-free communication takes place, while the infringement of those in turn destroys the concatenation of expected communications. The value they mainly cited is the concentration on the wellbeing of the whole group. This could be brought into connection with the perceived difference between individuality and collectivity. In collectivist societies, individuals might be more prone to subdue their personal autonomy to a collective goal, especially when an in-group (as the family) is concerned (Triandis et al., 1988, p. 323 f). Collectivism is not per se a "value", but the families use their values to enhance cohesion. These values can be made explicit, but can be also transferred with rituals and common activities over generations (Sorenson, 2013, p. 475).

Referring to the beginning of this section, it can be contended that while some means for conflict management seem to be universal among business families in both countries, others are influenced by distinct functions from the cultural


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framework in which the families are situated. Regarding the Indian business families, especially the emphasis they put on cohesion and the means how they create it with informal measures and value-emphasis was imminent. Family values may be implicit, but can be made explicit in documents that can help to transfer them over generations (Ludwig, 2014, pp. 182ff; Sorenson, 2013, p. 475). Nevertheless, the challenges posed by the business on the family and the changes the families in India are subject to seem to lead to a cross-cultural approximation in conflict-management methods.

### 9.1.3 Proposition 3: The existence of the business can support cohesion in families in Germany and India

Conflict and conflict-management styles seem to be culturally-sensitive in some regards. When re-opening up the research area of collectivistic vs. individualistic cultures, it is said that the former rely more on compromising and discretion in voicing their opinions, while the latter are more concerned with assertive and open communication (Trubisky, Ting-Toomey & Lin, 1991, p. 68). Families in collectivist cultures are the first in-group a person belongs to and remain strongly influential in forming a mindset and identity. The term "family" tends to include extended members as well. Persons from individualistic cultures on the other hand grow up in nuclear families with concentration on individual traits of personality and characteristics ascribed to the person (Hofstede, Hofstede & Minkov, 2010, p. 91). In Indian business families the concentration on the collective will was detectable in the named sources for conflicts and as well as one of their most important assets. The fear of a shift from a perspective of we to I or from a change of focus of what can and should be expected (in wealth, income and decision-making power) compared to the group has been mentioned often in different forms and has been made responsible for conflicts the families experience – research suggests that indeed family cohesion is under pressure due to the aforementioned comparative processes among family members (Pieper, 2007, p. 265). The individualistic behavior others show was condemned and families took measurements not to let them get out of control.

The communication in the business family can get described with different logics and decisional premises intermingling in contexts which are not easily separable for the family members (von Schlippe & Frank, 2013, p. 390f). Among the business families met in India the congruency of logics between the systems seemed to facilitate the converse with the different premises on the relationship level between the family members involved. A collectivist society supports this congruency of rules as the family is the primary focus and strong traditions


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deriving from the religious, political and economic framework supported the repetition of logics in the business. An individualistic society concentrates on a much smaller group, the nuclear family, or the individual itself. German families are said to belong to the societies with high levels of individualism (Hofstede, Hofstede & Minkov, 2010, p. 95). Business families are having hard times to find structural and communicational means to create cohesion, but the business gives an additional identity to the families (Wimmer, Groth & Simon, 2009, p. 107f). Supportive for this identity and alignment are additional entities, relating to the business and the family, with which family members can identify even if not directly attached to the business (Interview with Prof. Fritz B. Simon, 2015).

It is obvious that it is not possible to transfer shared values in a family or beliefs from one society to the other. Values are said to be stable between cultures, but to vary depending on the standards that are attached to them in specific groups (Hofstede, 2001, p. 9). What is accepted in a society regarding how people live together might change over time, but the impetus of the norm is stable as its values are (Gupta, 1994, p. 56).

Nevertheless, the common denominator *business* can alter the family communication concerning the conflicts which would not appear without it, but also can form an additional sphere of communication, which the family members directly or indirectly involved can use for creating coherence and attachment. This works between families that are already nuclear in form and communication due to their cultural antecedents, but could be equally valid for families in cultures were the change process is happening and regarded warily by the families.

Successful business families already have found means on how the different nuclear families can create meaning from their existence as a business family. It gives identity in being a business family – belonging to a family that is aligned in one particular goal, also over generations (cf. Kocka, 1979, p. 135; Stamm, 2013, p. 47). Research on groups and collectivity supports also the proposition that collective action can increase perceived group harmony among the family members (Habbershon & Astrachan, 1997a, p. 47). Families from collective cultures on the other hand have to find methods on how they can keep the values which are fruitful for business families, for example the emphasis on *cohesion* between the family members, but at the same time not letting the collective force become too strong for individual family members to handle (Kaye, 1996, p. 355). In this case, legal and formal agreements can help to disintegrate the family communication from the business communication where the intermingling is either too influenced by traditions which exclude certain family members or perpetuate communications that make it impossible for the business to func-


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tion, especially when conflicts arising in the families are transferred to the business on an emotional level.

The business system can therefore, besides the additional areas of friction it offers, act as a change agent in conflicts resulting from changes the communication in the families is influenced by. There are examples of formal institutions concentrated on the family, like charters or business family events to create legal frameworks or enhance the cohesion of the group, there are measurements to straighten out the entanglement of business and family logics through councils which care for decision making processes with more objective tools than owner-based intuition, and there are cultural antecedents which support cohesive family communication in the business and family communication. The existence of the business poses therefore not only a danger to family peace and understanding due to conflicts that come up, but can also be used as a resource for family cohesion and alignment.

## 9.2 Shared learnings: The historical focus and its implication for conflict management

There are several implications the present study has for business family communication, internally and externally. Working with or in a family business on a managerial level can be tricky when the business family itself is disregarded; to have understanding for business families, their peculiarities and specific communicational settings will help to foster cooperation and mutual understanding. The same is true for business families themselves – also for them communication can be puzzling and misunderstanding be preprogrammed. As a third application also the cross-cultural communication can be fostered – family businesses in India and Germany cooperate – understanding the counterpart is crucial for successful business relations. The consideration of the history of families will help in any case: when experiencing conflict, but also when trying to understand the family communication and change.

### 9.2.1 The normalcy of conflict and its required space

The first and probably most important learning from any discussion about conflicts in (business-) families should be that conflicts are normal – probably conflict is the usual condition, as Fritz Simon puts it (2012, p. 113) and not peaceful family life. Therefore, business families should not worry about experiencing conflict, but rather focus on how the family communicates in a


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conflict-laden situation and how they can sustain family-peace nonetheless. Family business experts work with this topic, as the most desired goal for most business families is to transfer the business successfully from one generation to the other, which gets more unlikely the less the family is able to communicate in a peaceful manner in general. The preparatory literature review revealed different methods how conflicts can be handled that are extensively described in advice literature in a more hands-on manner as well. The following paragraphs therefore do not concentrate on these measures, but on the findings directly retrieved from the study. Nevertheless, the empirical results point out that families still tend to silence conflicts. This can have grave outcomes for single family members and their state of being, but as well for the family as a whole and their ability to manage the business in a cooperative manner and to keep the family aligned. While the families overall evaluated the changing family cohesion (from being aligned to a looser state) negatively, the changing personal communication (from a very closed state towards more openness about conflicts, relations and emotions) was tentatively appreciated, especially in those families that cared for their family communication and sought for professionalization of family management. This shows future perspectives: actively building forums where family members can feel safe to exchange will help the family to get along with the normalcy of conflict on the one hand, and with the changing family communication per se on the other.

### 9.2.2 The historical memory of business families

The second learning is that business families have a historical memory that can and should be used, probably more than non-business families, due to the connection *past-present* that is often strongly evident in business families. They care for their past, as usually family members from bygone generations built the business and started the family legacy. This historical memory can and should be used to foster peaceful family communication. Therefore, the following section shows different options on how the connection family – history can be used to find better access into conflict-management techniques.

#### The historical perspective: Utilizing the historical memory for family understanding

Most of the interviewed family members had a keen interest in their past family life, even if the processing of knowledge went rather unsystematically throughout the generations. Nevertheless, they reflected upon the feeling that their families diverged from a preferred stated of cohesion to a more loosely


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coupled group of people, which seems to be the common development. This – in general – was evaluated negatively.

The first step in this case might be to put one's own experiences into perspective: Beginning with a macro view, business families all over the world can locate themselves in a bigger frame. The societal conditions in India and Germany make it difficult to stay cohesive as a family, while these conditions are usually a result of past changes and not abrupt interventions. This is also the first step in making use of the historical perspective: accepting the larger frame and the larger conditions – one's family is rarely the only family experiencing the outcome and continuous changes the society is undergoing – can reduce the threat felt from change.

From this point onwards, the families can start to act strategically. Knowledge about the society-wide conditions provides the opportunity to find partners in discussion and exchange about learnings and best practice techniques in family communication. Also, the coaching- and advisory-landscape has reacted and offers seminars, workshops and forums concerned with family cohesion and communication. It is unlikely that the families in India can regain (or preserve in some cases) the state of the joint family that is cohesive in family- and business-life, but to care for society-wide changes that affect the family is a possibility to learn about the present state and establish a systematical and professional family management. The families visited were on different steps on a scale when regarding their professionalization of family management, but those who had already started almost all included the care for their ancestors and their legacy into their considerations – they regarded it as a natural starting point to consider their family-unique communication.

### Considering the family-unique communication with a historical perspective

Many of the visited families have shown that some structural, functional and communicational aspects they fostered over generations resembled the joint family that is known and appreciated.

The studied families used their knowledge and appraisal of the larger changes to preserve images and influences from the past and to integrate them where possible and necessary into a modernized (and constantly changing) presence – thoughtful arbitration helped them most to decide where it was useful to integrate or disintegrate.

To regard one's own family with a historical focus can help to gain understanding for several aspects in its communicational set-up. Changes in the family as the aforementioned loosening of family ties can be regarded with this lens, but as well communicational aspects that often lead to conflicts in the families can be better understood with a historical focus: values vivid in family life, rules that


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are seemingly arbitrary or norms that have never been challenged so far puzzle family members, but simultaneously might not be questioned, as they simply have been there since always. The neglect of these rules almost inevitably leads to conflicts in the families, not depending whether the mistreat happens consciously or unconsciously.

Regarding these rules there are basically two options: transfer them to the next generation or let them be subject to change – while none of these possibilities excludes the other.

Therefore, how are these rules transferred to the next generation with the help of a historical perspective? Arist von Schlippe and Torsten Groth already worked with this question in the family business context, even if the historical perspective did not form the center of their research, but the identity- and sense-creating function of stories (von Schlippe & Groth, 2007). These stories are transferred from one person to the other, often in the business context, but this system of processing realities can be equally valid in the family. The stories have a crucial advantage according to von Schlippe & Groth: they can encompass several generations during which not only the business but as well the family changed to the greatest extent. Additionally, the stories can encompass more generations than actually existing (ibid., p. 41). Therefore, stories that are told in the family should be interpreted carefully to reveal their meaning. Stories are not the only form through which long existing representations of family life can be transported and be equipped with meaning, but probably the most natural one, as these stories are floating in any family and bringing historically existing family values to the present.

The second necessity, to be open for change, is equally important for peaceful family communication.

Also here, the critical look in the past family life will support the cause: family values, morals and norms have to be constantly re-evaluated, especially when one generation starts to challenge them. The normal reaction is to negate the change or to try and forbid it – with the consequence to experience either social conflicts among family members or psychic conflicts if open communication is not accepted. To be open for change is easier said than done, but with the fitting support (internally from appreciated family members or also externally with the help of counselors), business families develop an attitude that does not condemn change before regarding it closely.

Summarized: the families should (and successful business families interviewed for this study already do) care for their historical memory with the different measures the family can apply. Caring does not necessarily mean to try to preserve values, norms and informal rules at all costs, but to allow for re-calibration, re-evaluation and questioning. With knowledge and understanding about their unique family communication that is strongly influenced by past


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developments the choice of the fitting conflict management-method will be more adapted to existing needs and pre-conditions. This might be the starting point for cross-cultural learnings on both sides, also aside from direct conflict-managing measures: The Indian families have shown that they are eager to preserve their often rich and long family history through shared memories and stories, but at the same time they partially are having a hard time to accept and appreciate the changes that the changing society brings for their families and keep the family members together. German business families sometimes lose sight of the necessary cohesion in their families – not willingly, but acceptingly, and therefore need to integrate family-wide measures to bring family members together that might be scattered around. A professionalization of family management helps in both cases – to disentangle where the ties are too strong and to re-create togetherness where bonds are becoming too loose.


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# 10. Résumé and perspectives for future research

The following sections form the résumé of the thesis. In a first step, the main findings and the research procedure will be summarized in an evolving manner. The subsequent section will close the thesis with an outlook on future research perspectives in this field.

## 10.1 Summary of main findings and procedure

After one exploring journey to India during which business families and experts on the Indian family have been met and interviewed, the question came up what commonalities and differences Indian and German business families share regarding their conflicts and respective management methods, under the consideration of culture and change in the respective societies. Of particular interest was the consideration whether the joint family system that offers different communications and functions from the nuclear family, as it is the norm in Germany, also inherits different sources of conflict or different management strategies that could be transferred to the German context and its business families.

Therefore, it was not only of interest to discuss these sources of conflicts or the tools the families use for cooperating with the conflicts, but also to find out about the cultural influences on the *how* and *why* families communicate as they do about critical tensions in their family communication. To investigate these questions, the research project was started. The first step to gain insights on the research questions was to introduce the history of families in both cultures, and to define the set of conflicts and measurements already researched. Therefore, the procedure applied to gain knowledge about these topics was first of all a literature research. This process helped to establish the explanatory base for the analysis of business families that are influenced by change in both cultures, but with different outcomes and different communicational norms, valid for families in either culture. The research on the German family starts in chapter 5 with a


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description of the changes the German family underwent, on its journey along "Europe's special path" (Mitterauer, 2010, p. 2). Alongside this path, the family focused more and more on the needs and functions of the members of a nuclear family – as opposed to the joint family – already from 1000 A.D. on. During changing times, the family became a private institution that caters for different needs concerning the socialization of its members, and fulfills certain functions in the society.

In the Indian context, the Hindu joint family, is said to be an ongoing strong institution with several norms and prescribed forms of communication. The preconception that most Indian families (and therefore most Indian business families) actually live in joint families, could be disproved during the literature research in chapter 4, but an equally strong informal *theoretical jointness* still exerts its influence in the family communication, as displayed in section 4.2.4, starting on page 92. The commitment family members sense towards their families, and the resulting emphasis on coherence and collectivity are institutions that remain strong, also in a changing cultural framework – changes in Indian families are proceeding in a slower pace than in their political, economic or social framework (Kakar & Kakar, 2012, p. 71). Additionally, compared to their non-business neighbors, high-income business families are the ones who can afford and benefit from living joint, but also feel a greater necessity to stay joint, at least in metaphorical terms, as continuation of the business demands alignment from the family.

Nonetheless, the families incorporate change in their communication and are not necessarily "torn between" modernizing and traditional communications, but rather occupied with the task to balance both demands (Gupta, 1994, p. 56). But still, the Hindu joint family system offers communicational peculiarities that were assumed to be also influential in the communication concerning conflicts. Apart from the specific system communication the joint family produces, also the business system inherits its own directive of meaning and logic, with which business families in both cultures have to cooperate, as communicative acts can get easily misinterpreted in either context – the family and the business – and therefore misconnected and conflict inducing. For developing a common understanding and perspective on conflicts and their management methods, the theory of social system has been chosen as the leitmotif. This framing positioning is described in chapter 2.

The interweaving between both communication-systems produces paradoxes, with which families have to live and find strategies for not letting these undecidable situations become a precondition for conflicts in the families. One example of a paradox is the differing requirements the business and the family logic expect, while forming communicative acts – in the family, everybody is loved and respected fully and equally, in the business decisions should be taken


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with a focus on merit and fairness (Wimmer, Groth & Simon, 2009, p. 134f). The theory of the business family being part of and generating system-communication in different contexts was used as a method to explain the difficult paradoxes business families encounter, and the conflicts as parasitic subsystems in business families that can develop from those.

Different researchers propose different dimensions and spheres of impact of these conflicts, and usually a differentiation between conflicts relating to tasks or processes in the business family (often taking place in the business context), and the relationship the family members share is made. The former are not necessarily negative for the family members involved, as they are coming up during decision-making processes or lead to arguments about which method could be applied best for receiving a favorable outcome. The latter are the ones that are plaguing the business families, as they concern the communication including not tasks, but emotions. They attack persons, not processes, and have the power to destroy family relations long term. Conflicts in the families are said to bear a greater risk for the family business than conflicts in the business, as they are often rather diffuse in their gestalt and more difficult to handle, due to missing formal means of conflict management. The focus, therefore, has to rest on establishing cohesion and alignment in family communication, in order to not let the conflicts become too powerful (cf. De Dreu & Van Vianen, 2001; Eddleston, Otondo & Kellermanns, 2008; Suchy et al., 2012; von Schlippe & Kellermanns, 2009).

Arist von Schlippe and Franz Kellermans present five different dimensions of relationship conflicts in business families, namely (1) Converse with complexity, (2) Succession, (3) Comparative processes among shareholders, (4) Centralization, (5) Attributions according to gender.

These fields that are named and described from section 3.2 onwards, starting on page 51, are said to concern the emotions of the parties involved and are a possible danger to the business (von Schlippe & Kellermanns, 2009). But equally, they concern the relationship the family members share. One distinct factor for conflicts in business families is their relation to the business. This should not imply that business families could not experience other – detached from the business context – conflicts as well, but for a comparison between business families the conflicts that come into force due to the intermingling of business and family context or that are transgressing from one system to the other are of interest.

It has been tempting to use these dimensions for the development of a heuristic, with which the Indian families could be regarded in a first step. Nevertheless, after the literature research on conflicts in business families was brought to a close, and the impression was reinforced that the main output concerned western business families, while the literature review concerning Indian busi-


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ness families showed only meager results, this strategy was omitted in the first place. This was further supported by the aforementioned difficulty to establish one general line of argument on how business families are situated and influenced by their cultural framework, as the historical changes and the institutional set-ups are very different in both countries.

Therefore, the primary concern was to understand Indian business families better in order to be able to analyze their conflicts and management methods. With this focus in mind, the methodical approach was chosen, as it is described in the appendix, starting on page 199. The research process should allow to understand the business families in their context, therefore the influence of the business, but equally the societal conditions in which the families are situated and that exert their influence on family communication.

Literature research, interviews with external experts and three research journeys helped to establish and refine the foreknowledge, but also revealed substantial blank spaces in the research landscape concerning Indian business families. Therefore, after a discussion of possible research strategies in section A.1 beginning on page 199, the method of the Grounded Theory has been chosen to explore meaning concerning the research questions. Barney Glaser and Anselm Strauss, the main proponents of this research strategy, postulated in 1967, when their ideas were published, to start from scratch with only some research questions in mind, as theory would emerge from data. Later on, the central theoretical impetus diverged into two main directions: Glaser held onto the methodological epistemology that demands a purely inductive process of gaining understanding, without including pre-knowledge of any kind into the process. Strauss on the other hand rather held onto the Chicago school of thought that, among other substantial epistemological directions, allowed and asked for a more pre-defined heuristic in the research process. The divergence of both schools led to different approaches to the data gathered, but still the binding motif is the concentration on the emergence of understanding, and theory emerging from data (Strübing, 2008, pp. 67 ff). This strategy, in a first step more adhering to the strict data oriented approach, as suggested by Glaser, was applied onto 11 interviews with nine different families that were interviewed in a problem-centered approach in India (Witzel & Reiter, 2012). After forming code families, densifying those to different leitmotifs concerning conflict-experience and management strategies on a more abstract level, two main strategies and worlds of experience could be detected. On a first inspection, those were not necessarily evolving out of communication influenced by the business context, but rather relating to changes in the communication in the families on a general level. The experience of conflict was particularly strong when institutions in the family communication – like values, norms or traditions – got injured during communications. The most successful strategy for cooperating with named


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conflicts was therefore to establish family communication which strengthens these institutions on the one hand, but incorporates the unavoidable changes on the other. The conflicts and conflict-management methods can be related to the persistence or convergence of values rather than to a divergence of modernity or tradition in the family communication (Inglehart and Baker, 2000, p. 20).

In a second step, these motifs were interlinked to conflicts that are found to be intriguing business families in Germany. While the intermingling of communication was not described as problematic, different emphases the business communication poses upon the family worked conflict-enforcing in the described framework of rejecting, accepting and balancing change. Therefore, situated in this framework the dimensions could be related to existing research on relationship conflicts in German business families. This positioning started the discussion of findings from the Indian context in front of this pattern. The transcribed interviews, related codes and memos were once again analyzed to check for possible types among the families. But, due to the nature of the families' experiences a typology concerning did not evolve. Instead, their descriptions were brought into relation with their evaluations, which allowed to differentiate between major and minor aggressors on the one hand, and major/minor methods for conversing with conflicts on the other. The findings concerning this step are depicted in section 8.2, starting on page 158.

The iterated analysis refined the re-evaluation of described conflict/conflict-management experiences. While the family members described the changes in their communications, strictly speaking mostly between the different generations, as antecedents for conflicts, the influence of communication from the business context has been nevertheless often triggering for the actual appearance of named conflicts. Particularly insistent are comparative processes between siblings, not necessarily due to different stakes in the business, or differing attention which is given either one child, but due to a perceived violation of the equality-norm among brothers, who are feeling the urge to decide consensual and remain like-minded in the family and business context. Growing complexity in the families, as more and more differing communications are becoming part of the web of meaning, enhance conflicts in the families. One characteristic of Indian business families was the replication of logics from the family system in the business system (Sampath, 2001). This worked as long as institutions, particularly concerning hierarchical decision making, the exclusion of unasked-for communications, and emphasis on collectivity, were strong enough not to be questioned or neglected. As the families are more and more incorporating change, they experience that the institutions are becoming more difficult to enforce and the system-logics are diverging to a greater extent. The different logics that are incorporated in the business family communication in Germany


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are one major prerequisite for conflicts – the Indian business families are beginning to experience this threat as well.

Unwelcome changes in the communication, often related to societal changes, allow conflicts that come up from system communication – influenced and triggered by the existence of the business – to find connectivity in the family communication. The business families found formalized means for cooperating with conflicts, but their main emphasis was on informal measures in their family communication. The branch-oriented succession pattern often calls for formalized means of conflict communication in Germany, and also in the Indian context the inclusion of third parties is gaining acceptance within the scope of ownership decisions. The Indian families put a strong emphasis on cohesion and alignment among the family members that is often enforced via collective values, or spiritual rituals the families perform together. But theya lso change certain institutions, like the structural jointness to a more theoretical coupling that creates space for communications and should serve a positive family atmosphere. German families are occupied with the same task – to create alignment and understanding for the business – but in this field are rather occupied with the question how they can create alignment among the diverged families.

The direct comparison of conflict dimensions gives more details on the differences and resemblances business families in Germany and India share, and informs the propositions. In those, described in chapter 9, starting on page 173, the hypothesis is developed that while the business families from both cultures are very different in their history and resulting communicational set-up, they share similar conflicts, due to their nature as business families. Nevertheless, the cultural prerequisites offer different means for conflict management, particularly concerning the institutions that are, despite any changes, and their possibility to create and enhance conflicts as well, still strong in Indian business families. The assessment of institutions helps successful Indian business families to balance the changing communications in the family, and also to cooperate with possibly harmful connections between differing communicative acts. Under comparative aspects, the business was regarded as the field of approximation – the Indian business families are more and more confronted with different entitlements of meaning, deriving from business communication. The family members interviewed expressed how scared they are that the family is not as cohesive as it used to be due to communicational and structural changes – the existence of the business, when regarded attentively in the familial communication can support the cohesion and togetherness in extended families in both cultures.

The limitations of the study shall also be demonstrated. Qualitative research is concerned with the exploration of new phenomena and hypotheses and the development or refinement of theory (Flick, 2009, p. 26). In the present study,


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hypotheses have been developed from data related to Indian business families and research on German business families. Starting from the interviews and literature research, the different steps during the research process were applied to reach a certain level of abstraction which includes the single cases but allows for a more generalized description. Nevertheless, there are different limitations that object a generalizability. Families in India speak a variety of languages, affiliate to different religions and experience different socialization processes, often in relation to the region they stem from. While the sample included families from all over the country with diverse backgrounds, it cannot be implied that they cover all the particularities described above. Furthermore, family communication is in "constant flux" (Hareven, 1977, p. 58), also when traditional influences are strongly embedded. What today is described as a problem might be accepted as normal in a not so distant future. Equally, topics that were surprisingly conflict-free for the interviewees might become conflicting due to changing family systems and the constant influence of the business. Therefore, the accentuation of change should not only be made in reference to the family communication, but equally to the results retrieved. Thus, this qualitative study focuses on offering a deeper informed base on which further research can be conducted. Statistical representativeness can neither be achieved by an exploratory study of this kind, nor is it intended when regarding the topics in question. Quite on the contrary, further research about cross-cultural differences and commonalities between business families can promise valuable results and verifications, also concerning the changes in communication and culture.

## 10.2 Connection to family business research and perspectives for future research

Facing a globalized environment, family businesses all over the world have to deepen their understanding for different cultures in order to be able to establish and retain working organizational ties. The present research project thrives to support this aim on a theoretical base in order to enhance the knowledge about business families and the challenges they are facing in two very different societal set-ups. In the introductory section to the history of German business families the hypothesis was taken up that one could regard the business family either as an outdated family form, resembling the *coresident domestic group* in its embracing of economic and socializing ties, or as a perspective for the future in being a *multi-local resident more-generation family*, which inherits opportunities for the families to find common meaning due to the existence of the


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business (Stamm, 2013, pp. 46ff). It has been found out that the same applies for Indian business families. But while German families are more or less detached from a specific societal impetus and therefore have to actively focus on creating cohesion among nuclear families, the Indian families start from a socially-desired cohesive state and are working against a perceived drift among the generations. Therefore, the present study focused on gaining better understanding about the challenges and opportunities both societal frameworks are offering for the business families with a special focus on the resources the families in India hold ready for cooperating with conflicts appearing on the relationship level in comparison to German business families.

The research project offers different connection points for further investigations that can be grouped into intra-cultural studies concerning Indian business families on the one hand, but also related to further comparative studies in different cultures.

India, with its diverse landscape of families, religions, communities and languages cannot be regarded with a "one-fits-all" perspective. During this project, it became obvious that while the families experience similar conflicts (among each other and also compared to business families in Germany), they have found different means for cooperating with areas of friction in their families, partially related to cultural antecedents, partially including strategies also known in the German context. In future research, the sample could be enlarged and further differentiated with regards to business families from other religious and ethnic backgrounds. This could add to the understanding of family businesses in a country with high levels of economic growth, to which many family businesses from around the world already built organizational and strategical ties. Carrying this thought further, to gain better understanding of the resources Indian families realize in their organizations and how those profit from the family-culture changes the focus from a problematization of the connection family/business towards a resource based perspective with a more optimistic outlook.

From a social-change perspective the change process that has been described in the present research project is an ongoing matter in India. Women are welcomed in the business sphere more and more and will change the communication in the families and businesses further. Additionally, the grave changes in the economic framework influenced the entrepreneurial opportunities during the bygone century: only recently family businesses received the full opportunity to grow and globalize. Therefore, also many family businesses are facing their second succession process in the upcoming years, which is known to be particularly difficult from a family business perspective (Grote, 2003, p. 113). The converse with these different challenges remains interesting for research and practice, whether regarded with a family-research perspective or with an


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organizational theory focus. The changes in the economic framework during the bygone century turned the business culture upside-down on a number of occasions, but nevertheless there are several multi-generational business groups in India – to regard those with a historical and biographical perspective and to find out how they remain successful despite or due to these changes promises learnings on a macro-perspective for business families worldwide.


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# Appendix


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# Appendix A: Methodological approach – Introduction to the research paradigm

At the beginning, there are questions upon which this study focuses. This research focus has been detailed in the previous chapters, but it is still open as to how the research problem can be best tackled. The aim of the present chapter is to elaborate the best possibility of how this can be carried out. A discussion of relevant methods and theories that could serve as a framework is just as important as the elaboration of given research results on related topics or relevant subtopics that has been carried out in the literature research. With the fulfillment of these tasks, a fitting research design can be determined to approach an answer to the questions.

It has been outlined already that neither a comparison of conflicts in both cultures has been drawn, nor Indian business families in particular have been discussed in science so far to a reasonable extent, and that only parts of its subtopics have been the focus of scientific research in the past – hence there exists no roadmap from previous works that could be taken as a model for the optimum research method or elaborated further. Therefore, the basic question has to be the following: which research approach helps most to find answer(s) to the posed question(s)? The different approaches that exist and can possibly fit will be discussed in the following sections.

## A.1 Navigating through the methodological options

In earlier times, seemingly a decision had to be made for answering this question, namely, whether quantitative or qualitative methods should be used throughout the research project to gain data and subsequently analyze and interpret the data. Nowadays, it is no longer necessary to decide whether to use one or the other, but rather on which side of a spectrum one finds the best methods to answer the research questions. This determines whether a study will be more on the quantitative or on the qualitative side of the research spectrum (Creswell, 2003, p. 4). Therefore, the relevant preparation is to find out about


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different options for the process and to match them with the challenges the topic poses to the researcher – in this way, an optimum approach will be retrieved. To be able to follow this process of thought, different options and research methods will be presented and discussed. A more profound look at epistemologies, different schools of thought, and methodologies can help to navigate one's way and to define a guiding roadmap. One possibility to do so is to pose questions, which can help as a funnel for an optimum research design. This has been done in this or similar ways in the past by various researchers, among one of them Michael Crotty, whose work tries to establish an introductory overview about the foundations of social research.

1. What epistemology – theory of knowledge embedded in the theoretical perspective – informs the research (e.g., objectivism, subjectivism, etc.)?
2. What theoretical perspective – philosophical stance – lies behind the methodology in questions (e.g., positivism and postpositivm, interpretivism, critical theory, etc.)?
3. What methodology – strategy or plan of action that links methods to outcomes – governs our choice and use of methods (e.g., experimental research, survey research, ethnography, etc.)?
4. What methods – techniques and procedures – do we propose to use (e.g., questionnaire, interview, focus group, etc.) (Creswell, 2003, p. 5; quoting Crotty, 1998, p. 2)?

Creswell, an exponent of a mixed method approach, therefore including quantitative and qualitative approaches, takes Crotty's ideas to develop a new set of three questions, intended to develop a research design fitting to a given research interest:

1. What knowledge claims are being made by the researcher (including a theoretical perspective)?
2. What strategies of inquiry will inform the procedures?
3. What methods of data collection and analysis will be used (Creswell, 2003, p. 5)?

Starting with thoughts about a claim of knowledge, which theoretical perspective could be fitting? An objective approach is definitely desirable, but in both the work with families in cultures as a social entity and conflicts that evolve in the families, it would be foolhardy to assume there could be an objective truth that could be detected by the researcher. Nevertheless, a common line of argument would be to follow a positivistic theoretical perspective, conduct a survey, and use the quantitative methods suitable for analyzing the data gained. In this way, hypotheses could be tested and valuable findings retrieved (Crotty, 1998, p. 6). Inside a chosen epistemology, there are various views and stances one could


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possibly take up when discussing a theoretical or empirical question. One could choose a positivistic attitude, relying affirmatively on the given and wishing to test new ideas with methods replicating the nature as much as possible, preferably via hypotheses. In this case, this study would have to be based on an accepted absolute truth about what and how we mean to know (Creswell, 2003, p. 7). Or, if one regards the purely positivist view as not fitting and therefore adds a *post* in front of it, the researcher can dismiss the existence of certain knowledge and rather accept a deterministic worldview. Experiments conducted with "small discrete set[s] of ideas" (ibid., p. 7). can help to test the causes that could be responsible for certain outcomes visible in the world. Reaching certainty through experiments can best be done with quantitative data. Hence, most research done in this spectrum is of quantitative kind. Positivists and post-positivists firmly believe in objectivity and the need for replicable results retrieved by doing experiments and analyzing quantitative data. They dismiss other methods of research as being too uncertain, unpredictable and creative in the sense that knowledge and theory is constructed and detected in qualitative data (Charmaz, 2006, p. 4f; Creswell, 2003, pp. 6ff).

Another approach with a more recent history would be to take a participatory stance and argue from a political perspective intending to advocate for a cause, in order to bring about a change for marginalized groups. This perspective often does not fit in classical research structures with a post-positivistic perspective. Research should take part among the researched individuals or groups and include them rather than study these groups or persons as objects (Creswell, 2003, pp. 6ff). Besides this more political approach, some argue in a different direction, in particular whether the discussion about paradigms should instead be changed to a discussion about the objects itself. Hence, would it be the smartest, just "to change the subject" (Rorty, 2003, p. xiv), not to discuss anymore whether and which universal law or truth exists and is searched for via studies and research projects? The pragmatic view would respond positively to this request. Pragmatists recommend not to focus on the methodology or following distinct methods at all, but rather to focus on the object researched and use every method applicable to get to know the topic better – as in any case, the truth will be a product of its circumstances – cultural, political and economic, to name a few. Therefore, a mixed method approach is not only allowed, but also highly recommended and in order to come as close to the researched object as possible, assumptions, world-views and data collection can be as different and multiple as possible (Creswell, 2003, p. 11f).

All named approaches, deriving from different views on the existence or creation of knowledge, offer valuable sets of methods to gain and analyze data needed for testing or creating theory. Post-positivists work with experiments or


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quasi-experiments, while surveys are used by advocates of participatory stances to find out about issues that affect marginalized groups.

As a further approach, a social-constructivist view on knowledge and meaning again offers a different perspective and helps with different research guidelines to discuss questions on the creation of knowledge. As is the case with every school of thought, it is criticized. The post-positivists argue that it is too soft in its methods and knowledge claims. Advocates of a participatory knowledge claim it is not going far enough in its inclusion of the object (ibid., p. 10).

As a theory of knowledge or epistemology, constructivism accepts that there is not *one* worldview or universal truth. Rather, it assumes that meaning is constructed instead of being detected (Crotty, 1998, p. 9). Crotty argues positively:

> In this understanding of knowledge, it is clear that different people may construct meaning in different ways, even in relation to the same phenomenon. Isn't this precisely what we find when we move from one era to another or from one culture to another? In this view of things, subject and object emerge as partners in the generation of meaning (ibid., p. 9).

This idea of "knowing what we know" (ibid., p. 8) is the preferred epistemology for qualitative research. While post-positivist assumptions, questioning seemingly given knowledge or pragmatic assumptions might best be backed up with quantitative data or mixed methods, a constructivist view is best supported by qualitative information allocated in and supported by the fitting theoretical perspective and used to establish new ideas and theories. Especially in family research, where it is assumed that the group of people usually called family shares a "collective consciousness" (Daly, 1992, p. 3), doing research with the help of methods from the qualitative spectrum can help researchers to understand meaning, experiences and interpretations by family members and therefore be used to identify "[…] processes by which families create, sustain, and discuss their own family realities" (Daly, 1992, p. 4 originally Weber). The focus is on the understanding, *verstehen* (Weber, 1922, I;§;I) in Weber's terms or explanatory understanding, rather than on explaining/erklären. We accept that meaning is constructed, both socially as well as historically and always is situated in its specific context (Creswell, 2003, p. 18).

When looking at the research topic and focus, it becomes obvious that no structural variables are of interest for this study, but rather the communications and dynamics in the families that help to identify roles and relations in the families when dealing with conflicts are integral to this study (Hareven, 1991, p. 110). Therefore, a constructivist approach with the help of established qualitative methods best supports the aspiration to find out more about conflict


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patterns in Indian business families. Families as social systems[30] pose several methodical challenges to the researcher, which cannot be tackled in a linear research process or with the help of superficial data collection. Rather, they ask for an approach that takes the dynamics of the field into account and analyzes case-sensitive and in an in-depth process (Litz, 1997, p. 65).

Qualitative research methods focus on working with these topics. These methods have gained importance over the past few decades and have become *mainstream* in the research spectrum, as more and more disciplines are using qualitative research methods (cf. Bryman and Burgess, 2002, p. 1; Daly, 1992, p. 4; Miles and Huberman, 1994, p. 1; Yin, 2011, p. 6). This prominence could be achieved on the one hand by excellent research that has been conducted with the help of qualitative research methods. On the other hand, this could have been achieved by virtue of further development, refinement, and discussion of qualitative research methods in scientific literature (cf. Miles and Huberman, 1994, p. 2; Muno, 2008, p. 124). It is especially important as the ongoing discussion about the use of qualitative methods centers around their scientific rigor and thus their reliability and robustness in comparison to well approved quantitative methods (Miles and Huberman, 1994, p. 2). Therefore, qualitative research has to answer this critique by following "credible, dependable, and replicable [methods] in *qualitative* [italics in original – author's note] terms." (ibid., p. 2)

There are specific tasks which one has to focus on in order to receive valuable findings in an explorative setting. These premises have to be respected in the qualitative research spectrum. The focus on *sense* is one of it. Qualitative researchers aim to understand the sense of human interactions. For achieving this goal, quantitative methods with large numbers of analyzed incidents are not necessarily of interest in a first step. Rather, single incidents and relatedness on the subject are of interest: case studies, interviews, and context analysis help to understand phenomena in their present setting and the historical context of it and to explore the context of meaning based on arguments. Maximum openness supported by a methodical controlled research process will help to diffuse boundaries and to break up with seemingly known truths (Pickel & Pickel, 2008, p. 445).

## A.2 Challenges posed by cross-cultural research on families

The reformulation of the research questions executed in chapter 6 helps to determine an optimum research design. The research on the chosen topic bears several challenges that determine the kind of qualitative research being the most

30 A claim which is elaborated further in 2.1.


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appropriate one. To find answers to the questions different ways to acquire data and information have been adducted.

The research on conflicts in families in different cultural settings bears challenges that have to be taken into account. The influence of social change, culture and its formal and informal institutions, the nature of families being relatively closed groups, and the dynamics and multiple perceptions about reality in families pose additional challenges to the researcher. After several years of research on groups, it is accepted that they are not static entities that can easily be investigated in a positivistic experimental setting – a paradigm that was long taken for ideal in the study of small groups. Groups were researched as if they were isolated from a context, static, generic and simple systems, and much of the real life characteristics they show have been neglected (McGrath, Arrow & Berdahl, 2000, p. 96). Especially the studies of families and their conflicts cannot follow these standardized procedures, but bear their own methodological challenges.

Additionally, the cross-cultural setting has to be kept in mind during the research process. A cross-cultural study can be defined as "the study of a particular idea or concept within many cultures. The goal of such investigations is to conduct a series of intracultural analyses in order to compare one culture with another on the attributes of interest" (Koester and Lustig, 2010, p. 54). The goal that is named in this citation is taken as a methodical indication for this study: the method deployed should firstly focus on the particularities in the different cultures to be in the next step able to find cross-cultural commonalities and differences. From a cross-cultural research perspective, the goal in the following analysis is to identify variances and similarities in common processes and communications in order to find related and differing meaning in both cultures (Yelsma & Athappilly, 1988, p. 39).

Therefore, the methods deployed have to fulfill several prerequisites:

### Deal with multiple layers of research, possibly co-dependent

It is necessary to detect and analyze conflicts in a broader frame of reference – business families and social change influencing the families. At the same time, different layers of research are needed in the context of families, as with their help, the many different facets and dynamics families experience can be better understood. Their interrelationship, how they form their realities and how their realities are formed by their contexts can be researched. Families are dynamic groups, not static entities. Causalities can be found on many different layers (Pieper, 2007, p. 80). The research strategy has to take this peculiarity into account, dismissing linear causal investigations in favor of "investigations into the multiple circular causal processes that reflect the reciprocal influences of


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various levels and structures of the family system." (ibid., p. 80) Families call for case sensitive and in depth research, best brought forward by carefully chosen qualitative research methods (Litz, 1997, p. 65).

### Take the contextual setting families are situated in into account

The family is the fundamental social institution, at the same time private and visible. It is necessary to reflect it in its social context (cf. Patel, 2005, p. 19; Miller, 2014). At the same time, families are guided by both informal and formal institutions. These institutions are influenced by the cultural context the family is surrounded by (Bertrand & Schoar, 2006, p. 78). Families are confronted with change – internally, but also concerning their context. External circumstances change and influence the families; therefore, the changing institutional settings and these formal and informal institutions guiding the families have to be taken into account (Daly, 2003, p. 771). It is not possible to examine families and their conflicts in an isolated setting without accepting the influence a culture has on them. Families live by "*implicit* theories [italics in original – author's note]" (ibid., p. 771), therefore various social rules and norms guide their daily life. These institutions are shaped by their culture and are exposed to change over time. To analyze the institutions can help to explain past and present patterns and the reasons for change in families, what preceded it and what follows (Pieper, 2007, p. 82). The method deployed has to take into account the cultural framework conditions in order to analyze the influence of culture on the family form and communication, the kinds of conflict families are experiencing, and the efforts to deal with these conflicts.

### Openness to various sources of information due to the nature of the research questions

Not only the obvious can be interpreted, as conflicts can sometimes only be found in the subtext – not openly discussed by the social group directly involved and also not talked about with an external researcher. Various sources of information will help to approach the single cases of conflict and the ongoing change in the family – be it from as structural viewpoint or a functional and systemic. An open method has to be deployed, in which not only the information retrieved in the interviews finds its place, but also information from other sources, eg, books, homepages, news articles etc., which look at the changing family and their conflicts situated in their cultural context, can be incorporated. With this approach, the broadest base of information about the involved families can be gathered. Especially for systematizing first knowledge specifically about Indian business families, incorporating various kinds of information is on the


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one hand needed and can on the other hand lead to a more holistic view than by using only one kind of information.

The reaction to these challenges is that families are often only viewed one-sided and their peculiarities are displayed in means of averages and tendencies instead of showing the diverse "shared meanings and interrelated perceptions" (Daly, 2003, p. 772) in families. The method deployed in this thesis aims to tackle the diverse challenges in order to gain explanatory understanding.


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# Appendix B: Methodic approach

This chapter focuses on the applied research procedure. It starts with a guiding narrative that details the structure of the following chapters, before explaining the adducted strategy and the different steps that have been conducted in order to explore the research questions.

## B.1 Guiding narrative for the analytical and interpretational part of the study

The following sections detail how the data were explored during the analytical process. It displays the different steps how data were gathered and processed in order to be able to compare findings from the Indian business families with research from the German context. The analytical process is bifurcated, and consequently is the approach to the research questions. During the first phase, the focus is directed to the Indian business families and the first two research questions. This serves the aim to explore meaning in one context first (taking into account the existing pre-knowledge), without forcing a preconceived opinion onto it.

Therefore, the first analytical phase serves to inform the primary two research questions:

1. Which relationship conflicts in connection to the business do the Indian families experience and which conflict management strategies do they use?
2. In which way could the conflicts and the strategies be related to the societal framework the Indian business families are part of?

From chapter 7 onwards first findings on the primary two questions will be presented. The first analytical and interpretive phase concentrates on the Indian context. The methodical procedure adducted for developing the findings is


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described the appendix. Subsequently, the field is opened up for the comparative analysis approaching the third research question:

3. What could be differences and commonalities in the conflict-experience of business families in both societies?

In the appendix, the procedure that was adducted to explore the comparative aspects is described. Findings concerning the third research question are described and discussed in chapter 8, before the research is concluded with three propositions concerning the cross-cultural comparison in chapter 9, starting on page 173.

## B.2 Introduction to the research framework

It has been shown that there is almost no preparatory work on the topic, especially on the Indian part: there is neither qualitative nor quantitative output on the broader subject of family businesses and specifically about business families, their history, and inner-family conflicts. With the German business family, the picture is somewhat different. Especially qualitative research about German business families has been conducted in the past and has resulted in valuable information concerning both the history of business families and their conflicts and conflict-management methods. To bring these two spheres together and to compare Indian and German business families in a context influenced by historical and cultural peculiarities has not been done so far. This requires an adequate tentative setting, which shall result in first propositions supporting further research.

### B.2.1 Qualitative research with the help of the grounded theory approach

The question in the case of this study would therefore be the following: does this study reflect the wish to discover something new, to find possible similarities where none have been sought so far, thus starting at the base with no previous information on the given topic? The answer is yes, especially concerning the Indian context. Therefore, the grounded theory methodology as developed by Glaser and Strauss in the 1960$^{s}$ is the method of choice in this research project.

In the peculiarities of the researched object lies the justification for the chosen method. To find out about conflicts in Indian business families and to compare them with known tensions in German business families (1) has not been done so far, which means that there is no previous knowledge to establish hypotheses for testing. Additionally, (2) the families come from distinct cultural backgrounds,


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which would make the use of a method drawing on existing knowledge from either one research field too narrow in its focus and regionally biased towards perpetuating the model of the western business family without taking cultural distinctions into account (Glaser & Strauss, 2012). Herein the goal is to create first propositions with the given and new material rather than to test/evaluate existing ones. Methods using the latter approach rather than proposition generating ways of analyzing material are therefore not found suitable for finding answers to the given research questions, but at the same time, it is not possible to approximate the topic without presumptions. This combination of demands is covered by the grounded theory methodology.

### Epistemological and historical background of the grounded theory approach

The foundations of grounded theory lie firmly in the tradition of the Chicago school of thought, developed at a time when paradigmatic considerations moved into two opposite directions, in the direction of an abstract sociological "Grand Theory", concentrating on establishing theoretical, methodological systematics and into quite the opposite direction, namely the direction of increasingly formalized quantitative methods that moved further away of epistemological thoughts of the "Grand Theory" as exposed by Talcot Parsons. This split between theory and empirical research was criticized by the research community. On occasion, an attempt was made to overcome it. Nonetheless, there was a gap between the theoretical discussion and the practical development of sociological research methods (cf. Charmaz, 2006, p. 4f; Przyborski & Wohlrab-Sahr, 2014, p. 192). Anselm Strauss and Barney Glaser stepped into this gap with their development of a grounded theory or the synonym *grounded theory methodology* in the 1960$^{s}$ (Glaser & Strauss, 2012). By doing so, they tried to overcome the separation by developing methods that generate theory and therefore satisfy both demands – the theoretical as well as the practical. The focus was to combine seemingly objective methods with unitary methods ideal for testing and replicating results. They claimed that theory is rooted or grounded in data and thus can only be generated out of data. They aimed to combine the positivistic beliefs of the researchers from the Columbia school and the pragmatic view of the Chicago school of thought, thus relying on symbolic interactionism, with the assumption that the world – and in it society and reality – are constructed in dynamic changing interactions, in processes formed by communications. In this theoretical framework, humans are active agents of change and creation of meaning rather than passive recipients of outside influences. Meaning and knowledge does not exist in itself, but is created out of communication between interlocutors (cf. Charmaz, 2006, pp. 5ff; Przyborski & Wohlrab-Sahr, 2014, p. 192).


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This inductive method, one of the first systematized qualitative research methods, aims to build a theory from the scratch. One goal of Glaser and Strauss's work on qualitative research was establishing a position towards natural sciences and their standardized approaches to gain knowledge, but their aim from the beginning was to combine theory construction and empirical research. They postulate that theory does not come from anywhere and can be put upon research in the form of predetermined hypotheses, but that theory has to emerge from within the empirical material, which is being analyzed to create that theory. Their approach shows that qualitative methods can be utilized to generate theory and not just to prepare research interest for further quantitative studies. Furthermore, despite the strict separation between quantitative and qualitative methods in preference of a new concept, that of *discovery of theory* in the material, they contended (cf. Glaser & Strauss, 1965, p. 5; Przyborski & Wohlrab-Sahr, 2014, p. 192):

> […] we shall regard […] *qualitative research* […] *as a strategy concerned with the discovery of substantive theory* not with feeding quantitative researches [emphasis in original – author's note] (Glaser & Strauss, 1965, p. 5).

They both engage in creating new theory with the help of methodological guidelines by conducting interviews or using other methods of data gathering and further analyzing the material.

Soon after grounded theory began to gain wide acceptance, the two founders started to move into two different directions. They could no longer compromise on the level of openness and impartiality the primary approach demanded of the researcher. Glaser defends the position that both favored at the beginning until today – he demands strict openness and expects the researcher not to include any existing knowledge into the process to prohibit impartiality. This rigorous approach has been depreciated as too strict, partially even as polemic in its demand to actively exclude existing knowledge on the topic. Strauss's work took another direction. He focuses on verifying and on process rather than on structure, as structure is merely created out of processes that are shaped by human interactions – these actions in turn bring subjective and social meaning into force. But also Strauss, in later works mainly with Juliet Corbin, still defends the goal of inductive reasoning as achievable and contends that focusing on the gathered material as much as possible with the least amount of presumptions is feasible. This invoked Glaser's criticism. Glaser argues against Strauss and Corbin's approach, as it reduces the openness and puts theoretical templates on the data instead of letting the data speak for itself. Nevertheless, especially Strauss and Corbin's theoretical works have gained wide acceptance in the research community and social science education (cf. Charmaz, 2006, p. 7f; Przyborski & Wohlrab-Sahr, 2014, pp. 193ff).


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### The course of action in the grounded theory approach

The process Glaser and Strauss and later on Strauss and Corbin postulate is not one with defined rules and regulations on how to approach a research problem. It rather offers guidelines and principles on how a research problem can be tackled. Various researchers make use of it and turn it into the direction desired, sometimes also incorporating more quantitative methods. This is a fundamental turn in comparison to Glaser, Strauss and Corbin's demands in the beginning. Nevertheless, most scientists focus at least on some basic principles during the process, namely theoretical sampling, coding of the gained material, always aiming for theoretical saturation (Charmaz, 2006, p. 9).

The process how grounded theory can be developed is displayed in the graphic on page 212.

It starts with a question or problems upon which the research focuses. Therefore, valuable data has to be gathered, which is assumed to help in answering the questions. In the next step, initial coding and initial memos, will help to refine the research questions and establish first tentative categories. In this step, no prefabricated categories are used, but the concentration rests on the data for the generation of first codes – the researcher interacts intuitively with the data (Flick, 2009, p. 440). This is often done with line-by-line coding of material (in the case of spoken and transcribed or written words) in order to do first conceptualization from within the data.

The second step is to do more focused coding, to use codes developed in the first step and new ones that emerge from the subsequent data analysis in order to work out relations between the initial codes and develop refined conceptual categories with the help of memos. Those allow researchers to compare data and to further refine the concepts established throughout initial and focused coding. When theoretical saturation is supposedly reached, certain categories can be adopted as theoretical concepts, which will finally result in a written first draft of the developed ideas (Charmaz, 2006, p. 11f). The third phase of coding can be regarded as the "confirmatory selective phase" (Flick, 2009, p. 441), during which more evidence for the selected core-categories is collected. This supports the evidential base and the confirmation or refinement of categories (Flick, 2009, p. 440).

Support for this aim is the memo-writing process. Memos are text or pieces of text the researcher writes constantly during the process. In these memos, he/she notes down any idea – intuitive or more refined – that emerges as possibly relevant to the definition of categories. In doing so, the researcher reactivates prior knowledge and allows sensitization for possible theoretical constructs. The memos get integrated into the process and first concepts can be sketched (cf. Charmaz, 2006, p. 11f; Wenzler-Cremer, 2005, p. 75). Therefore, it supports and


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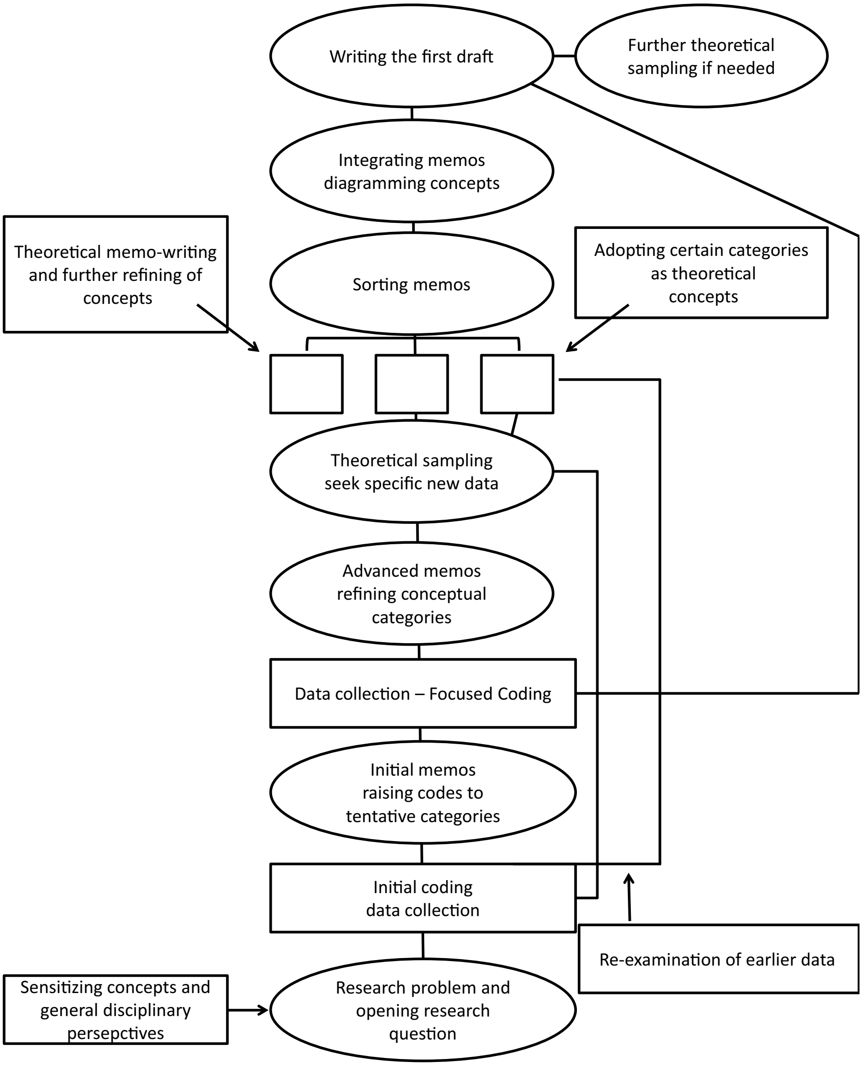


Figure 4: Grounded theory process model (Charmaz, 2006, p. 11)

accompanies the whole analytical process and further refines the level of abstraction (Charmaz, 2006, p. 72).

During the process, constant reiteration and comparing are the core concepts that define the approach. Only by doing so, theoretical saturation can be reached – therefore, nothing new emerges from the data, which does not only concern the data gathered, but also the coding process:


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> The criterion for judging when to stop sampling the different groups pertinent to a category is the category's theoretical saturation. Saturation means that no additional data are being found whereby the sociologist can develop properties of the category (Glaser & Strauss, 2012, p. 61).

At the preliminary end of the process stands a primary theoretical framework, which concludes retrieved results from the analytical process.

### B.2.2 Gathering of data: Semi-structured expert interviews with a problem centered focus

In general, the grounded theory does not have a preference for any particular method for gathering data, as "everything is data", as far as Glaser is concerned, and thus anything from a one-to-one interview over books to personal notes can be a source for valuable information. For the purpose of this study, the semi-structured interview with internal experts has been chosen as one particularly useful method. Therefore, it was the main instrument for gathering data besides desk-research on- and offline (Przyborski & Wohlrab-Sahr, 2014, p. 195).

#### The experts in question

Despite its common use, the expert interview did not experience enough reflection as a scientific method until the 1990^s as Meuser & Nagel, two of its main proponents, criticize (cf. Meuser & Nagel, 1991, p. 441 f; Meuser & Nagel, 2008, p. 465). One critical observation called the expert interview a way to save time in an exploratory study, as it neglected the use of expert knowledge and concentrated more on the role of the interviewer to gather as much information as possible in the shortest amount of time from one source instead of doing time-consuming research elsewhere (Meuser & Nagel, 2008, p. 465 f). This point of critique was supported by the blurred view on the term "expert" itself and the following uncertainty over its use and rigor. Commonly known as a person who has special knowledge about a topic, the term *expert* invoked discussions in the research community, as did the generalization of the term *expertise.* The claim was that the expert becomes an expert by being treated as an expert. Therefore, every person can be an expert, at least on his own biography, which turns biographical interviews into expert interviews. A claim that makes a distinction superfluous (cf. Jansen, 2013, p. 81; Meuser & Nagel, 2008, pp. 466 and 469).

Congruent with an onset of the systematization of the expert interview in the 1990^s, the question of who can be considered as an expert was posed. A systematization according to profession seemed obvious in an historical context,


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but not sufficient today – expert knowledge can exist and be especially influential apart from the boundaries a profession sets (Meuser & Nagel, 2008, p. 467). The decision then was made to turn away from the person-centered view on experts and to approach the topic from a functionalist angle that seemed more promising (ibid., p. 466).

Hitzler, among others, suggests that a concentration on the kind of knowledge the expert needs to have in order to be considered as an expert is suitable: any person who has special knowledge on the topic and knows about his or her special knowledge can be considered as an expert on that topic. Therefore, expert knowledge is explicit and implicit at the same time. Experts can assist the researcher by offering their personal knowledge on how decisions were taken and how differences were made. With the help of their knowledge, it is possible to reconstruct a constructed reality and to identify structures and dynamics existing on a higher frame of reference than the individual one (cf. Hitzler, 1994, p. 13 in footnotes; Meuser & Nagel, 2008, pp. 467 and 472).

Apart from their function, a definition of position is also useful in the discussion: experts also have a specific position relative to the studied object (Gläser & Laudel, 2010, p. 13). They can be part of the studied institution, but not be the sole object of interest, as this would transform them into the sample – a problem that has to be reflected in the research process (Meuser & Nagel, 1991, p. 442). This makes the distinction to the narrative interview more obvious and shows a suitable definition for this study: experts are not the objects of study (which would be the case in biographical interviews), but can be a part of the unit and necessarily need to have special knowledge on the studied object.

Experts have participatory, specific knowledge relevant for decision making, take substantial part in the decision-making process of an institution and their knowledge can be used to reconstruct social situations or processes. Meuser & Nagel decisively defined experts in the context of organizations and institutions, which in this case are congruent with business families (cf. Gläser & Laudel, 2010, p. 13; Meuser & Nagel, 1991, p. 442).

Therefore, as part of the business family, the interviewees are not themselves the studied objects, but experts on their families. Their knowledge is used to form the picture about the business family and its conflict dynamics, and they are expected to have participatory special knowledge about their family dynamics. They do not only have knowledge about the context, but their knowledge is used to form and alter realities. It cannot be neglected that an expert, whether being part of the studied subject or being an outsider with expert knowledge, is always interlinked with his or her being – there is no possibility of complete objectiveness. The expert will always express his/her perspectives and introduce his/her subjective opinion and interpretation (Pickel & Pickel, 2008, p. 454 in footnotes). Their information is taken and considered together with data about


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the families from various other sources during the desk research, in which books and media about the families are included in the process.

### The problem centered approach

Equally important is the way in which the researcher tries to gain access to the knowledge of the expert during the interview situation. Qualitative data gathering, with the goal of generalization and also the relatedness to the subject has to be conducted in a way that allows the researcher to gain insights to the knowledge and interpretations of the interview partner. There are different interview techniques in the qualitative research spectrum that can be used to gain knowledge on a specific topic. One example of the techniques is the *Narrative Interview*, a technique championed by Fritz Schütze. It focuses completely on the subject and expects the interviewer to exclude any prior knowledge on the case. Narration based the interview partner is expected to narrate his answer to the preliminary question and will not be interrupted during the process. After he/she finished, questions for gaining better understanding of certain topics will be asked. While this supports the cause of openness to the largest extent possible, it also includes pitfalls. The person of the interviewer with his/her pre-knowledge is – while it exists – excluded, which might evoke the impression of a neutral observer who does not exist in most cases. On the other hand, the interview partner is liable to offer meaning, knowledge, and structure, which can place a heavy burden on his/her shoulders if he/she does not expect the situation to be that way (Witzel & Reiter, 2012, p. 30f).

Therefore, a more discursive approach is needed that still caters for the aim of openness during the process. This is best supported by semi-structured interviews, as they fulfill important criteria of sound qualitative research like openness, generalizability based on arguments, and holistic consideration of the approached object in its historical and cultural setting (Pickel & Pickel, 2008, p. 447).

In this case, the specific form of the Problem-centered Interview (PCI) has been chosen, as it supports different purposes during the study. It is an active problem-centering approach with the object of study in focus (Witzel & Reiter, 2012, p. 40). Similar to the narrative interview it draws on the narrations of the interview partner as "prime sources for exploring the given 'problem' in a dialogic way" (ibid., p. 31). The interviewer is asked to participate in the process by actively triggering the implicit knowledge of the expert. He/she can make use of interview guidelines, which should not be used as less formalized questionnaires, but as topical guidelines that help to adhere to the topics in question as a support for the researcher, not as boundaries set for the interview process (ibid., p. 32).


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Interview guidelines are an important tool in the work with experts. On the one hand, they ensure the respect that is needed between interviewer and interviewee. During the preparation of the guidelines, the interviewer will become a partner on eye level topic-wise and will be able to show his status as a competent partner during the interview. The interviewee will feel respected and aligned in the discussion – in the best case, he will experience the interview as a reciprocal exchange of information with a mutual level of interest and knowledge. During the interview, the interviewer is expected to be an active participant in the process (cf. Meuser & Nagel, 1991, p. 450; Witzel & Reiter, 2012, p. 32).

On the other hand, the guidelines will help to stay with the topics of interest during the talk (Meuser & Nagel, 1991, p. 448). The interview has to remain open in any case – this is in accordance with the guidelines, as they only offer connection points in the interview and should not hinder the discussion to flow relatively freely (ibid., p. 449). The interview guidelines will only contain central questions, some introductory sub-questions, and the general topics that shall be discussed in every interview (Pickel & Pickel, 2008, p. 447).

Semi-structured interview guidelines have proven to be particularly useful for the research goal. They allow the researcher to participate at the subjective knowledge of experts and at the same time to create comparability, as the same aspects will be touched during different expert interviews, with the same topics discussed and the possibility for the interview partner to disclose information the way he/she prefers. The process can develop during the interview and the researcher can compare the interviewee's narrative with the question he/she has in mind and refer back to the interviewee's account or accept the answers and narrations given (Witzel & Reiter, 2012, p. 52). They can be established with the help of focusing on the prior knowledge the researcher already has on the research subject. Prior knowledge has always to be regarded with caution. Despite its value for the research process, it also entails the danger of employing preconceptions. Nevertheless, to make it explicit will also help to reduce the threat (ibid., p. 40). Everyday knowledge, contextual knowledge (which helps the researcher to determine the context-sensitive narrations by the interview partner), and research knowledge support the sensitizing concept the interviewer should be aware of beforehand. Of these three kinds of knowledge, research knowledge is especially critical for the process. Strict enforcers of the grounded theory approach would like to have it excluded and would prefer for the interviewer to start completely on a blank page. Nevertheless, the existence of research knowledge from studies and literature of relevant subfields of the studied object is supportive, despite being biased. It helps the researcher to focus on connection points, relevant open spots in research and also may reveal answers to similar questions worked out from a different theoretical angle (ibid., pp. 40ff).


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The different kinds of knowledge can be sued to establish a sensitizing framework, which details more or less explicit the research questions, the prior knowledge, and the process planned for finding answers to the question during the research process. In the present thesis, this will be done by exploring the research strategy employed during the process.

## B.3 Research strategy

### B.3.1 Prior knowledge

Prior knowledge about the studied topics alters the process with which interviews are processed and how the information retrieved during interviews is handled. It influences the creation of an informed topical guide and the subsequent analysis and interpretation of data. The different ways how already established research was integrated in the process are detailed below.

#### Literature review

A first source of information is research knowledge on business families, their conflicts, and the ways in which they manage these conflicts. This was gathered in the literature review about the theory on (business-) families. This information will be used for the constant comparison with data, in order to enhance existing theories or create a new theory. In this process, supportive as well as conflicting findings can be used to deepen the insights on existing knowledge, emerging propositions, and the generalizability thereof. Enhanced internal validity will be the result either way (Eisenhardt, 1989, p. 544). The second kind of prior knowledge was detailed through the portrait of the development of families and business families during history. Albeit this cannot be complete due to the large timespan and the various theoretical viewpoints that work with historical aspects of families, it nevertheless supported the aim of detailing knowledge on the present state of business families. The historical approach was used for establishing sensitizing ideas of how and why business families communicate in the present, with the special focus on the different influences the cultural context had during different time spans.

#### Prior research journeys and outside expert interviews

The third and most distinct gathering of knowledge on the topic was done by two prior research journeys. In the years 2011 and 2013, the author participated at two research journeys to establish first findings about Indian business families


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and to make contacts with possible interviewees. During these journeys, interviews were taken in a group setting together with family business researchers. The different emerging observations relating to the families were subsequently discussed and reflected in the research group, and findings from the first research journey were partially integrated into the Master's thesis of the author.

These interviews were also used during the research process in order to detail findings from prior research and to enhance the accuracy of findings. The observations from this research were included in the preparatory work and the establishment of a topical guide through to focus on peculiarities of business families on the one hand, but to keep the cultural context in mind on the other. Therefore, sensitizing knowledge existed, but was developed by including the experts in question through direct communicative situations, which touched on some of the topics later on discussed during the final interview journey.

The first journeys stand out in the research process as they theoretically could be regarded as either one of two options. On the one hand, those were direct forms of data collection through interviews, and the material acquired could be used throughout the analysis in the coding process, as done in chapter 7 in order to establish a basis on which conflicts in German business families could be compared. Therefore, the material would be directly included in the re-iterative coding process as demanded by the grounded theory approach (Charmaz, 2006, pp. 96ff).

Nevertheless, due to the nature of the interviews, the topics discussed, and the subsequent theoretical work up, the information gathered during the primary journeys was rather used with different means. The information can be interpreted as sensitizing concepts discussed earlier in section B.2.2. Different particularities (in contrast to German business families) the Indian business families show have been discussed during these interviews. Among others, these particularities include the institutions that are present in their family communication or the traditional concepts they try to execute in their business communication, while being well aware of the modernized influences the business and the family communication entail. Nevertheless, the interviews were neither particularly concerned with the family communication nor with the conflicts this could entail regarding the societal influences. Therefore, and also keeping in mind the difficult nature of pre-established knowledge on a topic and how it influences the conceptions of the interviewer, the findings are made explicit in the analytical section where applicable.

A similar approach was taken concerning the interviews with outside experts. In each country, experts on families, conflicts, and/or family businesses were interviewed to gain more insights into the academic discussion around the topic. The expert interviews were 45 minutes long on average, ranging from 32 minutes to 65 minutes. The expert knowledge from an outside perspective – in contrast to


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the inside knowledge which is attributed to the family members – supported the creation of a topical guide and an informed conduct of the interviews. These interviews were regarded as an enhancement of existing research knowledge through literature review in the case of Germany, and as support for the prior research conducted in India. They offered insights in the economic framework the family businesses in India are situated in and in the communication in the families from a psychoanalytical point of view. Analogous to the findings from the first research journeys, their insights are made explicit when adducted.

### B.3.2 Data gathering and conditioning

During the following sections, the process of data gathering will be described. This entails the development of the topical guide, the process of data gathering and different boundaries experienced during the process of interview-taking in the chosen sample.

#### Formulation of a topical guide

The topical guide should enhance the comparability of findings, support the interviewer during the process and allow for openness in the situation. Therefore, not a detailed interview plan with strict guidelines was created, but a schematic overview about the topics that should be included in the interviews.

The starting points and focus points in the creation of the topical guideline were the research questions. They established the base for the formulation of different topics that should be tackled during the interviews. Deriving from the formulation of the preexisting knowledge, mainly through literature research, but also by talking to inside experts and outside experts, different additional fields of interest evolved that became included in the topical guide. It was – due to its nature in including only topical references – open for any other information the interviewee wanted to disclose during the process. The scheme of the topical guide is depicted on page 220. It entails the central topics as well as the concerns at the beginning and the end of the interview.

At the start of the conversation, the question after the family history was posed – as a topic most interview partner would not feel distressed discussing. Additionally, the narrated business history offered various attachment points at which other questions, more concerned with the central focus, could be asked. At the end of the process, the diagram displaying different kinds of conflict communication in section 3.1 was shown, but without the different data points. The empty diagram, some basic explanation about it and the option for the interviewees to locate themselves should further enhance the willingness to talk about


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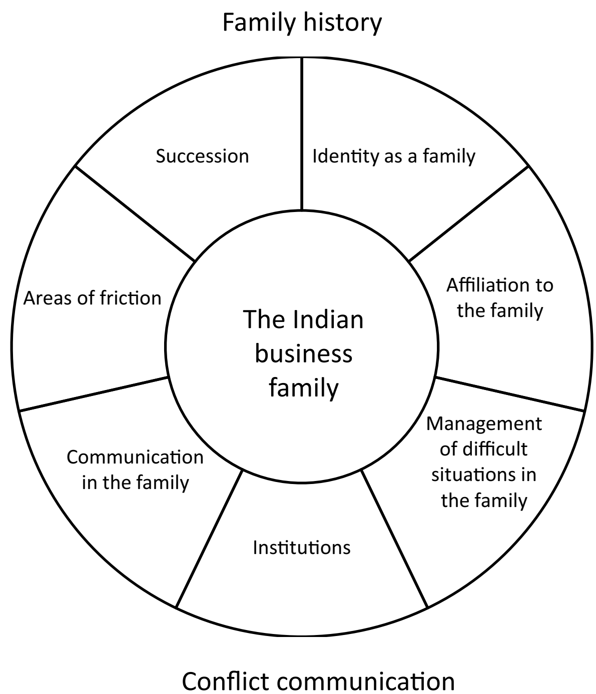


Figure 5: Topical guide (own representation)

the critical topic "areas of friction". With the introduction of the model the interviewer was asked for his/her position in the diagram. He/She was supported in referring to the central topic in question, not only concerning his/her own position, but also more in general about conflicts that come up in the family and how he/she experiences the communicational acts that take place during these situations.

## Process of data gathering

A variety of qualitative research methods and sources of information was used for retrieving material. This includes group discussions and written material in the form of books or online sources and the exchange with outside experts on the topic, but the focal point of the process was put on expert interviews with a topical interview guideline. These interviews were conducted with Indian business owners, their wives, and their children.

The emphasis in the process was on three ways of data collection. First and foremost, material gathered in interviews with selected family members of business families is regarded as most valuable. Family members have expert


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knowledge on the topic, regardless of their subjective view on conflicts and changing communications and institutions.[31] During the process of conducting in-depth interviews, many interviewees suggested reading biographies about the founders or the founding families in order to gather more information. These books were partly written by family members about other members of the family or are autobiographies – in both cases, the information can be classified as being of the first or second degree. Additionally, information retrieved from books about the lives and business strategies of the business owners was included, as explained in section 2.1.2.

The final research journey to India took place in 2014, during which the interviews were conducted in a one-on-one or one-on-two situation between the researcher and different family members. Data was mainly gathered through these interviews, conducted between February and September 2014 in India and Germany. In sum, 11 interviews were conducted with nine families with a mean length of 59 minutes, ranging from 30 minutes to 100 minutes. From these eleven interviews, two took place in group settings, one of them with a father and his son and one with a married couple. In two families, two members were interviewed individually, in both cases the husband and his respective wife was interviewed.

The interviews were conducted in different places. Most meetings took place in offices or conference rooms in the family business headquarters. In India, three interviews were situated in the respective homes of the family business owners, while one took place in a restaurant in Germany. First memos concerning the interview, its conduct, the person interviewed, and the general situation were written following the interview.

The interviews were all digitally recorded and transcribed with a simple transcription method, in which phonetic signs were left out, but extensive pauses or laughter was noted (Dresing & Pehl, 2013, pp. 20ff). This was motivated by the fact that the interviews with the Indian business families were conducted in English, a language that despite being one of the common languages in India, is not the mother tongue of the interviewer or the interviewees. Phonetic characteristics could possibly be due to language barriers and could not be identified as intended or unintentional up to a certain extent. Nevertheless, the line-by-line transcription and the availability of the recorded material allowed the researcher to refer back to the written and spoken and facilitated the inclusion of phonetic signs when regarded as helpful for understanding.

31 Who can be regarded as an expert is the core topic of several scientific explorations. A short overview and adducted definition is given in section B.2.2.


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### Handling of boundaries and position of the researcher

The gathering of data and the subsequent analysis reflect the boundaries that are set around families as social groups and the internal knowledge family members have about the communication in the family as opposed to outsiders. Families tend to be very closed to outsiders, as members try to ensure their privacy, for example their traditions, norms, and social rules (Daly, 1992, p. 4) It goes without saying that especially seemingly dysfunctional dynamics in families, as conflicts are on the first glance, are usually not discussed with outsiders. Another piece of information often concealed from interviewers includes routines or repetitive acts. Interviewees might regard them as not being interesting or not carrying forward the subject in question, while on the contrary, from an interviewer's standpoint, they can help to highlight peculiarities on the one hand or patterns to be found in many families on the other hand (cf. Daly, 1992, p. 4f; Litz, 1997, p. 65).

Therefore, methods in gathering data have to be used that establish trust between the interviewer and interviewee, and situations have to be created in which the interviewee feels comfortable in expressing himself or herself. The interview partner has to be able to disclose at the pace and level of profoundness he/she likes. Accordingly, standardized methods can only be used to a very small extent, and maximal openness to the information the interviewee wants to disclose is needed. At the same time, the most information concerning the focus topics and their thematic surroundings has to be gathered during the process, also by using sources other than information gained from the interview partner.

The research project was started from Germany and the researcher herself is German. The connection to India, and therefore the connection to the researched field was formed via three research journeys each covering several weeks, during which not only interviews with family members were conducted, but which also entailed studies concerning the history and presence of the Hindu culture. Nevertheless, the researcher remains an outsider to the culture and can only gain understanding up to a certain extent. As described in the literature review, all research which is done by European researchers has to cope with the justified accusation of being Eurocentric, a topic which is further explained in section 2.1.2. This accusation cannot be fully dismantled due to the given circumstances, but with field work, literature review, cooperation with Indian external experts and in sum a reflected approach to the research questions, nevertheless a rigor approach was achieved.


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### Interviewees

India's family history (described in chapter 4) is marked by grave changes. Those influenced the possibilities for family businesses to change from an entrepreneurial state towards multi-generational family businesses.

Many business families that are successful nowadays identify as such only for one or two generations, but have the managerial and/or ownership structures signalizing a family business. Additionally, they plan to hand the business over to their children or have already done so. But apart from these obvious features all business families share (under the acceptance of the given definition), for the purpose of this study, more common features were necessary to find suitable business families and interviewees that would support the research process.

– *Definition and self-understanding as a business family*

For the purpose of this study, the self-understanding was a decisive point. If the family regards itself as a business family and expresses this publicly – on their webpage, in the media, in books, or in an interview-situation, it is enough evidence to look for specific and group-related communications in the family. Additionally, the aforementioned criteria defining business families apply. Therefore, the ownership of the business must be in the hands of the family, either in whole or substantial parts of it and the will to transfer the business to the next generation must exist. Management can be in the hands of the business family.

– *Religion*

The business families should identify as being a part of the Hindu religion. The religion plays an important role in family life and provides specific rituals, rites, and roles in the families. At the same time, it is the largest religion in India. Including other religions would put the focus on religious specifics rather than a socio-cultural background. Nevertheless, one family is included that does not identify as Hindu but as Parsi. The material of these interviews will be marked as such.

– *Size of the business*

The landscape of business families in India is as diverse as its general family landscape. For matters of comparability only families with businesses over 1000 employees were included. This is also reflected in the theoretical framework: the findings mostly concern families of a high-income range to which the business families interviewed belong.

Based on these criteria established during theoretical research and the preceding research journeys, ten family businesses were identified, their respective


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owners contacted and asked for the permission to interview them and/or other family members. As the topic is a matter of delicacy and the family business landscape was largely unknown to the researcher beforehand, the most promising way to receive commitment was to use pre-existing contact persons whose acquaintance was made during the prior research journeys, and additionally, to ask directly during specific conferences concerned with family business related topics in India: Nine out of the asked ten agreed to an interview appointment, partially also introducing further family members. The table on page 224 gives an overview of the interviewees.

The persons enumerated in the table were interviewed during the final research journey and are as such included in the direct analytical process. Additionally, memos and transcripts from the first and second research journeys were used to enhance the findings.

During the phase of gathering data also German business families were interviewed, as in the initial research phase the direct comparison on the basis of interviews with families from both cultures was planned. Those interviews were taken and conditioned in the same manner, but not included further in the research project, as the information retrieved did not promise to enhance the findings already existing on the topic in the German context.

| *(1) Family* | *(2) Interviewees* | *(3) Age range* | *(4) Gen. business* | *(5) No. children* |
|---|---|---|---|---|
| Family A | Father (Chairman and Managing Director) | 70–80 | First Gen. | 3 |
| | + Eldest son (JMD) | 40–50 | 2nd Gen. | 3 |
| Family B | Father (Chairman) | 70–80 | First Gen. | 3 |
| | + Mother | 60–70 | | |
| Family D | Father (Chairman) | 40–50 | 2nd Gen. | 2 |
| Family E | Father (Chairman) | 60–70 | First Gen. | 2 |
| Family F | Mother | 40–50 | 2nd Gen. | 3 |
| Family G | Father (JMD) | 50–60 | 2nd Gen. | 1 |
| Family I | Father (Chairman) | 40–50 | 2nd Gen. | 2 |
| | Mother | 40–50 | | |
| Family M | Father (CEO) | 50–60 | 2nd Gen. | 2 |
| | Mother (Director for Social Initiatives) | 50–60 | | |
| Family Q | Father (CEO) | 50–60 | 2nd Gen. | 2 |

*The table depicts the following information:(1) Anonymized family name; (2) Family membership in relation to core family and position in the business; (3) Age range; (4) Generation of business from the perspective of the interviewee; (5) Number of children. The + indicates that the interview was taken in a group setting.*

Table 5: Interview partners in India


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## B.4 Analytical process

### B.4.1 Identification of relevant phenomena

The chosen method needs openness for detecting underlying dynamics in the families, but especially for combining the different layers of research that are touched by the refined research questions. On the one hand, there are the conflicts that are plaguing the families today, which are leading to struggling businesses and families due to unresolved issues and hardened fronts among the family members. These issues do not only involve single individuals, but also often directly or indirectly involve the whole family. The view on these conflicts, – taking into account how they come into existence and how they are handled – will be detailed by establishing relevant conflict and -management dimensions, with a constant focus on *cultural influences* and *influences of the business on the family*. The process how the dimensions are retrieved from the data will be explained in the following section.

### B.4.2 Development of codes and identification of primary dimensions

The coding process started by using a strict bottom-up strategy closely adhering to the spoken words and tentatively focusing on the primary research questions. In this initial coding process, about 600 different codes were appointed. This is a common problem when not approaching the data with a set of *empirical unsubstantial theoretical categories*, therefore categories which are deriving from general research (Kelle & Kluge, 2010, p. 70). Another difficulty when adhering too much on primary research questions is the narrowness of the framework applied. In many cases it became obvious already during the process of interviewing that while some topics were very general in nature and offered good connection points to discuss changes the families experience in their communication, often related to cultural changes, different others were not so welcomed by the interviewees. This included specifically the question for conflicts in the families. Therefore, as explained already in the introduction, the further analytical process also included the various sources due to which conflicts come up in the families and the means how the families create cohesion as one primary aspect of ensuring conflict-managing communication on the one hand, but also referring to the importance that is placed on collectivity in the Indian society on the other (cf. Hofstede, Hofstede & Minkov, 2010, p. 91; Pieper, 2007, pp. 43ff).

To overcome the amount of codes and partially undirected research focus, in a second step the process of coding was reiterated. Therefore, the codes and related text segments were re-checked, similarities in meaning between different


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codes could be detected and therefore these codes merged to a higher level of abstraction. Also codes to which initially only single text-elements were attached could be merged or omitted. Due to the intense bottom-up strategy, a very detailed coding scheme was the first result. During the re-iterative process, it became obvious that some codes often differed only in nuances and could therefore be grouped to a more inclusive code. This process related to the abduction of theory from retrieved data, but also included subsumptive aspects, relating to prior research on Indian families on the one hand, but also conflicts and their management in Western business families on the other. Already during the ad-hoc coding theoretical knowledge influenced the process and led to a subsumptive identification and naming of codes according to researched patterns found in German business families and among Indian families. This form of preliminary subsumption stands in reference to the proposed openness, as it on the one hand negates the complete openness, but on the other caters for the inclusion and disclosure of relevant prior knowledge (Kelle & Kluge, 2010, p. 61 f). After the second re-iteration, the number of specified codes was reduced to 170 and already different trends emerged in the data, which informed the naming of the codes and the subsequent procedure. To cater for more abstraction and in order to be able to work towards a more including framework, these codes were then grouped to code families deriving from different theoretical frameworks and contributing to a topical analysis (ibid., p. 64).

The interviews often did not allow for a direct relation of cause to effect. Nevertheless, in many situations the coding paradigm as suggested by Strauss and Corbin could be used to explore meaning and relations in the data. This topic oriented analysis is relevant for identifying the strategies, causal conditions, the influencing context and the resulting consequences considering the identified key themes (Witzel & Reiter, 2012, p. 107). The graphic on page 227 displays the paradigm adducted.

Therefore, the different codes, grouped into code families were brought into connection to

- whether they concerned the *context* in which the conflict phenomenon appeared,
- which *causal condition or antecedents* were named or could be retrieved from the data,
- which *strategies* the family members utilized,
- and finally which *consequences* resulted from the applied strategy.

Not in every case this paradigm was applicable, as partially the family members did not connect conflicts to conflict management strategies or direct outcomes. The boundaries the family members intentionally or unintentionally set around the communication about their families (described in section A.3.2) partially


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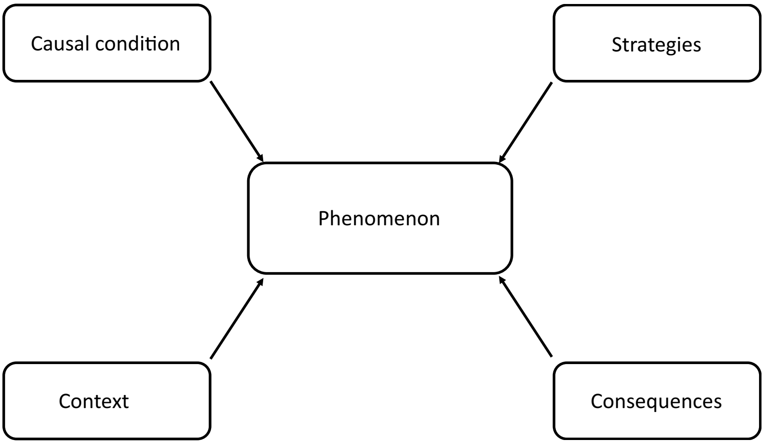


Figure 6: Coding paradigm (Boehm, 1994, p. 132)

hindered direct exchange about possible relations. Nevertheless, the paradigm was helpful in the further refinement of code families and deriving core strategies the families apply. Also the core prerequisites they consider to be responsible for conflicts appearing in their communication could be made more tangible. Exemplarily for one coding family the use of the paradigm is displayed in the graphic on page 227.

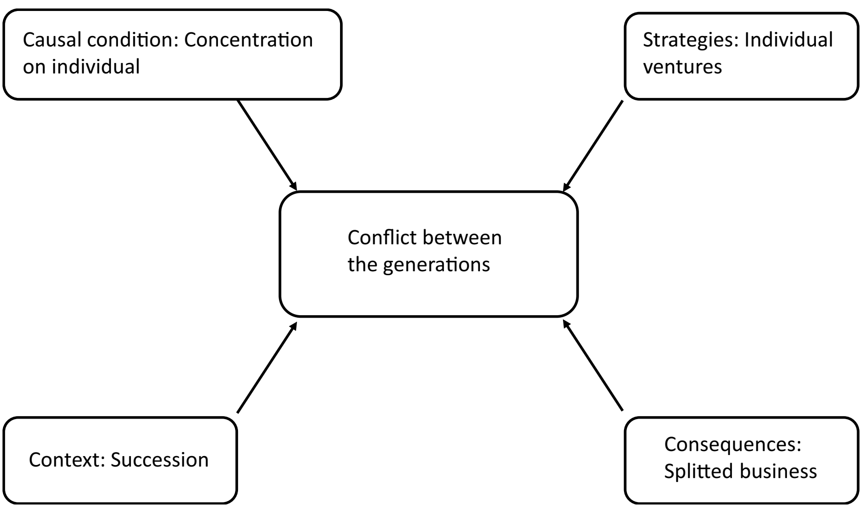


Figure 7: Adapted coding paradigm (Adapted from Boehm, 1994, p. 132)


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The following paradigmatic sequence from one interview informed the graphic:

*b: "[…]the brothers never had the problems in our family, it's when the sons stepped in that when"*
*i: "why did this create a problem when the sons stepped in"*
*b: "some of them did not want to join the parent company, they wanted to try things on their own […] – and in-fact most of them tried to do that, so to begin with there was a bit of ah, a hassle, because finances did not permit that to happen very easily […] and then after that, when there was a bit of a levy, then we started different businesses […]"*[32]

The paradigmatic analysis refined the level of abstraction in the code families. Furthermore, it helped to identify common phenomena and relations among the single cases. This process of theoretical coding was influenced by two different means: firstly, it pertained closely to the data and the retrieved codes, therefore, concentrated directly on topics the interviewees referred to, but secondly the code families also tried to include topics that are known to cause conflicts in German business families or said to be helpful in establishing peaceful family communication. Kelle and Kluge recommend using an initial category-system for search heuristics (Kelle & Kluge, 2010, p. 70). To create this kind of ex-ante category scheme is critically discussed. By using a research scheme in this form, the researcher could access the data prejudiced and by such neglect emerging information not related to the scheme on first sight or impose meaning beforehand – the researcher could change the frame of relevance fitting to his own perception (ibid., p. 69). Therefore, a scheme of this kind was not used during the initial process, but it supported the aim of grouping the codes into families relevant for research on the topics. A figure and characterization of these groups can be found in chapter 7. The display of the retrieved code families does follow a topical and not a case oriented order to cater for the interest of displaying certain types and strategies concerning conflicts. Furthermore, the different paradigmatic formed code families were split into their relation towards conflicts or conflict management strategies, in order to identify different core phenomena the interviewees referred to.

The whole process of coding was supported by the use of software. From the variety of possible options, the software ATLAS.ti was chosen ("ATLAS.ti" 2013). This software supports the systematic coding and the aim for doing a topical synopsis, as it allows the researcher to do a cross-case comparative analysis of topics based on the data which is available due the transcription of material

32 *b* stands for *Interviewee*, *i* for *Interviewer* and *s* for son, when the interview took place in a group setting. The change of font should help the reader to differentiate between sequences from the interviews and analytical interpretations from the researcher. This abbreviation and style-change was used throughout the transcripts and the analytical section.


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beforehand. Additionally, the availability of transcribed material supports a holistic approach: the context of every citation can be included in the analysis and therefore the threat of changing the assumed meaning of the segment gets reduced (Kelle & Kluge, 2010, p. 80).

### B.4.3 Identification of core dimensions

During the characterization of the groups/code families it became obvious that different aspects of changing communications in the families are conflict inducing, which could be brought into relation to researched aspects of the communication in Indian families. These aspects could be further condensed to dimensions of conflict and conflict management that already related closely to descriptive aspects of communication in business families from social systems theory, but also to institutional parameters in the families' communication. These dimensions are displayed and characterized in section 7.1 concerning the conflicts and section 7.2 referring to the conflict management strategies. These dimensions were further utilized to approach the research question concerning the cultural and historical influences on conflict and the ways in which families deal with the conflicts. While the families described different phenomena, strategies and consequences that are actually related to the existence of the business, especially the context and conditions often pertained to institutional parameters, influenced from cultural antecedents, in their communication. Therefore, the conflict-dimensions and conflict management strategies were reevaluated in the single cases in terms of these cultural parameters. With a special focus on these, two core dimensions of cultural influence were developed that are displayed in the section 7.3. With these, the first two research questions concerning the Indian context and the changing family communication are approached.

Starting from these dimensions on the one hand, the memos and short descriptions on the other hand, the interviews were re-checked in order to ensure the stability of the dimensions and to be able to relate them to findings from family business research in Germany.

### B.4.4 Comparative aspects and development of propositions

The research project pursued two main goals: exploring conflicts/conflict management strategies in Indian business families and further to relate them to findings from the German context. Supported by the above-described process, core categories and dimensions in the Indian context could be established and


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therefore helped to explore the primary topic. For the latter goal, the comparison to German business families was made, following the process that is described in the present section.

Starting from the analysis of the Indian cases, the comparison to German business families was conducted during which established dimensions from the German context were adducted, as they have been described in section 3.2 in order to have a comparative base. In this framework, a re-assessment of the interviews took place in order to relate findings from the Indian context to the German. This should change the focus from a single-cultural perspective to a cross-cultural analysis and to allow the discussion of findings from the analysis concerning the Indian framework in a different context to look for similarities and differences despite the differing sociocultural context. For accomplishing this aim, not the core categories from the Indian context were used, but the more compartmentalized grouping established in the code families. In a content-oriented analysis they were related to the dimensions displayed in the theoretical framework in section 3.2 and assessed concerning the seriousness and relevance the interviewees attach to the dimensions. Finally, the findings from both analytical and interpretative undertakings were formed to three propositions about the comparative aspects of conflict and conflict management strategies and the potential role the business can play in this framework as the common denominator among both groups.

The historical influences and changes in the framework could be related to the context the interviewees make responsible as causes and conditions for the conflicts they experience, and the management tactics they apply.

## B.5 Quality criteria applied during the process

One difficulty of qualitative research is the definition of criteria under which any given research project could be evaluated (Flick, 2009, p. 384). There is an ongoing debate about how qualitative data can be assessed in a rigor and suitable way. Different positions are formed and propose different courses of action: Researchers propose the use of the same criteria as in quantitative studies, or establish own criteria, taking the peculiarities of qualitative studies into account, as they doubt that quantitative criteria could be transferred from one setting to the other. From a postmodern angle it is argued that the use of criteria is neither applicable nor necessary. But also this dismissal of criteria is not a solution to the problem as the quality of qualitative research has to be measured and be systematic assessable in order to gain acceptance in a wider research community. Epistemological and methodological frameworks from the constructivist spectrum support the development of qualitative criteria which concern the topics,


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questions and patterns of addressed research and therefore take into account the peculiarities of qualitative studies, while remaining operational and assessable (Steinke, 2015, pp. 319 ff). For the present study the following criteria are adducted (ibid., pp. 324 ff):

– *Intersubjective comprehensibility*

A description of the research process should allow the reader to assess the results on an informed base. The research process is documented in the previous sections. This includes the discussion of influential pre-knowledge, which is detailed in the theoretical introduction, beginning with the first chapter, and partially also in the description of the research process, which also entails further research journeys and interviews with external experts. These topics are described in section B.3.1. The present chapter considers the methods of data gathering, conditioning and the process of analyzing the data and also discusses restrictions experienced during the research phase and subsequent decisions taken in section B.3.2. References and quotations taken from data are used to support the code-families, categories and dimensions to make those comprehensible for the reader. A further dimension concerns the validation of findings and procedures: Validation in qualitative studies can be created through consensual or argumentative validation during the research process (Mruck & Mey, 2000, paragraph 26). Ongoing discussions with research colleagues about the research process and interpretations from the data supported this criterion. Furthermore, the interviews with outside experts, conducted at different points in time during the research process, led to a repeated critical assessment of assumptions and interpretations.

– *Indication of the research process*

The suitability of problem-centered interviews with internal experts is discussed in section B.2.2 and B.3.2. The use of the applied methodology is deducted from a discussion of relevant and possible options in section A.1. During the selection- and evaluation-process the main question was whether to work with a predefined set of hypotheses informed by the pre-knowledge or whether to start from the bottom. The latter was chosen, as the existing information was too general in nature and the research questions were focused on topics which did not rely to existing literature. To build hypotheses from general research would have been possible, but would have failed to connect the different aspects which the research questions entailed. The threat of encountering the data prejudiced could therefore not be dismantled completely, but the concentration on the data during the primary part of the analysis allowed the data to speak for itself to the largest extent possible, therefore, irritations speaking against the pre-knowledge


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were possible. The applied techniques and accessories for the transcription of recorded interviews are described in section B.3.2.

Also in section B.3.2 different boundaries, also considering the field-knowledge the researcher established during the process, are detailed. Despite these restrictions three prolonged research journeys during which interviews were taken with various family members of business families and external experts resulted in a substantial amount of primary and secondary data.[33]

– *Relevance*

The relevance of the research questions and the contributions to existing research are discussed in section 1.2 and section 10.2. The application-oriented impetus on the one hand and the scientific accuracy should integrate rigor and relevance.

– *Limitations*

The limitations of this study, particularly concerning the generalizability of findings from the Indian context are discussed in section 10.1. The process for establishing the sample and the limitations which adhere to the subjects in question are discussed in section B.3.2.

– *Consistency*

The consistency and coherence of the study are the minimal criterion for scientific rigor.

– *Empirical embedding*

The dimensions and core categories are developed closely to the primary and secondary data. The analytical process is displayed in appendix C and D and references quotations from primary and secondary data. The sample consists of family members stemming from families affiliated to the Hindu religion and one family belonging to the Parsi-religion and community. While not intended in the first step (the religious affiliation was not of primary concern at the beginning of the research project) the differences between religious affiliations also allowed for an irritation during the analytical phase and were taken as starting points for the search for more counter-evidence, also in data relating to Hindu-families. Where applicable, the differences are marked in the interpretation and analysis. As the difference became prominent during the process, the theoretical frame-

33 Primary data refers to the interviews taken and recorded, while secondary data is information retrieved from related sources. Further explanations in regards to the sources are given in B.3.2.2.


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work and already formed interpretations were re-inspected to cater for the realized difference.

– *Reflected subjectivity*

The researcher is an influential aspect in the process. Her preconceptions can influence the search for suitable samples, the interview process and the subsequent analysis and interpretation. Her role in the process is discussed in section B.3.2.


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# Appendix C: Analysis of conflict phenomena

The following descriptions relate to the code families retrieved from the interview analysis. They describe the different topics that have been mentioned as being conflicting or conflict-managing for the families interviewed. The presentation as text with included citations should serve the comprehensibility of findings. For a better differentiation, they are displayed in a different font. Where possible, the phenomena are brought into context with given research on the topics. For better analytical clarity, the descriptions are grouped into two chapters. In a first step, the phenomena related to conflicts are described, beginning with the subsequent section. The second part of the direct analysis (appendix D) concentrates on the strategies for conflict-management employed by the business families.

## C.1 Awareness for and evaluation of conflicts

When exploring the conduct with conflicts in business families, it is necessary to ask for the experience the interviewee has regarding this topic. This will give hints about the differences and comparability of the two main different groups and their claims about conflicts in their families regarding their own group, in this case the Indian interviewees, but as well on a more general note in order to find out about the successful institutions they have already applied when experiencing a conflict. If the interviewees already experienced conflicts in the family and could manage these conflicts, it indicates that they have distinct success patterns which are of interest for the analysis (Ludwig, 2014, p. 63).

Above that, the existing knowledge or awareness for conflicts will influence the way they answer questions regarding this topic, as an enhanced awareness might change the tabooing of conflicts and thus lead to more directed answers. By the same token, increased knowledge about conflicts might also change the


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answer towards the direction of what is possibly expected by the researcher and lead to less intuitive answers.[34]

The first task is to find out about the level of discretion the interviewees apply during the interview and about their ambitions in order to steer the communication concerning conflicts in their families and to gain awareness about the normalcy of conflicts that might alter the reluctance with which topics are approached or accepted during an interview with someone outside of the family. In order to gain the trust of the interviewee so that he or she could open up during the conversation about usually private topics, the interviewer repeatedly indicated the anonymization of the interviews and the general discrete nature with which the statements would be handled throughout the project. The interviewer also tried to gain information about general communicational rules in the family, as they might also indicate how decisions are taken in the family and how the change thereof might lead to conflicting situations in the families. As mentioned in previous chapters, communication about conflicts belongs to the communicational patterns families usually remain silent about when talking to outsiders (Daly, 1992, p. 4f).

### C.1.1 Acceptance of existence

What all but two interviewees had in common was the recognition of conflicts as something that their family experiences: *"I think in a family between a father and a son or a mother and a son can always be a fight, but there will always be peace at some point, because you can always discuss it"* (Ms.F.1:102). The interview partner considers conflicts between parents and children to be possible but also only temporary due to the possibility to communicate. The recognition of conflicts as something that exists in a family changes the way in which conflicts are handled, independent of the acceptance that exists in families in any cultural context. An open way of dealing with the topic, in the context of this study even to an interviewer who is primarily a stranger, indicates that the family recognizes conflicts when they come up and possibly also knows options how to manage difficult topics and tensions in their communication. If the business family does not recognize its nature of being prone to conflicting situations – due to the closeness of relations, due to the shared property, in general, due to the communication they constantly are part of and generating – a relationship conflict

34 This refers back to the note of expectation-expectation and also to the social desirability of answers, which can be prominent in any social inquiry (Sharma, 2004, p. 18). Regarding a meta-level, the question can be posed whether the interviewees were willing to talk about this tabooed topic. As interviewees mentioned conflicts, this showed that they accepted the interviewer and her topic and that some trust could be established between the two.


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will negatively influence the business family and the success of the family business.

There were different accounts where the interviewees directly pointed to conflicts: *"The person who is bringing forth the plan puts forward the proposal in the family meeting, it could already happen I mean before, it's not, you know, all of us are in, so it's more or less the thing prepared, they discuss it out, it's a healthy discussion, they have their crossfires and everything" (Ms.F.1:28).* "A healthy discussion" can be a euphemism for conflicts the family experiences, especially when put in context with the following use of the word "crossfires" – the interview partner confesses that there are conflicts but that they belong to these discussions, they are healthy rather than threatening, according to her words. The openness the interviewer encountered expanded the boundaries keeping her from talking about it further. Only one interview partner showed no willingness to talk about family-related topics, as he, even when questions were asked that clearly concerned the family, tried to steer the communication away to more business related topics and mostly rather innocuous themes in a conversation as quickly as possible, sometimes in the manner of giving press statements or Corporate Social Responsibility (CSR)-related statements. Nevertheless, as most interviewees showed willingness to talk about family related topics, it was possible to explore this topic further during the interviews.

In addition to the open awareness about conflicts, another restraining remark for the analytical options is the evaluation of seriousness of family related conflicts. It concerns two levels of the analysis. On the one hand it affects the micro-level, as it indicates to what extent conflicts in the families are recognized as being constantly imminent, normal and something in the need for management. On the other hand, it influences also the meta-level, impacting the possibility of talking about this difficult private theme in the interview setting on more than a superficial level.

### C.1.2 Evaluation of the gravity of conflicts

The statements concerning the intensity or gravity of conflicts in the family show the limitations of communication the interviewee intentionally or unintentionally set, as every conflict is evaluated as minor or the interviewee changes the subject when especially difficult topics regarding the family communication are introduced. It was not always resolvable whether this frame concerned the interview or the communication in the family about conflicts. Similar to the previous topic about the open awareness, it concerns two levels: it limits or opens up the analytical frame and gives signs about the ability of the business family to handle difficult situations (Ludwig, 2014, p. 63). Most interviewees


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called their family lucky or unusual in the sense that only conflicts of a minor nature exist in the family when asked about conflicts in their families during the interview: *"Ok, so here it will be difficult to you know say anything of experience, because see the frictions are of a very minor nature" (Mr.D.00:36:49-7).* They stated that their family is lucky that it is generally rather harmonious in its communication: *"yes so in-fact it's been very lucky in our family that we get along very well" (Ms.F.1:149)* and that difficult situations went smoothly due to fortune the family experiences and not necessarily due to the family's ability to manage conflicts: *"And äh, as you know, what we have done is not new, is done many times across the globe in many businesses in many families. But unfortunately it's not always done smoothly. […] and it does not, the end result does not help many families retain a good relationship. That's why I keep repeating the word we were lucky and very fortunate" (Mr.G.17:58).*

To get more information about conflicts in families, especially when it seemed that the topic was not welcomed during the interview, it was repeatedly explained that not only grave conflicts were of interest, but also minor incidents that come up in any family, exemplarily "at the dinner table", therefore that are not always a threat to the family peace or cohesion, but nonetheless exist. The interviewees were asked to mention also these seemingly trivial incidents, which resulted in statements about the existence, but banality of usual family discussions: *"The maturity, if me and (Brother 1) have an argument, like many times we have argument in the car, some silly stuff, never a fight, an argument and we are little upset with each, we leave it for the day (…)" (Mr.A.s.00:55:22-2).*

Conflicts were described as being based on trivial reasons: *"Between two people yes, you know, especially when you married new and you just come in you have a different temperament, you have different styles you have different thought processes, there are certain likes and dislikes, which is but normal and yes, it did happen, there definitely have been small arguments small fights like three brothers fight, you know, you fight."* (Mr.I.00:27:02-4) or irritating in the sense that they were not understandable from the interviewees viewpoint and rather only existing in the possible opponent's view:

*b1: "If the company was not performing well then I could understand, so, but those are not major conflicts in that sense, but they were irritans [irritations – author's note] which had to be managed which could lead to conflicts. I think those were really the/"*

*b2: "Basic/ actually you didn't have major conflicts, he never thought of owning the business, he didn't try to take away the business from anybody so there was no problem" (MrMs.B.00:13:10-7),*

but nevertheless in all their triviality being able to lead to frictions in the families:

*"And at least, lot of these things are private conversations, but for what people*


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*have told me it's about the most trivial of the things, which got magnified to an extent which caused a problem" (Mr.D.00:38:02-9).*

As seemingly small conflicts are easier to mention to a stranger, but nonetheless offer connecting factors allowing for a deeper exploration of the larger frame surrounding them, they were used equally to develop deeper understanding about the conflicts and crossfires Indian business families experience and about their attempts to manage these conflicts. Nevertheless, with ongoing communication about the topic, the evaluation of incidents got graver: *"I think looking at my family structure, looking at the wives that have come in, we are quite an international family I don't think that, I think there would have been a lot of friction. Very large friction and I think that, you know, many of us would have just kept quiet and not said anything but we may not have been very happy." (Mr.I.9:89).* The interviewee refers to the family structure and the propensity to experience large conflicts in his family that would remain rather in a closed state, up to one segment where the interviewee compares the conflicts they could experience to a threatening example that happened in front of the public eye: *"Yes, yeah, so really I must say I would think that there was a potential in this family for conflicts, for mega conflicts. If I had it to put down to something in terms of I can think of as bad as I think it can be I would put it down to the Nepal royal family" (Ms.I.00:57:24-5).* This interview segment is much stronger in its evaluation of conflicts in the family. It even adds another layer with the comparison to a royal family that is infamous for the fatal conflict between a prince and his family over the choice of his bride, during which the prince finally shot several family members (Tharoor, 2009). Unconsciously or consciously, she therefore not only evaluates the propensity of her family to be challenged by conflicts, but especially the gravity of the conflicts the family could experience up to an extent where there is no other management option than to kill each other, which in this case could hopefully be translated with having no relationship anymore (rather than actually killing her family). An evaluation in this gravity nevertheless formed the exception among the interviews taken.

During the analysis, it was observed that conflicts exist in Indian business families as in any other (business-) family around the globe and that members of business families from different generations are well aware of that. Nevertheless, the intensity or gravity of conflicts is initially evaluated as only minor, which might be due to the fact that the interview partner is primarily a stranger in the conversation and that firstly trust had to be established, especially when the interview took place at the first meeting. For opening up the conversation, the banality of possible conflicts was mentioned and led to more and more detailed statements that also became stronger in their evaluation. But still, for most interviewees it was a desire to state that conflicts exist, but are usually only of minor gravity, temporary and based on trivial reasons.


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Without making a true-or-false analysis in this case, the connecting aim was to find out whether this could be possible – whether Indian business families indeed only have minor conflicts that come up for no important reason and dissolve over time, or whether Indian business families tend to experience problems with the same gravity as German business families, sometimes leading towards communicational separations in the family and/or business. If this is the case, the question of what nature they are, must be explored as well as the question for which reason they start to infiltrate the communication. Therefore, kinds and possible sources of conflicts have been sought in order to look for possible larger patterns the families experience or make responsible for negated communication.

## C.2 Changing cohesion in the family

One of the largest problems with the changing communication in the families seems to be the fear of a loss of cohesion in the family, the threat of not being unified in working for the greater good – the well-being of the business – which is problematic when family members are not aligned in keeping this constant task in view.

The interviewees made different remarks about their fear, often when they critically reflected upon their own influence on the behavior of the children: *"Our children, most of them went to the top universities in the world. And we have encouraged them to be independent minded and independent thinking, so we cannot expect them to come back and then to behave and to accept everything that we tell them. (…) And when people think so independently then it becomes big challenge to think collectively as a family" (Mr.G.17:61).* But sometimes a real source of conflict was seen in a possible loss of cohesion due to a growing number of participating family members and changing communication among them: "*But with every next generation I have seen it gets much more complex. Because there are more people with stronger views who are willing to express them even publicly. So we we have the same situation in our family also, I can see already in the next generation that not all of them get along with each other, and sometimes they are also vocal in public about this" (Mr.G.17:136).*

A loss of cohesion was often seen in combination with changes in the perception of the individual's position in the family. Discussions about individualism vs. collectivism are ongoing in the scientific community when talking about the influence of families in the perception of group-importance (Hofstede, Hofstede & Minkov, 2010, p. 107). There seems to be no doubt that the strengthening of the ego goes along with changes in the family, often influenced by the more options to choose from for single family members. This is


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true for any generation, but it is more serious for business families nowadays than it was one generation ago. During *License Raj* and earlier, families were much closer aligned and it was more difficult to exit the system, because due to the licensing system, male family members were usually actively involved in the main company or subsidiaries (Interview with Prof. Kavil Ramachandran, 2014). Studies from that time indicate that even when the place of living or other structural aspects are no longer joint per se, the institutions consistent with the Indian family system equally prevailed (Singer, 1968, p. 437).

When asked about changes between the generations, interviewees made the centrifugal power of the ego responsible for difficult situations in the business family, and this impacted changes in the known family setting: *"But then when it comes to one single generation, so in our days, ah, nobody wants to listen you know by, because of the age factor, you know. The respect is there but then they feel that they we need the equality. And ähm, everyone wants to have their own way" (Ms.F.1:38).*

The Indian family was not only used to have strict rules concerning hierarchy, life conduct and togetherness that were also supported by the structural form and institutional implications of the joint family system (D'Cruz & Bharat, 2001, p. 175). The influence of social change on the joint family, which presumably led to its disintegration, is both posited and interrogated by various scientists who also support the hypotheses that there is no psychological change felt in Indian families, and that also modernization does not change the obligations, reciprocal duties, or other institutions that have existed in Indian families for centuries (cf. Gupta, 1994, 56ff Singer, 1968, p. 437; Singh, 2003, p. 70). During this study and in accordance with research on the Indian family, more evidence was found that indeed there is a change concerning structure and its implications for the family. This is experienced as a threat and commented on by the interviewees: the possible benevolent aspects of the joint family might disappear with the upcoming generation:

*"One of the things that's happened is, as you can see, India has become much much more prosperous now, ähm, and äh, so people have chosen to enjoy material goods more. And one of material goods is enjoying a good home, a good lifestyle, so when you enjoy a good home you also want more space. And that automatically means therefore you cannot have too many members in one home. People started living separately. They also felt because people have more individual likes and dislikes now and their ability to express it much more, (…), it was there earlier also, but they would not express it. They would keep it inside themselves, accept the situation, now people are much more prone to express this" (Mr.G.17:196).*

Changes in the socioeconomic framework are brought into relation to changing expectations by the family members. This in turn is made responsible for a changing structure of the joint family. But furthermore also the single


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member's ability to express his or her opinion on any matter has increased. This change is felt as being stressful for the togetherness of the business family. It seems to be particularly harsh during generational changes, as it is especially evident when a new generation is entering the business:

*"b: Oh yes – the brothers never had the problems in our family, it's when the sons stepped in that when;*

*i: why did this create a problem when the sons stepped in;*

*b: some of them did not want to join the parent company, they wanted to try things on their own" (Ms.F.1:47).*

The younger generation wants to take another route than their parents in this case. Also, when family members enter the business, not from a generational angle, but from the wider kinship, the problem of not being aligned seems to influence the family:

*"b(son): So when my cousin joined it, we joined him, a slight amount of frictions started and we needed more space for each other.;*

*i: How did you work this friction out?*

*b(son): So we, the reason, we decided it would possibly be better for us to work separately, because some of the thought processes weren't matching at that point of time" (Mr.A.2:42).*

The interviewee makes different mind-sets responsible for conflicts they experience, the needed alignment for working together in the business is missing.

Many of the cited situations hint at difficulties the families experience during succession processes. Losing cohesion and feeling the threat of a younger generation that tackles the given hierarchy puts a particular strain on the family during this time. Nevertheless, the main emphasis is put on differences between the generations, often related to aspects of cooperation and cohesion:

*"And then now we are three generations, [. . . ] so, thing have been, there have been ups and downs with the new generation coming in, with their thoughts, their style of working, or conducting the business matters. So that, of course it would differ from you know, the older generations" (Ms.F.1:19).*

First of all, the interviewee recognizes as difference between the generations. In addition to it, she also evaluates the cooperation between the generations. Concerning her observations, the difference between the generations is visible in different business-related fields.

The interviewees evaluate the observed behavior and communication patterns of the younger generation and have concerns about values and cohesion in the family due to the behavior of the younger generation. Equally they show special concerns about the kind of open communication of the upcoming generation, bringing different acts of communication in the business, also concerning the frankness with which conflicts are addressed:


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*"So we are very fortunate, if I look at them individually, they all hold a reasonably strong sense of family. But collectively it is very different from what is was when we were young. They don't all get along with each other. And they have, they're not shy of saying it. In our generation we would not say it. They don't mind saying it, talking about this" (Mr.G.17:127).*

The interviewee states that there are conflicts in the upcoming generations, which differentiates it from his own generation. Also concerning conflict-communication he observes the difference: while his generation rather ignored or kept quiet about conflicts among each other – which contradicts his statement about the cohesion in his generation, but is moderated with the conjunctive "we would not say it" – the upcoming generation is more open in its conflict-communication.

These evaluations have been made about the business conduct of the younger generation, but also about family life and the attitude towards parents and grandparents, often in combination with remarks about a changing communication-setting between the generations. Most of the remarks about the incoming generation were not necessarily negative. Rather, they were observations or narratives, possibly intended for the interviewer, in order to help her understand what has changed between the generations. The negative comments about the wish of the younger generation for more authority or power in combination with missing foresight or long-term view the interviewee perceives, were often softened with annotations about the higher education the whole generation (especially girls of this generation) receives and the different expectations this change in the socio-economic environment brings into the family communication:

*"i: Do you think this causes problems in families? That the daughters and sons are acting differently than previous generations?*

*b: I think so, I think so and I think also it's just the expectation from younger generation is much more sharp or they, I'm not saying we were perfect, but you know, I think the expectations are more, the girls are highly educated, not I was, well, well-educated too, but I don't know it's just different personalities" (Ms.M.5:147).*

Again, the difference between the generations is explained, also including an evaluation: the interviewee states that the younger generation is expecting more, which is evaluated negatively: "I'm not saying we were perfect, but [. . . ]", but she recognizes the individuality of the single family members as being a reason for the difference between the generations.


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## C.3 Changes in the communication and perception of hierarchy

During the interviews, there were numerous accounts that seem to indicate that hierarchy determines the communication, especially between the generation that is now governing the businesses and their parents: *"(…) then another thing is, like this whole thing I told you about age order structure. Is very important. You know it's not, you can compare it in one way like a monarchy and I tell you what I mean by that is like when you know prince Charles is born he is considered the first heir (…) His two boys than get the order in terms of lineage, like William will be first, his son the second (…) and if any of them decline it's only then that the sister and the sisters husband and all comes in. So it's a natural order so I think north Indian have that sort of lineage system" (Ms.I.8:16).*

On the one hand, the interviewee compares North Indian hierarchy lineage with the monarchy, but on the other hand, she considers this order to be given and natural.

Elderly family members are generally respected and their advice is taken, even if the implications are not as strong as they have been in the past and the younger generation is able to communicate. But also this allowance is only given if there are reasons for it:

*"You respect your elders so and you look at them for the guidance or anything. Now at least we can express ourselves and, you know, argue to be heard or understood for any valid point […] business-wise" (Ms.F.1:89).*

The hierarchy does not only exist in theory or is felt when taking decisions in the family, but also gets expressed in distinct rituals:

*"Till recently my father-in-law turned 80 and on the 80th birthday when we were giving him his present he said Ms. I., he told us, no more feet touching for me anymore, because you are like my daughters, let the boys continue to do it, you girls don't do it. […] The girls do it only to the parents -in-law. So he was trying to tell us that you are like my daughters not my daughters-in-law so there is no need to touch anymore. Daughters-in-law still touch so but he didn't want" (Ms.I.8:14).*

As an ordering principle in the family communication hierarchy also influences the communication in a conflict. Concerning hierarchy in the Indian society,

*[t]raditionally, it will be recalled, a person's status has been thought to depend on his family's reputation and social standing, not upon type of employment or any of the other indicators of personal status that have figured so significantly in Western societies. This is to say, among other things, that a person's reputation largely depends on his family's reputation. In turn, family authority more often than not proves decisive in controlling major decisions affecting the life of any individual family member (Gupta, 1994, p. 52).*

If the communication in a family is open or flat concerning the given com-


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munication hurdles, it allows discussions to erupt into a fight, as nobody is shy of saying what he or she dislikes in the given setting without feeling the threat of a loss of relationship and no given social order is threatened, but it also supports in finding a coping strategy in which compromises or consensual settings are possible. Above that, conflicts in the family have the power of destroying relationships that are not separable – especially when not a factual level gets tackled, but the person himself is questioned or questioning his status and personality in the family (cf. Simon, 2012, p. 111; Suchy et al., 2012, p. 394). The other way round, when there are stricter communication guidelines, family life might be more peaceful on the surface or decisions are easier to take, as different family members will not interfere with what the superior person says or decides, but the threat of long-term disruptions in the family and conflicts between individual members is immanent (cf. Simon, 2010, p. 80; Simon, 2012, p. 111). In the Indian business families, the hierarchy does not only structure the communication in the business, but also in the family:

> *"So the issues are I think not very different, only societal concerns are different, because Indian society has been a little bit different from let's say that in western Europe or North America. Much easier acceptance here of something which an elder generation person says to you, which you may not like, but you will accept it here, much easier than you would in those countries" (Mr.G.00:47:29–1).*

The elder generation would generally be respected, and this hierarchy would lead to acceptance of decisions and avoidance of open conflicts. This authority can be used to avoid social conflicts altogether, especially in critical situations like the restructuring of the family business:

*"And the elders being around, with their blessing the entire process and our generation the youngsters having this attitude that we will agree to whatever the elders say even sometimes you don't like it, I think that was very helpful [in a situation where the whole business is being restructured – author's note]" (Mr.G.17:123).*

Regarding the interviewee, the authority of the elder generation influenced the decision making process in the sense that it was easier to initiate and accomplish a change process – the younger generation would accept what has been decided, even if they perceived it as negative themselves.

The hierarchy is also transferred to in-laws. While firstly there is an age-oriented order and the elder man is superior to the younger, on a second level there is the mother and then the wives of the sons, ranked according to the age of their respective husband. This hierarchy is expressed, for example, when talking about one's own position in the family:

*"And why I specifically say this is because I play all the larger roles being the youngest but I think this is what [younger sister-in-law] brought into the family*


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*that [interviewee] forget the age, you are now married to the first one. So let's not have this confusion of whether you want to be treated like a baby, you are now to number one, so you have that status now" (Ms.I.8:10),*

or about the wife of the younger brother: *"(…) she said [interviewee], I like you to treat me as [your] shadow, so when you turn the light on the shadow and if you turn me off, then the shadow is not there." (Ms.I.00:31:38–3).* Her sister-in-law basically disappears when the interviewee wants it – she will only be there, when the interviewee allows or wants it. Other family members than the two in dialogue support this relationship:

*"(…) and he [the husband] was also the one who said, don't worry about who is on the left or right of you, if he [father-in-law] is spending time with you and trying taking you for walks, taking you through companies, the whole drill, please don't worry about what just one below [younger sister-in-law] of you is thinking" (Ms.I.8:52).*

When the hierarchy is neglected, families experience problems: "Because, they were again of one level, the brothers. […] *So even the sons did not want to listen to the eldest brother.*" (Ms.F.1:130). Regarding the accounts on the influence of hierarchy on open communication during decision-making, it is not surprising that defiance is regarded as problem-inducing. But conversely, interviewees express concerns about the influence of hierarchy on the mood in the upcoming generation: "(…)*the next generation comes up with an idea and they want to put it forward they cannot do so entirely 'til ah, you know because of that respect factor and they do not know whether they be heard, so that created a bit of a frustration, differences and all that.*" (Ms.F.1:150). The younger generation does not know whether the elder generation will listen to their thoughts and plans, as the hierarchy in the family and society will possibly prevent the older generation from doing so. Apart from these clear accounts for the acceptance of hierarchy and the influence it has on decision-making and conflict communication, there were also expressions which seemingly tackled the given:

*"Because I would like my mom in law to feel that she is always person number one and for me it's also another small motive in that. Then I feel that these girls are with me. I don't want them to feel I'm ahead of them and them to ever feel that, you know, we were all the same, she is younger than us also and then there she is getting this status in front" (Ms.I.8:21).*

Here the interviewee refers to the situation that the other sisters-in-law should feel that they are on the same level with her, while she is married to the eldest while being the youngest from the sisters-in-law at the same time. She wants to be regarded as equal to keep the group aligned.

Similarly, a male interviewee explains the relationship to his younger brothers in comparison to the relationship his father would have to his brothers:

*"I mean the only big difference the kind of relationship they would have is*


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*different from the kind of relationship that I share. Because I would think we are more equal, I'm just the first among equal. In his case he was a whole level above his brother. I'm just the first among equal" (Mr.A.2:59).*

The interviewee recognizes a change between the perceptions of hierarchy, but nevertheless ranks himself in his generation in a higher place than his brothers due to birth-order. This is in accordance with a study, where it was stated that birth-order is important in succession processes in Indian family firms (Sharma & Srinivas Rao, 2000, p. 319).

While this order certainly helps not to let conflicts erupt into a fight, on the other side, it might be more difficult to manage conflicts in a hierarchical situation, as it proclaims a certain order that gets disturbed by the conflict and the attempt to manage it – one has to step out of the typical line and to attack the primarily accepted hierarchy (Schwarz, 2013, p. 251). In German business families, hierarchies are accepted in the business context where communication is often directed towards decision making on a factual level. They are also used as a strategy for conflict prevention and management (Suchy et al., 2012, p. 349). Conversely, in the family communication is directed towards relationships and serves to offer adjunct communication, not hierarchies in the family (von Schlippe & Frank, 2013, p. 394).

In the Indian context, the conflict management would be exacerbated with the given hierarchy:

*"So I think if you see the Indian culture generally if you know, see where you follow, it's very hierarchical kind of a thing. You know for example on how the son talks to a father, on how a wife talks to the husband, on how a wife talk to the mother in law, it tends to be very hierarchical kind of a thing. […] It tends to be that way, so especially when we are talking about principles where people need to be open, it's very difficult in an existing setting. Next generation I don't have a problem with that. Even in my generation I would still think that would be a problem" (Mr.D.3:65).*

The interviewee recognizes the conflicting influence institutions have on conflict-communication, but states again the difference between the generations. This is in conformity with research about western business families. A strong hierarchy between persons related in decision making in the family business can lead to stronger emotional conflicts (Kellermanns & Eddleston, 2004, p. 218). On the one hand, in the families that were interviewed, the hierarchy is recognized and the conflicts possibly deriving from this structure are being anticipated. On the other hand, the interviewees emphasized more the change they observe in the attitude of acceptance in the upcoming generation – this change is evaluated negatively for family coherence and alignment in decision making.


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## C.4 Conflicts due to different expectations regarding equality and fairness

Similar to the conflicting topic in German business families, also among the interviewees in India comparisons between shareholders and other family members have been described as conflict-inducing. These phenomena will be detailed below.

### C.4.1 Being greedy or being content: conflicts due to internal comparisons

Values are one of the strongest "manifestations of culture" (Hofstede, Hofstede & Minkov, 2010, p. 7) and the ones that guide in the families are learned from a very early stage in life onwards (ibid., p. 8). These values manifest in norms and rules dictating how families communicate and what is perceived as being right or wrong in the familial context (cf. Gimeno, Baulenas, & Coma-Cros, 2010, p. 54; Sorenson, 2013, p. 463). Values are said to be similar across cultures, but the standards applied to them differ between groups in the societies (Hofstede, 2001, p. 9). During the interviews, family values and their violation were discussed, often in the context of spending and earning money. There were two main aspects named: (1) where it was regarded as contentious to compare each other's life-styles and expenditure patterns and (2) where it was questioned as to who is entitled to receive compensation regarding his contribution to the family business (and the amount of compensation that may be fair in this case). Both dimensions have one thing in common: the comparative processes between the siblings are becoming more apparent due to changing institutions in the families.

When reviewing the interview corpus, it was observable that the infringement of family values is often put into context with close observations of spending behavior of other family members. The value of *modesty* in the sense of being content with what is given or knowing what one is allowed to spend was a frequent topic interviewees cited when asked for ways how to stay free from conflicts between family members. When asked for examples of conflicts, all interviewees named money as the most immanent source of frictions in Indian business families, especially concerning two forms in which money and difference becomes apparent in the communication, namely income and ownership.[35] Especially the first transfer-system, while being superficially concerned with

35 While these two are separated at times, in Indian business families they usually still go hand in hand, i. e. owners are mostly managers as well, which will be further explained in section C.5.


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money and the distribution thereof, hints at a more profound concept: family members have expectations, driven by incorporated values and long-lived traditions on how families should communicate internally and externally:

*"Frugality has been a culture in the family, frugality is something which we're all doing. […] Frugality is one of the, personally core values we believe. People will think we are miserly in points of time. But I think there is a fine line between frugality and miserly." (Mr.A.s.2:209).*

In theory, frugality can be regarded from two sides concerning its evaluation – on the one hand, it is connected to the positive aspect of being content with what you have and to know how to save money or spend money wisely, and on the other hand, it can lead to the condemnation that a person or a whole family is stingy – which is generally not a positive attribute. The interviewee refers to these two sides of the situation, but at the same time declares the positive aspect to a family value and above that, even to a "core" value at the center of the family value system. These interpretations, being deeply embedded in one's belief system and communication program, lead to frictions and conflicts in the families when disrupted.

Shifting from the meta-perspective in which the whole family is evaluated concerning its behavior to the micro-level, single persons are expected to behave accordingly. The spending behavior is regarded carefully and evaluated negatively when it does not comply with the core values:

*"See money causes a problem, when any one member of the family lifestyle changes based on anything. It could be when he gets married, it could be anything and therefore he believes that he could spend more money […]" (Mr.I.9:47).*

A change in life-course accompanied with a change in perception of allowance to spend more results in difficulties among the family members. What seems to lead to conflicts in the families is the communication about the difference experienced by the family members:

"*So the clear cut focus is that and what happens about this it always boils down to money – or attention: I'm getting this you're not getting this or I would be doing this work and you should be doing this work etc. So end of the day it ends up being a commercial transaction*" (Mr.I.9:24). Different family members perceive others as acting differently from the ways in which they are entitled to behave. The distribution of income in the business family – and by extension, the expectations and comparisons single family members have and make between each other – leads to difficulties in the familial communication, not necessarily referring to the practice of the distribution itself, but rather to the expectations single family members have regarding the behavior of others:

*"One is, when there are more siblings and then you know this issue of he is getting more than the other sibling financially or he is living a more comfortable*


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*life and how, how is that happening. You know so it's just more jealously ego issues (…)" (Ms.M.5:152).*

The "ego" with its attempts to compare is put into question, not the whole system of distribution. There are two aspects in this segment: one is that it is questioned who is entitled to receive compensation and what the amount of compensation should be, and the other is that siblings compare the differences. The interview partner states that conflicts related to the distribution of income arise due to the concentration on one's own expectations, which is negatively evaluated.

At first view, one can ask whether collectivism vs. individualism is again the underlying source of conflict. But as families are moving from pooled wealth to individual income and as family businesses get split up into shares for individual nuclear families/male siblings, it seems that a new dimension is finding an entry into the families: when social rules about how family income is shared and spent are infringed, conflicts arise due to comparisons between the family members. Practical implications supported the theoretical power of the known institutions: everything was kept equal – family members may not have been content with their position, as also in the past, some may have felt to contribute more and in turn should be more entitled, but the power of tradition kept it from being openly communicated. Today, with changing perceptions of hierarchy, the question arises as to how the comparative fairness can be incorporated by the family system that is monitoring, evaluating, and generating communication constantly. The change of given norms is perceived and expressed as conflict-inducing. So far this is problematic in the business families – members evaluate the behavior of other family members as being condemnable and the damage done by the infringement of family values extents to the point where a split in the family business is the best solution before family relations get injured:

*"So I think there are the seven sins, seven deadly sins the Bible talks about. […] especially greed, greed, envy, so if you are not greedy, if you are satisfied with what you have, it's much easier to function. If you are, if you are ambitious, […] But if a person is ambitious, it makes sense for you to work on your own, don't work in the family. Actually split because it makes sense. It's the right thing to do. It would honestly hurt other people. If you are content with what you have and what you get, so that's what" (Mr.A.S.2:205).*

This segment also introduces the second dimension of harmful comparisons: It is proclaimed that you have to be content with what you have; if you are too focused on what could be possible and if you are too ambitious, you should not be working in a business where the family is always around and the concentration on one's own requirements is condemned, as it will most likely harm relations in the family.

The spending behavior is observed carefully and made responsible for con-


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flicts in the family, but is only one side of the problem. The other aspect is when family members start to compare their contribution to the family business with those of other family members:

*"And when that starts happening then you start questioning, why are you doing this, why are you buying something of that expense for what, why are you doing that. So ones you start questioning why a person is using the money, then you start getting into arguments and say you know I worked 8 hours a day, I want to do this, you may not be wanting to do this because you're a simple person, but I want to do this. So you start getting into that role, which is no logical or illogical answer, you don't know how to respond to that" (Mr.I.9:47).*

This segment entails both parts: on the one hand, the family members compare each other's living-expenditures, which in turn gets justified with one's contribution to the business system. With changing distributional processes, the deciders also apply different enumerations, and power is redistributed along with positions in the business. Therefore, the power of comparison finds an entry into the families and threatens stability, whereas traditionally the patriarch decided over enumerations and rewards. While differentiating power resulting from the strong institutions inherent in hierarchical structures prevented the harmful communication from infiltrating the system, the interviewees stated that this indeed has changed and that no longer does only the result of the process lead to conflicts, but also the process itself leads to conflicts.

### C.4.2 What is equal and what is fair: conflicts due to changing distributive processes

In the traditional joint family system, resources were pooled and the distribution of income was the sole decision of the patriarch/Karta. This helped to keep the family together in a structural sense. When the family does not only feel bound together, but also lives bound together, all major financial decisions were in the hands of one central person who decided over the expenditures single nuclear families could make or over the disposable income men in the families received (Interview with Prof. Kavil Ramachandran, 2014). Life courses fitted this structure-reinforcing process. For example, over generations the preference for sons over daughters in financial terms was accepted – as the daughter would move away from the family, it was only logical not to consider her with ownership, and usually she would not be there to ask for any income once she was grown up:

*"[…] and in Indian families very much women have treated differently from men, unfortunately, well I say unfortunately but different people have different philosophy on that. In traditional Indian business it's very common that the*


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*business shares go only to the son or the sons and the women get a compensation or get something else. When they get married, they go into the other family, you see […]" (Mr.M.4:28).*

The interviewee evaluates the bifurcation negatively, but equally, he explains it with the guiding principle of a traditional family life course.

Apart from the son-preference in succession practice, this specific form of decision-making power in the hands of one person does not seem to be the dominant concept anymore – among the families interviewed, only one family interviewed complied with the rule:

*"So what we do is a central pool. So the central pool of money is, I mean we each have our wealth, and there is a central wealth. Well what we call the central wealth actually is firstly his wealth [interviewee points to his father who is also taking part in the interview – author's note]. […] So we draw salaries in our wealth and we're allowed to spend from that salary. That's only cash we have" (Mr.A.2:261).*

The family member, CEO of the company, explains how income and wealth are located and distributed in his family. The segment shows that this form still exists in their family – the father "allows" his sons, who are grown-up and live with their own nuclear families, to spend money – it is not their own decision or own contribution to the business that gets enumerated. In this way, the continuation of norms over generations does not lead to friction in his family.

In the non-business relationship the family usually is in, the rule is that all children are treated the same, as all are loved the same – equality is the leading concept regarding fairness (Simon, 2012, p. 38). In German business families, this instinct often leads to a conflict, as the communication in businesses should not be bound to love-communication, but to a communication concerning a factual level. Treating everybody the same will most likely not lead to business success, as some members of the family will be more gifted in managing the business or ownership than others. These decisions most likely cannot be discussed on a factual level, as emotions are influencing the communication (ibid., p. 47f).

Also to the concern of Indian business families, both communications are mixed up and not separable: *"So if you can keep the very communistic equal distribution, then it shouldn't make a difference. But organizations have hierarchies which cannot be avoided and hierarchies also have different enumerations which cannot be avoided so actually it's a very difficult situation how do you either one person should be in the business and the others should be out, but when there are more than one person in the same business and ownership also, I think it becomes very difficult." (MrMsB.10:74).*

The interviewee reaffirms the research developed on this topic so far – to keep everything equal suits the family system, but contradicts the business logic. That will most likely lead to a conflict among participating family members when


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other entities of the system observe the deviation between entitlement, recognition, and action. This is also transferred to the societal level:

*"In the Indian society, you take a typical Indian family. Traditionally the eldest son must run the father's business, the others must all follow. Typically, what happens is normally, the elder in the traditional family would never be questioned what he or his wife did. By the time the fourth son is married and the second and the third are the ones who are really running the business, the wives begin to bicker about why does the elder wife have this, whether [parental branch] or car or air conditioner or travel vacation etc. and therefore you have to really maintain a lot of parity and frankly that's really where the conflicts in families begin. It's on the show-off of the expenditures" (MrMsB.10:73).*

Regarding the interviewee, the answer to this possible source of conflict should be to maintain equality, which is difficult in the organizational setting and in turn leads to conflicts in the family, as another interviewee confirms:

*"And I think another thing is also come into effect that eventually they all compared to each other. They are all peas of on basket, you're not expected to behave differently. So that creates that thing. That you now putting everything together in one slot is not a good thing. Which is for Indian families, everybody wants it for convenience, all my daughters in law look alike, or all their homes look alike. But if all do it, there is a rivalry that's coming, everyone wants their own personality, originality to come out, […]" (Ms.I.8:96).*

While inequality is regarded as conducive to conflict among siblings, not to be recognized as a unique person is equally threatening to family peace. The interviewee directly points to the core of the problem: when strict equality is exercised, also in order to manage the conflicts that could come up due to the deviation between perceived entitlement and performed assignment, single family members feel neglected in the acceptance of their individual personal traits.

The traditional logic leads to conflicts in the families: it is the method of treating everybody totally equally and the perception of the counterpart that one's personality is neglected with this precondition. At the same time, the deviation from the working system is condemned, as greed and ambition are regarded as negative for family and family-business success. Therefore, the problem does not rest in the process – on who decides and how much this person decides, or which rules are applied for the distribution – but also on the expectations family members regard as being excessive and harmful to the system and on the feeling of being measured by something else than family relations. At the same time, the expectations of family members do not get fulfilled – the older generation poses the equality and the younger generation does not want to comply with it, as one interviewee described like following:


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*"b: […] but then over there also always in any family you have some people working more, harder, some smarter, […] but yet everything was given equally.*

*i: Ah ok, so the wealth was distributed equally between*

*b: Equally but then although it was absolutely equal then also, but (…) they have that feeling of not having the power. And if you are working hard means you know you automatically sort of get a/ you achieve that status, you know that you are asked. Everybody else looks up to you to ask you things. So I suppose they didn't appreciate that. So they wanted to split." (Ms.F.1:113)*

How shares, income, and the extracted recognition of one's individuality and personal traits are distributed and recognized lead to a catch-22 situation in the Indian business families: neither the traditional way, in which ownership is transferred to the eldest or distributed according to age is perceived as fair anymore, nor a more merit-based enumeration is accepted by the family members. Conflicts arise either way, as individual family members feel that they are treated unfairly. Family members measure the attention they get with money they receive from the family wealth/income, not by the total enumeration but by comparison. That conflict appears due to comparative processes is known in this context (von Schlippe & Kellermanns, 2009, p. 187). Apparently the conflicts become visible when strict schemes that prevented family members from expressing this form of discontent are tackled.

Taking the literature research into account, the equality in ownership and the inequality in positions in the business followed a traditional order and repeated different patterns known in the families. As soon as it is not anymore accepted that, independently from the fraction of ownership, the eldest is the leader in the business, it becomes problematic:

*b(father): "That's a very interesting thing, that what happened. My father had said that we would split. I said no, I think can give a proposition that we should not split. I said listen, I have three sons, he [the brother of the father] has two sons. So we would have to have the business 60/40."*

*b(son): "We divided the business, we will own 60 % s: one fifth each, in the sense there are 5 of us one fifth each we manage the business going forward, whatever wealth is available."*

*b(father): "But then in that the point that they [points to his son – author's note] owned 60 % they own the majority. So he [the father's brother – author's note] rejected that, naturally. But I think, that would have been much wiser decision at the hindsight. A much wiser decision. Cause the strength together, he may not have liked to work with it. But if he had accepted him [the eldest son] as a leader, that would have been much wiser decision" (Mr.A.2:234).*

In this interview segment, a father and his eldest son are discussing how the business could have been divided between five cousins. The interviewee (the son) would have been the eldest male in the family business, and thus, he wanted to be


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regarded as a leader. The narration indicates that an unequal split between male heads of the family is regarded as unfair. Nevertheless, the father also offers a solution to the problem: when the hierarchy that is related to age is accepted in ownership and management, the unequal distribution would not be problematic as well. The problem behind could be again informal agreements between the male relatives in the family and the negligence of those. In all families, despite one, there was no separation of ownership and management that took place up to today, and equally the eldest son inherited the highest position in management from his father.

Traditional values and institutions accompanied the distributive processes in the families over generations (Owens, 1971, p. 226). Nowadays it becomes more and more obvious and also openly discussed that norms that result from the institutions no longer work for the families, as they threaten the success of the business or the peace in the families. The families are in a paradoxical situation: to act against the tradition might help the business and fulfill the need of single family members to be recognized, but at the same time, this will enhance the comparative processes between siblings, which in turn leads to conflicts between them. The interviewees recognized this dilemma: *"So the business and the family as it is have two completely different governance systems. You know, family by its very nature is socialist, business by its very nature is capitalist and these are in natural conflict." (Mr.G.17:55).* He directly introduces the different decision-making premises that are valid in the family and the business: equality is the leading concept in the family, while economic calculus has to guide the business communication.

### C.4.3 Summary: From entitlement to contribution – conflicts due to changing governance systems

The long-accepted equality between the family members in their demands and the distributional processes that should consider every family member according to their needs and entitlement is tackled. Ultimately, it boils down to the questions of what is equitable and what is fair, which over generations have been answered by traditional values and institutions. The interviewees recognize this change of paradigm as challenging and have no predefined answers for it. The open conflicts that threaten the family cohesion can be put into relation with the stages the governance systems family and business underwent during the last century, which were influenced by a change in the macro environment.

Family businesses in India underwent certain stages during the last century. Along with these steps, the family communication about what is right and fair changed – these changes are not self-evident, and apparently are also not self-


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regulating. Rather, they are prone to producing conflict in communication. Traditionally, two different regulatory mechanisms deriving from strong institutions ordered family communication: One, power and entitlement were related to age and proximity to the highest power-having instance (Hofstede, Hofstede & Minkov, 2010, p. 57). The eldest was the natural successor in the business and the family system, therefore following the patriarch. The family itself would be hierarchically ordered according to age and gender. The patriarch had decisive power and open communication about critical issues in family communication would be restricted to the largest extent. As a second constraining remark during that era, the pooling of income was a catalyst of conflict in communication. Also here the patriarch decided about distribution and his acceptance and the respect the decisions of the elder generation were met with prevented social conflicts from coming into existence (Interview with Sudhir Kakar, 2014). The authoritative power the institutions had on family communication, therefore was not necessarily to be evaluated negatively, but rather should be regarded from both sides: preventing conflicts on the one hand, restricting communication on the other.

The first major change in the macro-economic environment that started the process of change in the business family was the licensing regime. During this time, businesses grew and became highly diversified from trading to manufacturing, and male members took up managerial power in the different branches. The decisive power of the patriarch was steadily strong. Family members knew about their place and recognition as parts of the system and reward was given due to requirements and affiliation, not depending on the position in the business (Interview with Prof. Kavil Ramachandran, 2014). Male members who could not participate at the business system were given a different, equally influential place that entitled them again to the same recognition as a member of the business family.[36] All income was pooled and the head of the family decided about living expenditures for the whole family (Garg, 2016). As all family members lived together and the hierarchical decision-making structure was widely accepted, this hierarchically appointed fairness was functional and institutionally supported. Family members aimed at keeping everything except for position equal and therefore could diminish comparative processes. In the family, the wife of the patriarch would be in the highest position among the spouses. The business leaders interviewed incorporate new guidelines: no longer the affiliation with the business family is enough to be part of the family business and be rewarded as such, but business leaders aim to steer towards a more merit-based remuneration and entitlement of working family members.

36 This could for example be the position of a spiritual leader in the family, a topic which will be discussed in section D.5.3 starting on page 303.


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Naturally, this progression from equality to fairness – from the point of view of the decider – is leading towards more conflict in communication, especially when the essential preparation and explanation is missing for affected family members.

The threat for family cohesion is the measurement and rewarding by contribution – either felt by the decider, or, which seems to be even more difficult, by the successors:

*"What happens is (…) till a particular head is there, means, (…), so then if they try to show their authority, even if there are differences, it is yet accepted, that authority. But then when it comes to one single generation, so in our days, ah, nobody wants to listen you know by, because of the age factor, you know. The respect is there, but then they feel that they we need the equality. And, everyone wants to have their own way" (Ms.F.1:38).*

The traditional authority of one family member helped to keep the system, with its equality in difference, working, but as soon as the position is not fulfilled the turmoil in communication starts.

## C.5 Conflicts related to succession

Concerning the succession process, there are different aspects that have already been identified as conflict-laden in Indian business families. Demands for familial equality come up against the aim and wish for diversity; long-lived traditions clash with a new communication paradigm brought in by the upcoming generation, whose members have been internationally educated and do not necessarily follow the same traits their grandparents and parents did. Due to the conflicting impact it has on business families worldwide (Grote, 2003, p. 113), the Indian business owners were also asked for more hands-on aspects of family/business communication, which can be particularly conflict-laden, namely, how they are planning to hand over the business to the next generation. When analyzing the interviews regarding this group of themes, a timeline and change of perception emerged from the recorded. While the question of succession seems to be relatively problem-free when everything happens as expected, conflicts start when the familial-supported order is being tackled. During the first research trip in 2011, one interviewee up about this tabooed topic. In this particular case, a younger sibling felt more suitable to be the successor to his father than his older brothers and sought for help from professional advisors to discuss this matter with his siblings. He knew that it would cause conflicts between the brothers, and he expected that he possibly could not manage these conflicts alone. The interview partner requested that we refrain from making notes or recording this part of the conversation during the first


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meeting. However, at the time of the second interview two years later, he held the position of the joint managing director and his wife stated that the help of professional family business consultants helped to convince his brothers that he, albeit being the youngest, is the most suitable one for this position. One possible solution is the disintegration of ownership and management, which was either planned in the families or at least expected, as they were uncertain about the path their children would follow. Concerning future succession processes, the families have developed solutions on how to dis-entangle family-, business and ownership-communication.

### C.5.1 Uncertainty concerning the future of the families' involvement

When regarding the succession process in Indian business families, it has to be stated that the transfer of ownership and management positions mostly went hand in hand. Male family members, especially the first born son, were expected to follow their predecessor, who will move to a less active chairman position and the siblings will get ownership of shares along with this process (Sharma & Srinivas Rao, 2000, p. 321; Ward, 2000, p. 273). Despite these assertions from the literature research, the data indicates a change: Concerning the ownership succession in the upcoming generations, the results were almost univocal: all interviewed family members but one were sure about sharing the business equally between daughters and sons. The organization of the family in different branches bears its own challenges concerning the decision-making ability of the family in the business, but often grows organically and starts with the transfer from the second to the third generation (Wimmer, Groth & Simon, 2009, p. 153ff). This implies an enormous change, especially regarding the position of women in ownership. One family organized the ownership as an HUF and planned to continue this pattern. Concerning management succession, there was more uncertainty about how to go on from the present state. Up to today, separation between ownership and management is rare to find, even if the intermingling is regarded as problematic:

*"And therefore I've always felt and I say this, [...] it's wrong for the founders to put siblings in the same business if they want to manage the business. Either the founder should say no family member should manage, you just be owners, do your own thing, and he should form a structure in a way that nobody can go out and sell the shares, a trust [...] There are no family members involved in the business. They all have ownership, they all live of the dividends of the company and it works. But it's working today because the company is doing really very well. Everybody is getting good dividends. Tomorrow, if it doesn't do, well I don't know what will happen. So I don't know what the real answer is" (MrMsB.10:60).*


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The interviewee states that he would advise not to have the intersection between ownership and management, but that while there is a company that is successful in separating both systems, he does not know whether this can be a sustainable model for an uncertain future.

Equally, the intermingling of family and business communication in the integration of possible successors was described as problematic:

*"So it was very interesting, we used to try it as impartially as possible, actually we tried to do completely impartial. But in more than occasion one of the mothers spoke to me: 'But my kid is so smart, the smartest kid in the whole family and you are putting him in such a you know simple role. He should be doing a much bigger role!' Because everybody believes in their own individual themselves or their children is that they are maybe the smartest in the world" (MrG.17:121).*

The interviewee emphasizes the business logic they applied when staffing the positions. Nevertheless, family communication is infiltrating the sphere as he recounts how mothers stepped into the process and questioned his decisions. The seemingly new decision-making procedure based on factual logic – the question of who is better for the business – is in conflict with the family-oriented logic – mothers believe that their own children are the best. The paradoxical situation that love-code and business-code intermingle – parents love their children equally, but one will be the best successor – makes the process that difficult (von Schlippe & Kellermanns, 2009, p. 185f).

Concerning future decisions about the role of the family in management, a bifurcation between the interviewees was detectable that allowed to identify two different strategies:

In one group, the parents tried to emphasize the complete openness and the non-existing pressure with which they communicate in their family about succession – especially also in comparison to the way it was one generation ago.

*"So they always said and they always say they didn't mind, but I think they really wanted this, I mean they wanted their sons to be in the business, and I think they are very proud and happy that they did come to the business […] but I really I think to me personally what is more important not only that my children should feel no pressure, […] You know because very often I found that you somehow direct your child into becoming a doctor or coming into the business and that's really not what he wants to do and somewhere there is some pressure that he has felt. And so I'm very very conscious […]" (Ms.M.5:132).*

In the other group, it was regarded as almost a given that children would follow their father in business matters – other possibilities would have been accepted, but were seen as going against common sense:

*"[…] And you know I think also overall it's the way they are brought up, that you know its business all the time, […] it's assumed they'll go into business, so it's*


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*very difficult for them to change, but he would have said I want to do something else, I would have been ok" (Mr.Q.18:18).*

For the children of this interviewee, to decide against a career in the family business would have been almost impossible, not because of his personal opposition, but because of their preparation and attachment to the business through their upbringing. He impersonalizes the pressure that is put on his children, but nevertheless is frank about the expectations his children are facing.

The separation between maximal ingenuousness and predetermined future concerned also age or number of siblings/cousins who potentially could be willing to enter the business to some extent. When there were young children in the family, it was more emphasized that there would be no pressure:

*"Now, who knows with the next generation with our children whether both will be in the business or not, we left it to them to decide, so again it's a little different from other Indian families where it is expected that especially the son will always come into the business, you know, so […]" (Mr.M.4:42).*

But also when they were already older, most parents interviewed made sure that they tried not to oblige their children to follow.

One the one hand, this illuminates the role the business has in the family as parents try to disentangle the communication between family and business and allow their children to decide relatively freely about their future, albeit the intermingling of communication is also accepted as positive:

*"We don't talk business with them, right. My father didn't involve us with the business till we finished our studies. He never talked much about. He believed that you know, business is not the most important part of our lives. He believed family was. Right, so I do know of some families where the son at 15 years was told to sit in the room and listen to his father and learn etc. And it has its advantages, definitely. […] So my son is in the 9th grade, my daughter is in the 8th grade, I don't talk to them over business. […] no we haven't taken it for granted that they will be part of this business" (Mr.I.9:14).*

On the other hand, it hints towards a difficult uncertainty parents feel regarding the future of family management in the company: *"So we do realize there is a challenge for us and we don't have a solution for it so that's something I, me and my brothers the next generation have to tackle. We don't have a solution yet" (Mr.A.2:77).* The uncertainty concerning the decisions of their children does not seem to worry the parents, which might be due to the fact that there seems to be always at least one child who would be willing to come into the business. This indicates that a conflict is preprogrammed if the children decide differently. But also in the latter case, it remains questionable whether the uncertainty they express is connoted negatively or positively. In both cases, a change of known rules is encountered in this generation, even if the realization is not yet to be seen all too frequently. From the accounts the parents made of their children, most


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had at least one family member, often the son, who showed interest or talent from the parents' point of view, even if they did not want to exercise pressure:

*"And then, so he [the son – author's note] has definitely expressed a lot of interest to come back into the business […] But I don't know, they are too young and we try very hard not, at least I don't want to influence them in any way" (Ms.M.5:15).*

This escape comes in handy: there will be no conflict, even if the rules become softer concerning the succession, when the children show interest by themselves – whether this decision is taken due to real interest by the children or due to subtle will by the parents remains open. This part involves the communication catch which can be conflict-inducing: while most parents of grown-up children reported that they do not want to force their children, an underlying wish or a subtle expectation was communicated nonetheless – sometimes almost directly expressed, sometimes by stating how much interest the child shows – and, as the decisive power regarding the hierarchical family communication is decreasing, it could be a large source of conflicts in the future. The families interviewed did not state that they fear conflicts in this sphere, but proclaimed openness to the largest extent possible in contrast to their parental generation and expressed admiration for their wise decisions at the same time – a declaration which itself is problematic. This will provide an ideal situation for conflicts to arise in the future, as changing rules indicate a change of institutions and system-communication. The mixed signals parents give their children could enhance the propensity of conflicts if the children are unable to navigate between the ostensible options that are seemingly given and possible expectations their parents may have of them. With a dis-integration of ownership and management, the families try to come by these conflicts, but will face new problems concerning loyalty conflicts between the single families, if the literature research on the topic proves to be right in the Indian context as well (Wimmer, Groth & Simon, 2009, p. 153).

### C.5.2 Conflicts in the transfer of decisional-power

After the succession has been executed, the conflict-laden situation continues when the patriarch cannot let go and stays in the office well behind retirement age to supervise and influence the sphere of his successors. This accumulation of paradoxical tensions has the potential to worsen family relationships in the long term (cf. Levinson, 1971, p. 379f.; von Schlippe & Kellermanns, 2009, p. 185f).

The second part of the succession process, in which the transfer of managerial duties theoretically already has taken place and the conflicting power lies in the interaction with the predecessor, also seems to be relatively conflict-free among


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the visited families in comparison to German business families. Research states that the conflicts get stronger the longer the patriarch does not step back from his active position, especially when the business is in at least the third generation (von Schlippe & Kellermanns, 2009, p. 185f). During the interviews, only in seldom accounts the interviewees referred to having a problematic transfer of duties from their predecessors, mostly their fathers, to themselves:

*"So initially he was very much the CEO and then our styles were very different because you know, he built the business from scratch, he knew almost every detail of the business. There was no way that my brother and I ever could do the same of kind of/ that we didn't possess the same amount of knowledge, so we had/ our style was very different, we had to rely much more on people sort of be much more participative rather than authoritarian and we were very very fortunate that our was was a very/ he is a very mature founder in the sense that in terms of handling the transition he was very supportive, it's not to say that he agreed with everything or we agreed with everything he did, we used to have our discussions and sometimes arguments, but he was very supportive if we've finally decided something even though he disagreed with it, he would support us" (Mr.M.4:92).*

Even when talking about a difficult situation in which there have been "discussions" and "arguments", the father is still praised for his achievement. It is stated that the sons had to use a different strategy in the company than their father – not because his leadership style was something they did not appreciate, but because they were not able to act like him. They assume that the founder/ patriarch was unique in his position and that it was neither possible nor desirable to act like him. The use of the words "authoritarian" and "participative" could be unconsciously normative. Considering the wish for a strong person guiding the family and the business it is questionable whether one is preferred over the other in this context. In this particular case, and considering the difficult nature of conflicts in conversations, it can be assumed that the interviewee used the words to imply that while his leadership style differs from his father's leadership style in a positive way, his father is still the most respected figure in business context and perfectly changed from an active to a more passive business life, while becoming active as an advisor in business-related topics:

*"My father is the patriarch, he is the founder, but he plays entirely an advisory role, as far as business is concerned, he doesn't come. […] So as a first generation entrepreneur, that's very unique, it's very unique. I have seen so many of my friend in other businesses where the first generation just doesn't leave the business […]" (Mr.I.9:55).*

While the interview partner states that this is unique in his family and other families are experiencing the conflict that the father does not want to or cannot let go, the phenomenon was not encountered during the research for the thesis, which might be due to the high standing the father has in the family.


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When the transition was being described as problematic, it mostly almost happened in an impersonal, hypothetical manner – other families were affected, not the family in question:

*"So you often find that you know the patriarch is not willing to give up so […] And that is very much an Indian thing where, you know the father figure sometimes is a very strong figure and just isn't willing to let go" (Mr.M.00:30:49-2).*

Not alone that other families were experiencing such situations, it might even not be a family business topic, but related to the culture and the persona of the patriarch, who traditionally holds an important place in the family system. When entering the business, the sons want to change given settings, but this would imply questioning the achievement of the patriarch.

The "letting-go" when the positions are set does not seem to be necessarily as difficult as it may be in German business families. This might be due to the acceptance of status influenced communication in the family – in the sense that the elder knows better. But it also fits prescribed life-courses in the Indian society: during one's life, there are different passages most men follow and are expected to follow. From a certain age on, men will concentrate more on reflection and retire from an active business life, which makes it easier for the next generation to inherit the status as business leaders (Interview with Sudhir Kakar, 2014). Therefore, the conflicts seem not to exist due to the influences from the business system to the family system, but from the position the father holds in the family related to role and role-descriptions. For this dilemma – that the father is supposed to let go, but cannot/will not – the family system has its own solution that allows the conflict to be managed without becoming necessarily harmful to the system.

Fathers, once retired from an active business life and having handed over the duties, are regarded as consultants who give valuable advice and are consulted on a regular basis:

*"[…] the way we see this is, chairman would not be involved with executive decisions on a day to day basis but is still very much looked at as a person who is not just there in name, but we would consult him in certain matters, particularly when it comes to matters related to culture and values […]" (Mr.M.4:7).*

Usually they will get the title of "chairman" and remain the public face of the business, not only in name but also when talking about company matters. Fathers remain in a key position, advisors and people sought after when sons have to decide on difficult business tasks, especially concerning company values or long-term decisions.

The fact that all interviewees who contributed to the question of whether the father lets his son gain his own sphere of influence or tries to stay influential in the business system after the succession has taken place considered this to be a


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problem of other Indian business families indicates two possible assumptions. Firstly, it could be recognized that this process is indeed, despite the traditional role change of patriarch, conflict-inducing. Secondly, as no interviewee could speak of his or her own experience regarding this conflict, the question of whether they have been particularly successful in the transfer of power and ownership or whether they did not want to open up about a topic which could negatively impact the public face of the family and the business remains open. Both hypotheses are in accordance with the sparse research on this topic. Sampath Durgas considers two conflict areas to be particularly immanent concerning the relationship between the progenitors and the successors. Durgas posits that firstly, the patriarchs are not prepared professionally for the succession and do not know when and how to quit their position. Secondly, the younger generations communicate differently and in a different pace – the expectation is that the elder generation should follow this pace, but this expectation leads to frustration (Karofsky, 2000, p. 342). During the interviews there were hints pointing towards those conflicts, but they were either made in a hypothetical manner or referring to the communication between the two generations in general, as described in section C.3.

## C.6 Intrusion into the family: "It's when the wives come in…"

One group of family members was particularly blamed for egocentric behavior and conflict inducing communication in the families and thus was regarded as an especially large threat to family cohesion throughout all interviews. The citation in the caption was collected during a research journey, and, while not being recorded, went on like this: "… that the trouble starts." Beforehand, it was already explained how communication in the family can take a direction in which reactions form negations to what was previously communicated and how internal comparisons and a threat of broken family values – both transferred by a materialistic medium – lead to frictions between family members. In business families in comparison to non-business families, it seems logical that the source of conflicts lies in the attachment of the family to a business and the different codes that are valid, the missing context markers or the enhancement of complexity business family members experience compared to other persons, as many family members have to cooperate with paradoxical requirements and expectations the business-, ownership- and family-systems pose upon them, resp. upon other family members in their nuclear family. Additionally, family communication is linked to emotions, long histories of relationship and possibly unspoken agendas (cf. von Schlippe & Kellermanns, 2009, p. 183f; Kaye, 2005, p. 103f).


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Similarly, Indian business families presumably experience the seemingly illogical expectations of different systems concerning various topics of family life and the emotions connected to family relations. However, one obstacle for family peace was named particularly often, especially when open eruptions due to comparisons single nuclear families or couples make between each other were discussed:

*"The second source [for conflict – author's note], which I have seen in a lot of families, you know, really caused an issue, is really the relation between the women. It's a huge issue. I don't know about western countries, but in India it tends to be quite an issue. I've seen families split because of that" (Mr.D.3:76).*

The interviewee was asked for common sources of conflicts and names the relationship among the women of the family as one critical issue. The quarrelsome women as a source for conflicts is an issue which Niklas Luhmann also mentions in his work and which he relates to anecdotal evidence he gathered about joint families from the Balkan area (Luhmann, 2002, p. 339). In traditional Hindu families, women of the business family typically include the mother (possibly grandmother), wives of the male offspring, and unmarried daughters. Married daughters usually did not live at home. Rather, they lived with the husband's family and were as such no longer part of the business family – they were excluded from communication concerning ownership or decision making in the business context in general, as one interviewee reported about family structures approximately 30 years ago: *"Well knowing the family of that generation, they would not give ownership to daughters." (MrMsB.10:15).* In one instance this has changed, as today many women are regarded in ownership – most interviewees with daughters explained the equal shareholding their children will have one day.

But nevertheless, the separation from the family does not exist only metaphorically, but is also enforced in actual communication:

*"That goes with the wives too, daughters, because she is married away from the family, so all the more reason that she will never be, you know, part of the main business stakeholding, but it would be, I mean, work wise still she wants to do it's fine"* (Ms.F.1:13). She is not only married, but married "away", therefore exiting the cognatic family system.

As a logical conclusion, it is mostly the wives and not the blood-related females who are made responsible for the bitterness and rivalries among the family members.

*"And, so, one of the friction point comes sometimes when the marriages take place. Because a whole new set of individuals get involved, whose upbringing, value system, background may be completely different from what is the current alignment of that family. What are the value systems of the family, […] Sometimes*


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*it may not be involved openly, but then involved at home. You know when you go home you talk to your wife, your wife's friends" (Mr.G.17:117).*

The mention of "values", "alignment", "upbringing" points to topics that, when hurt, affect central positions of self-understanding of the Indian family. Women still do not officially have as much power as men do, but they exert their communication power in their influential sphere at home. Additionally, less traditional the families become, the more influence the women have in the families. One generation ago, also the relationship between the mother-in-law and her daughters-in-law was hierarchically decisive and led to bitter conflicts between family members (Kakar & Kakar, 2012, pp. 69 ff). As fewer families are living in strict joint structures, this source of friction is reduced, while the rise of equality between the brothers and along with this between their wives levels the communication between them and thus allows for more conflicts.

Based on reflections from general systems theory and theory about changing institutions in families, there could be two possible ways to interpret the assertion of interviewees that women are to be made responsible for critical situations in the families. One is that the only place where women can exert influence in the family business system is still is their nuclear family – their children and husband. Especially in the business system, communication constituted by females is rare:

*"Since we generally do not interfere with what is said in the business, we didn't, we weren't able to, you know, help in doing anything, it was a decision of the fathers and the sons […] so we could only, I mean just wait and watch and balance the situation between us." (Ms.F.1:146)*

According to her, they were only able to observe the business-communication exerted by their husbands, but had to take care of the relation among each other, therefore among the sisters-in-law, which is traditionally described as a difficult and conflict-prone relationship (ibid., pp. 69 ff). As their informational standpoint is restricted to their nuclear family, where they get informed by their husbands only to a certain, one-sided extent, their communication can be regarded as threatening by other nuclear families, whose interest lies either in the fostering of the business family via decisions taken in the business and ownership system or in the interest of their own nuclear family:

*i: "I think also maybe in a conflicting situation, in a difficult situation you might have a lot of influence."*

*b: "Of course. At least you can have on your husband and on your children" (Ms.F.1:94).*

Their direct influence is restricted to the family system, but via their husbands and sons they gain access to the outside area and can exert influence where possible or necessary via their closest relations in the nuclear family. Loyalty conflicts can be one result of this strategy – the husband might be torn between


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the loyalty towards his wife (and nuclear family) and his commitment to the business, which comprises as well his brothers and father. This form of conflict is said to be diminishing in modern Indian families, but might be still strong in business families, which preserve certain traditions more than non-business families (Interview with Sudhir Kakar, 2014). The exclusion of women of business and ownership communication leads to lesser cohesion among all family members due to informational asymmetry, but at the same it time enforces specified networks and a reduction of complexity over the exclusion of one party – negative integration in the sense of having one common scapegoat who can be blamed for a conflict supports this cause.[37] It seems logical that men then try to fully exclude women – this could be an attempt to keep the business system, where they communicate among each other, free from possibly harmful communication, and it also helps to repeat patterns that are seen as sensible in the ownership and business system. In that way, it might be regarded as one possibility to de-connect emotions to some extent from the communication in the business:

*"And so far that formula has worked very well. And I think every sister in law, sister, I mean every wife and sister in law know that they will not interfere" (Mr.I.9:80).*

Optimistically spoken, wives have to trust that their husbands know what is best for the business and the family:

*"And again, if you see the involvement of the family members in the company affairs, they were pretty much new to them, right so neither was my mother involved, or my wife, or my sister. Right so in terms of their thinking they trusted the judgment of you know, what the three of us [the brothers – author's note] would do. You know, in the interest of the family as well of the business" (Mr.D.3:103).*

Informational asymmetry structures the communication between the nuclear families to a much larger extent than members of the business system experience. The other interpretation is connected to generational changes and changes in the communication in the families accompanying those. Different rules concerning the allocation of resources lead to insecurity among nuclear families about the norms and rules applied during the process. While one generation ago wives knew about equality, resp. about traditions exerted by the patriarch – in sum, about what they possibly can expect in the communication, today the rules of fairness have to be contended before they can be accepted. The perceived increase of complexity in the familial communication leads to conflicting communication, as a negation of communication restricts it at a first place. The

37 This way how Indian business owners manage conflicts will be discussed in the next section.


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feeling of a need to fight for one's/one's nuclear family' interest is greater today with unknown rules than in the past.

As mentioned in previous chapters, the role of the women in the family is changing, and alongside this the option for women to influence familial decision-making is also changing. This changes the nature of conflicts: women were forced to keep silent – they were new in the family and on lowest hierarchical rank. There were no options to complain about one's situation as one woman contended when asked about whether she could voice her desires in case of a conflict:

*"No at such stage I never did, I never did, no, because I think, I was too young, I was just into the family, and I never did communicate. Absolutely not. But not because anybody stopped me, but it was just my own hesitation" (Ms.M.5:104).*

The "own hesitation" she is speaking of could be a trait of her personality, but regarding the communication-boundaries set for women in Indian business families in the past and also today, it is not far to seek for an internalized social rule. Women had to know their place; they could be very influential regarding their own nuclear family, but their influence concerning business matters was restricted up to the point where the husbands made sure that possible informational asymmetry or concentration on comparative fairness would not harm the success of the family business.

Especially when the family was living jointly, this could mean that there was almost no privacy or a setting were the wife could open up towards another family member. Even if privacy was given to some extent, it was the husband who had to serve as a tunnel for communication.

*"[…] So my closest friends today when they want to tell the in-law something, they go via the husband, probably they don't have the convincing ability, I think frankly because they don't have the bond. They don't have any connection with them, see they only look at them as the husband's parents, so they don't have that bond" (Ms.I.8:110).*

The daughters-in-law are judged to be missing the alignment with the family and the cohesion needed to communicate openly with the family of their husband. Given their often-declared status as intruders and conflict-enhancers, this is not astonishing.

Nowadays the rules for women have changed, but mostly not to the extent where it could be assumed that they are equally part of the business family. The options are theoretically existing that they participate in the management of the family business (Ward, 2000, p. 274). This phenomenon was only to be found in the family affiliating to the Parsi-religion. Their role in the family communication has changed alongside with their position in regards to the business and they are no longer urged to keep silent, but still do not have the same recognized claim for power or meaning.


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With this change, further conflicts might be already visible on the horizon. Earlier it was discussed how changes in the acceptance of hierarchy or the transmission of equality from ownership to business – and therefore the aggression of hierarchy – cause the business families to experience severe conflicts up to the point where a split seems inevitable. Today, young women are regarded as future owners in the families interviewed – that was remarkable one generation ago:

*"That's why I say my father was against the grain, right, so, again if you talk to most of the Indian family, they would tell you they always favor the son. […] he always used to say, that's how other people do, this is what both of you, both of you are equal, even if I had this company, its 50/50 between both of you. So it's known, that's how it was" (Mr.D.3:89).*

This "going against the grain" does not seem to be conflicting as long as women do not start to infiltrate the power-sphere. There seems to be no correlation between ownership and decisive power – men still are the de-facto decision makers, even if women own shares – and among the families interviewed, it was not common that women were part of the management team. The future is indeterminate, but it seems as if the system tries to stay balanced: referring to the question of who will succeed the patriarch, business owners with daughters and sons approaching the age of succession declared their sons to be interested in succeeding, but their daughters to be most likely pursuing a professional career in another, often social or creative, context:

*"But I don't think she is interested currently to be in the business, […] She is really very very interested in this whole area of mobile technology, that how it can actually impact social good, you know, in the area of health or in the area of education. […] You know, social enterprise, so on and so forth. So she is thinking about how to balance all this" (Ms.M.5:55).*

This might indicate that women are not keen on infiltrating the sphere that is prone to cause conflicts between the siblings, or that women still are not expected to be interested in business, which was culturally enforced, but also that internationally educated women who have completely different possibilities in comparison to those their mothers were facing in fact prefer careers outside the familial business. All three options are less likely to produce conflicts than women who want to join the management team in the family business.

Today the question remains open how the inclusion of women in the family business will be executed, and in the event that they are indeed included, whether the working system will remain stable in the sense that male siblings still divide the power between themselves – with the inherent conflicts – whether the new communication set up can be incorporated or whether it will increase the complexity to an extent where conflicts are inevitable. For the ownership system, the new situation seems to be at least theoretically accepted and welcomed, at


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least among the families visited, but concerning management, the change is not so definite. Concerning their role in the emergence of conflicts, during the interviews it was observable that they are still made responsible for threatening the stability of the family system.

## C.7 Conflicts in the intermingling of communications

The family, especially family members who are not actively part of the business system, can suffer from the existence of the business that constantly infiltrates and takes up important space in family communication (cf. Davis & Harveston, 2001, p. 26; Levinson, 1971, p. 378; Simon, 2012, p. 66f). At the same time, demands from both systems have to be balanced. The question of priority of business demands over short-term demands of single/branch shareholders is a difficult task for business families (Wimmer, Groth & Simon, 2009, pp. 153ff).

### C.7.1 The role of the business in the family communication

As explained in the theoretical section the business and the family system are constantly influencing each other and are not easily separable, with all emerging paradoxes – family members have different levels of attachment to the business and will therefore not necessarily be willing to give the business the same space in the family or might feel to be seated in the second row while the business gets too much attention (cf. Davis & Harveston, 2001,p. 26; Levinson, 1971, p. 378; Simon, 2012, p. 66f). Another crucial aspect hereto is the differentiation between communicational spheres: task- or process-oriented conflicts that come up, are discussed and managed in the business can be neutral, productive or even positive for business success, while relationship conflicts are mostly always harmful in outcome (Kellermanns & Eddleston, 2004, p. 221). But what happens in a family business, where different contexts are influencing each other constantly? Can a task-oriented conflict remain task-oriented in the family business among the family members? If yes, under which circumstances can a family inclined with a business stay focused on the process or on the task instead of letting the relationship between the family members suffer from the discussion? Allegedly there are successful patterns, otherwise any conflict in the business would harm the business and the family alike. The strategies how the Indian business families try to manage the conflicts they experience are discussed in the conflict management section (in appendix D) and have almost always been related to successful institutions and communicational rules intentionally or unintentionally applied by the family members, but in this paragraph the ten-


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sions arising from not being able to separate between the different kinds of conflict by letting business conflicts infiltrate the family, will be discussed.

### C.7.2 Conflicts due to missing or blurred context markers

The family members interviewed contended that business and family communication do indeed intermingle, but they evaluated the missing separation not negatively. When asked to cite occasions when the whole family meets, one interviewee positively recounted family/business meetings:

*"Oh yes – we have family meetings, so this is the business-wise also, as well as just all of us meeting together […] it would be on a family occasion, but then some times, we combine the family meeting and the business part of it along with the rest of the family coming in so that they meet up together" (Ms.F.1:71).*

This is known in German business families as well, but in Indian business families, it is historically much more likely to happen due to the lack of separation between family members working and living together. Joint families in which different nuclear families shared living space did not need special occasions to meet, but were used to living in close proximity to one another:

*"So they were also together, my father and his brothers worked together, and one of the families was one house away, the other one another house away, but they were literally very close proximity so they would meet each other all the time. My father and my uncle would get up like they had this common veranda, there were two homes, stuck together, but the common courtyard and veranda, so every morning they would shave on the veranda, one on either side they would discuss, you know, what is the plan for the day. So we would hear, all of us kids we were too playing around so we would hear things that are going on. So we got a lot of exposure at that time. And when you came back from school during holidays also used to go and visit factories or dining table lot of the conversation was around business, because it was a small family business at that time" (Mr.G.17:197).*

On a positive note, this helps to create attachment between the family and the business and to introduce family members, whether regarded for succession or not, to the topics with which their fathers are occupied. It also helps to create attachment between the family members and this form of social interaction can help to reduce conflicts in the group (Davis & Harveston, 2001, p. 18). Common routines, albeit seemingly banal, where business and family communication are shared with different family members, were supported by the structural proximity of the joint family. The upcoming generation is getting to know the business and how their predecessors are handling it between each other. Business communication is not segregated or kept out of sight for the children, but included in their daily life.


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Almost all interviewees who reported about conflicts that emerge due to the ongoing existence of the business in the family also stated the positive outcomes of this intermingling.

Like the citation above, the attachment between the family and the business got fostered and enhanced exactly by the lack of these boundaries:

*b: "So my father being a first generation entrepreneur, right, and also in a field which is very fascinating, because of, what is on the company and all that. So because he was always discussing that, right, so for a family it becomes, you know, something you become a part of that, right, so it is not about an ambition then, that is wanting to be part of a family business, you know that was a thinking at that part of the time. So there was always that interest, there was always those conversations, right, and also because I had interest in that, you know, then circumstances got me into."*

*i: "And so when you say, there were always these discussions, did they took place at the family table?"*

*b: "Yes, mostly dinner time" (Mr.D.3.3).*

But with a more critical view, the intermingling communication being supported by local proximity leads to conflicts, a threat of which the interviewees were also aware, even if only contested on a subtle level: *"[…] so I think one thing is clear I, this family, so when I first came into the family, I really thought, I mean all, at that time we didn't have our own place, we just had our own bedroom, so I was all, we were always, every meal was together and I felt that every conversation always evolved around the business because my parents in law were very active in the business at that time and so for a while it was quite new for me that you know the only conversation, overall I would say 90 % of the conversations revolved around business […] So I did find that at the beginning a bit strange, but I guess you get used to it, you know, and it was not like a bad thing, it was not bad" (Ms.M.5:81).* Albeit making sure that the jointness and the intermingling of communications from different systems without any separation were not perceived negatively from a today's perspective, the wording indicates different emotions regarding the topic: every situation is infiltrated with business communication, and due to the structural disposition of the joint family, there is no place were the marital couple could enjoy privacy in their communication. This segment is from an interview conducted with the wife of a second-generation business owner. Being in her late 50$^{s}$ – therefore from a generation in which the rules concerning voicing options for the younger generation were stricter – she also contended that she had no opportunity to talk about her feelings regarding the role of the business in the family. Being a woman, her position in the family would be differently equipped with communication opportunities than her husband's – see for further explanations on the displayed role of women as conflict enhancers section C.6. She also makes clear that not her coping strat-


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egies with the business in the family have changed, but her attitude towards it. When she refers to "getting used to it" she uses passive language and also the considerate term "I guess", which could also express distance to the spoken – the guess is close that this coping strategy with the business in the family and her role in the familial system indeed was conflicting for her, even if this fact did not become a social conflict between family members. She adjusted to the situation of the business family.

Also male interviewees reported that problems arising in business were influencing family life:

*"And actually we ran into a lot of conflicts when we were managing. And if I had insisted that I stay, I'm sure nobody could have thrown me out, but it would have led to conflict and we didn't want to have conflicts. Of this nature. I would love to have business conflicts, but not family conflicts. Because family conflicts become very emotional and you tear people apart and you know […] we didn't want that" (MrMsB:10:16).*

The interviewee made the distinction between task-/process-conflicts and relationship conflicts and decided to leave the family business, even if he knew that he would not have to – he wants to keep the family relationships intact also in case they experience a conflict in the business. Therefore, his sole management option is to leave the business, as he is afraid that otherwise the factual level would be transformed into an emotional, personal setting in which the family relationships could not come out healthy and balanced. The missing separation of communication and context markers leads to the conversion conflicts in the family business can take: they might be functional concerning the business context, but are connected to emotions in the relationships the family members share.

### C.7.3 Priorities between business and family

There seems to be no connection made between stronger conflicts in the family and the intermingling of communication, and there are also almost no incidents to be found where an interviewee stated the family is too concerned with business and finds that this increases the likelihood of conflicts. Rather, their own roles, especially when they were in an age where the children start to decide about their place in the business, was reflected and critically evaluated. During the interviews, there were seldom accounts in which interviewees questioned their role and the roles of the children in business:

*"It doesn't have to be in the way that we have been involved where it's been our life and blood and consumes us 24/7 and I think the business is now of a size where maybe it has to be a little different just as it was different in my brothers and my*


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*case compared to our father's generation, when my father was involved, Probably the next generation will again be a little different" (Mr.M.4:45).*

He recognizes the changing balance of family and business in his and his father's generation and regards the growth of the business to be an indicator for further changes that are necessarily coming up. With a stronger negative evaluation, the following quote exemplifies the prioritization of business and family concerns:

*"And [the] biggest sufferer of course was my family. I never gave enough of attention to them given the amount of time this business takes out of me. So we told him [the son – author's note] that you know, this is not a bed of roses, it has lots of challenges, lots of hard work, lot of attention" (Mr.E.7:20).*

The interviewee does not only consider his situation the stress it has put on the family relation, but also recounts the warning message he gave to his son concerning his future engagement in the business.

The business has a special place in the family and it cannot be always easily comprehensible why family members are so engaged with business topics and therefore the family has to take a step back with its concerns. When asked for this matter, quite blatantly whether the family has to be there for the business, therefore, to sacrifice time and communication for it, or the other way round, whether the business is there for the family to prosper, and whether each decision is conflict-laden in the respective family, the results were mixed with no propensity in either direction. The differentiation in results took rather place in the gender of the asked persons. Many male interviewees were sure about the sacrifices the family has to endure for the business and the position the family conflicts have in regards to the business, as the following quote exemplarily shows:

*"Ya I think (…) frankly my view is that the family needs to compromise to ensure that the business does not suffer. So I would never put the family above the business. I would say that the family needs to make sacrifices, so that the institution that one has built in terms of the business should not suffer. And maybe I have that strong view because I am the founder of the business, I would hate for it to be destroyed because of family conflicts and I would say that the family should really sit down and reconcile their differences. Rather than with the business suffer that would be my view" (MrMsB.10:51).*

Female interviewees usually put the family on highest rank:

*"So for me I am absolutely clear and I've always been very clear for me the family is far far more important. I think but that's because of my background as I said I married into the family, so for me definitely number one is the family. But I realize the, it's nice to have the business and the importance of having the business grow and having the business develop and having the business there as well, you know, as to sort of make our life comfortable and all those sort of issues. But I think*


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*for me still very importantly it is the family, most certainly, it's not the business" (Ms.M.5:181).*

As was elaborated in detail in the section C.6, women usually marry into the business family and are most of the time, also as daughters, not yet part of the succession process themselves. This might be one explanation for the difference in response: their sphere of influence concerning the family business is mostly exercised in the family – consequently they express their concerns regarding this field. Nevertheless, both groups acknowledge the importance of the business for the economic wellbeing of the family, which might be even more explicit in a country where the differentiation between very poor and very rich is visible on such extreme levels, and also the necessity of the family to stay aligned and relatively conflict-free in order to let the business prosper.

At the same time the question can be regarded from another viewpoint: What happens if a conflict in the family threatens to harm the business or vice-versa? Who has to sacrifice in which manner? The interviewees were very clear about this, which can be exemplarily shown by the following quote:

*"After health comes the alignment two, this thing, you know this whole togetherness and goal and all of you should be united. […] and if someone has a problem, he should not hesitate to be calling you. Don't let the egos of work come so much in between that the family falls apart" (Ms.I.8:102).*

In this answer to the question lies the most common assertion for the aspired balance.

All interviewees, while being not aligned in the question of rank, were united in what they aspired most concerning the balance between family and business. They expressed that they desire the family to be aligned – for the sake of business and for the wellbeing of the family. Therefore, the threat might not lie so much in the arbitration between the two, but again rather in the lack of cohesion the elder generation sees in the upcoming generation, which influences their ability to cooperate with conflicts and also the likelihood of some conflicts (for example concerning comparative processes) to come up.


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# Appendix D: Analysis of conflict management strategies

If they want to stay successful in managing the business and the family alike, business families have to find strategies on how to cooperate with conflicts that are plaguing the family before they enter the business sphere and wreak long-term harm. But in the family conflicts, there is also the need for management, as in this sphere they can harm relationships up to the point where relationships are destroyed without the possibility to later reconcile. On the one hand, the emotions attached to the relationships in families make them enduring when confronted with conflicts, but, on the other hand, the emotion-laden expectations concerning compensation and equality are, when disappointed, very difficult to reconcile (Wimmer, 2014, p. 31).

Even if the conflicts are not yet identified as such and are in the phase of looming ahead, the families do well in developing strategies on how to communicate about or despite those in a productive, alignment-seeking way. The Indian family features different peculiarities that make them distinct from German business families. Some of them, which will be analyzed and discussed in the following sections, are actively or passively used as successful conflict management strategies.

## D.1 Compromising, consenting, and avoiding – different strategies in conflict communication

### D.1.1 Compromising or competing – placing family cohesion on top

There are several strategies and theoretical approaches on how families communicate in case of a conflict in order to not let the conflict infiltrate the family system to a critical extent. As explained in the theoretical introduction to this thesis, in a two-dimensional model, family members communicate in a way that is an intersection of assertiveness and cooperativeness, thus either focusing


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more on asserting their position, or more towards an accommodation of different needs. Alternately, sometimes they move in the direction of high levels of cooperation and assertiveness, which would be a collaborative state of communication, while medium levels of both might lead to a compromise-focused form of communication.[38] To find out whether business families pursue one strategy more often than another, interviewees were asked about how they act in situations of conflict, whether they are rather assertive or more on the cooperative spectrum. By asking this, they were encouraged to talk more about family communication in general and conflict communication specifically. The questions were framed with the topic of communication when an irritation comes up, not only when a strong conflict is threatening the family cohesion. With this interview strategy, the difficult conversation about conflicts to a stranger could be introduced with a less strict focus, which makes it easier to talk about this rather tabooed topic. To clarify the question further, the empty model was shown to the interviewees and they had to locate themselves without further explanations or evaluations from the interviewer's side.

The answers took various directions, with the area around the point of "compromising" being most commonly chosen. Without further explanations, it can be assumed that this is also due to the fact that it is the most socially-desired option – interviewees might expect that the interviewer is anticipating this answer when talking about successful coping-mechanisms, as it is neither too strong in promoting decisive power or aggression nor does it exhibit weakness and indecisiveness. Nevertheless, a distinction was made between minor and stronger conflicts. In minor situations of conflict, most interviewees tend to compromise and to find a common ground for managing the issue. When considering more difficult situations, the interviewees named topics concerning their children or values of the family as examples, they considered competing and asserting as equally important to pursue their cause:

*"See the ideal answer would be somewhere equal. But if it was really a question of where you had to choose between the two within the family, I would lean more towards cooperating rather than being assertive. Because I think on an issue, on a specific issue I don't think unless the issue is so crucially important, that you must assert, I mean you know in the sense that it is something fundamental, especially with the children, or something where it is a matter of values or principles or something, then maybe I would lean a little more on the assertiveness side of things […] I'd rather compromise on that one issue and preserve the relationship than stand on principle, ego and assert yourself" (Mr.M.4:87).*

Not to let the "ego" become too powerful in conflicting situations had been an often made reference, not depending on the direction the answer took – to save

38 The model is explained in detail in section 3.4.1, and is retrieved from Thomas, 1992.


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family relations before putting oneself up front during a conflict seems to be important for the interviewees. Considering research on communication strategies in a conflict, neither one strategy has proven to be the best path in western business families so far, albeit collaboration has shown the best long-term results when considering relationship conflicts and their management. At the same time, collaboration, a technique in which a consensual decision is the most likely result is also the most time-consuming – all involved parties are searching for mutual benefitting decisions (Kellermanns & Eddleston, 2006, p. 364).

### D.1.2 Consenting to stay aligned

Another way of demonstrating and supporting alignment between the family members, apart from the acceptance of the wise decisions of a higher situated group of family members, is done via taking decisions on the basis of consensus. Consenting is regarded as a form of managing conflicts that is capable of integrating many different views in the family business and can lead to reduced conflict in the management team. By the same token, consent is more likely to be achieved in groups that are closely knit and share social action (cf. Ensley & Pearson, 2005, p. 270; Davis & Harveston, 2001, p. 18).

Male interviewees, when asked for how they stay free of conflicts during critical procedures, often responded by explaining how the group that is capable of making decisions in the business achieves one collectively accepted outcome, even if the preparation may involve discussions and tension:

*"We would discuss several issues and sometimes there would be an argument or a discussion […] either [the father] agreed or we would agree and then I think we respected one another enough to support whatever was the final outcome. Ok, so it was a consensus decision and then we supported it" (Mr.M.4:24).*

To regard a decision once it is taken as consensual supports different aspects that help to keep important decision-making communication, especially when it takes place among closely-knit family members in the business system, conflict-free. One aspect is the alignment between the committee entrusted with the topic in question. Through the decision-finding process beforehand, the members can feel heard and not left out of consideration, but ultimately the family members will support one view (Sorenson, 1999, p. 135). The family in the business thus can be regarded as coherent and aligned on one opinion, which makes it more difficult for negation by other parties to find points for aggression in the communication, as the following quote illustrates:

*"You know talk about it separately and then with the management team you have a single view. You see that's very important that you do not ever let your own*


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*differences come out in a forum where your management team is confused" (Mr.M.4:71).*

This strategy is not only followed towards external managers, but also towards situations where the father has to agree with a decision. Interviewees reported particularly often in this context that brothers who jointly manage the family business with their father created one common stand before talking to their father and asking for his opinion, admission, or approval:

*"So what we do is three of us discuss without my father then we take that to my father and say three of us discussed this, we have all agreed on this this this […] So the question here is now my father is clear that he is not trying to sort out a disagreement" (Mr.I.9:21).*

The father is obliged to regard his children as equal in sharing one view towards him. Familial claims for equality are fulfilled in this way, as he cannot differentiate between the children:

*"[…] that's when he got convinced and said, they're coming to me, obviously they worked it out. Right, but he made the statement to both of us, which said you know, saying that, don't ever give me a chance to arbitrate, between the son and the son-in-law. That's something I can't be willing to do. If there's any issues, you have to sort it out. He made it that clear" (Mr.D.3:17).*

Not to differentiate between the children could help in this case to decrease rivalry among siblings – the sons form one group and the father regards the decisions presented as univocal. Consenting before going public with a decision or before presenting it to other family members, especially when they are higher in the family hierarchy, thus serves more than one function. It helps to stabilize the relationship among the brothers and towards the father and shows a stable opinion towards the public or the management team.

The like-mindedness among the brothers was described as being a relevant pre-requisite for aligned and consensual decision-making: *"[The brothers] normally go together in most of the things. They all the friends know that they should invite all three, not just one. So there is an identity of the family I think. And they all know about how close they are" (Mr.A.2:194).* Those relations were described as being relevant for decision making as they enable the consent and cohesion needed for ensuring ongoing management of the family business together. Research on the topic suggests that achieving a consent is most likely among close-knit groups (Davis & Harveston, 2001, p. 18). The alignment among the brothers is therefore helpful for reducing conflicts in their relationship. In a growing business this cohesion is needed – as soon as there is not only one main decider, like the founder or patriarch, the brothers have to find means on how to take decisions together, especially before one of them takes over the position from his father. In the family the connection is fostered by the


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close proximity they shared in the past, and the means of creating cohesion despite changing family forms today.

### D.1.3 Ignoring and avoiding

When asked about the acceptance of the existence of conflicts, the results were mixed, as analyzed in chapter C.1. Most interviewees recognized conflicts in their familial communication, but also stated that most of them were only of minor nature. With minor conflicts, the issue might be that conflicts do not get managed at all, as family members accept their existence, but regard them in their banality as not important or threatening for family and business success enough to feel a need for management. Therefore, one strategy of managing conflicts is essentially not to actively confront them, but to accept their existence, coming into force and dissolving over time. This can be an obstacle to the ongoing success of the family business, stated by Kellermans et al., who regarded this strategy as being dangerous: conflicts, especially in the family, might worsen over time, family members might feel neglected as whole persons, and without open communication about the topic in question, the conflict might grow to a point where communication with a the goal of conflict management might not be possible anymore and might destroy relationships that are vital for the family and the business (Kellermanns & Eddleston, 2006, p. 362).

The interviewees in question mentioned different communication approaches to conflicts, but most of them had in common that "not talking", which results in avoiding the direct confrontation, was one of the approved methods for dealing with conflict in their families.

As already mentioned, especially women were not expected to discuss conflict, but were expected to adjust to the family and not to speak up: *"I was always encouraged to you know, adjust and just (..) you know go with the flow, be content and don't ruffle [. . .]" (Ms.M.5:146).* Also young men were not vocal about difficulties in familial communication: *"[…] I think there would have been a lot of friction. Very large friction and I think that, you know, many of us would have just kept quiet and not said anything but we may not have been very happy" (Mr.I.9:37).* His strategy and that of some of his family members would have been not to open up about the tensions felt, but to internalize the feelings.

The interviewees described the negative dynamic the conflict can take when ignored:

*"Ya, how do they [the conflicts – author's note] get treated. Most typically it just remains unresolved and it tends to be something that people just live with and there is a lot of frustration and then over time either the patriarch is too old to really do something and then it just naturally transits, transitions down, or it*


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*frustrates the next generation so much that they actually decide to do something else, you know" (Mr.M.4:61).*

This interview segment describes the outcome proposed when regarding the avoidance-strategy: it leads to conflicts not only in the family, but also in the business, and these conflicts are transferred over generations. It progresses to an extent that family members of the next generation decide to leave the business, which is not necessarily harmful in economic terms, but in the self-perception of this family business, whose success also is measured by the generational transfer, it can be regarded as a loss in the first place. The next generation is frustrated and thus decides to leave the parental business. It does not happen due to a consensual decision that the family no longer wants to be involved in management, but the "non-communication" about the conflicts apparently leaves no other option and damages the relationships on a long-term basis – the conflict therefore is addressed, not in a productive manner, but by choosing the exit-option.

While in any family across the globe, conflicts are tabooed and not easily communicated, the interviewees also made the culture responsible for the silencing:

*"But what I was trying to say, my wife for example, she will never argue against my father, right. It's just not a done thing. Right so if you ask me what's the source of that is, it's just the culture. Indian culture, that's how it is" (Mr.D.3:66).*

The interviewee describes the setting in the family system and rules about how to communicate – the communication is not flat but equipped with hurdles that cannot be taken by any family member in the same way.

Particularly the traditional silencing of critical voices was mentioned as a problematic way to manage conflicts in the families interviewed, even if the resulting avoidance of conflicts was not described as necessarily having negative outcomes for the family:

*i: "And what happened then [in case of a conflict – author's note], so you just didn't say anything and you accepted it?"*

*b: "Most cases yes, or in some cases people would accept it but would get angry inside, you know, and would not be able to express it. But that was a societal thing also, it has not to do only with us. As I said in our family it was a little bit more because that's the way we were all brought up, so we accepted it easier. And I think that was also a big asset of the family. That was seen as a big plus for our family in the general community and the society as well. So many people actually used to point at our family and say 'look at how they are behaving'. they would tell their children, 'look at them, please learn from this'. But, we also had enough incidents internal we were always careful not to make them public" (Mr.G.17:125).*

This extended quotation entails many different aspects centering on the systemic handling of conflicts and the position the interviewee takes up re-


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garding it. On the one hand, he refers to the missing open communication as being negative – family members have to suppress their emotions, which can lead to internalized conflicts. He describes this strategy not only with reference to his family, where they have been brought up in this manner, but also in regards to the societal framework the family is embedded in. On the other hand, he regards it as benevolent for the family, which is surprising on the first sight, especially after confessing that people have to suffer ("get angry") from it. The positive aspect he refers to is the standing his family has in the society due to the ability of the family not to have open conflicts or not to let them leak out to the public. Apparently he wants to keep the conflicts private from the context in which the family is embedded. In the case of a business family, this might be more critical than in non-business families. They have more public exposure, and thus are more prone to be evaluated critically, which might in turn violate not only the family's reputation but also the business' reputation.

In most cases the ignoring or tabooing of conflicts was nevertheless evaluated negatively in the sense that it would increase the severity of the conflict:

*"And I think what happens that if you don't talk about these things than even a small little thing, which is something so silly, like, then that can become a big bond fire. You know, so I think it's very very important" (Ms.M.5:89).*

Therefore, open communication was valued highly in the families despite the several hurdles mentioned beforehand.

So there are different aspects of the non-existing communication in the family: the society might adjudge business families who experience conflicts that take place in public, but also the tradition is opposed to the idea of publicly or openly speaking out. But social change also seems to influence this sphere of communication. The interviewees were sure about boundaries given in their generation, but they also expressed a present influenced by social change, which changes the communication in the families – in general and conflicting situations alike:

*"It is different absolutely different. In our generation we could never ever imagine talking back at the elders. Now our children think nothing of saying 'what are you talking about, dad, you don't know this', you know, it's most common for them, it's most normal to say this. Whereas we could never even imagine anything like, much less say it. And even if we felt like, still couldn't say it." (Mr.G.17:187)*

No interviewee referred optimistically to this change in communication, and if there was any evaluation, it was expressed rather deliberately and rather as stating the given – when considering the praise of the given cohesion in the present managing generation, which is often put in context with existing communication guidelines, and the difficulty with which changes are incorporated and accepted, it is not surprising that the elder generation is sure about the


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changes, but not necessarily welcoming them. It does not seem like the strategy of waiting or ignoring a conflict with the certitude in mind that no one will act up and the family system will remain stable, is going to be as successful as it was in the past. Therefore, the families have to find different ways of how to communicate in case of a conflict. They are already incorporating other strategies, which might be transferred throughout generations, but these strategies are in the process of being transformed with respect to new communication guidelines.

## D.2 Proximity and separation for conflict management

### D.2.1 Attachment by proximity

While the missing cohesion among the members of the following generation was described as a major source of uncertainty and conflict in the families, the families met used various tools and situations to create attachment to the company. Some of them, as family members retold fond memories of how business and private life intermingle, have already been described in the introduction to the conflicts that also can arise out of the missing separation. The binding mechanisms do not necessarily strengthen the cohesion between family members, but they can ensure a strong connection between the family and the business, which is needed when family members want to succeed their parents. There are various ways and opportunities for how a family can create a bond between the two systems that naturally permanently influence each other. To ensure that this union is healthy and provides opportunities to frame the connection in a positive way is important for the management of conflicts that can come up due to the connection family-business. The existence of the business can be used to install unifying ties that allow members of the group to increase their perceived alignment, particularly when, besides the business, entities are created with which family members can identify even if not directly attached to the business (Interview with Prof. Fritz Simon, 2015). Successful business families already have found means of how the different nuclear families can create meaning from their existence as a business family. It gives identity in being a business family – belonging to a family that is aligned in one particular goal, also over generations (Stamm, 2013, p. 47). Research on groups and collectivity supports also the proposition that collective action can increase perceived group harmony among the family members (Habbershon & Astrachan, 1997a, p. 47). The interviewees described different ways how they create proximity – either through direct acts in communication or through structural means, like living in tightly- or loosely-coupled joint families.


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The interviewees were eager to provide information about how their families are attached to the business and to show why and how it helps to create an emotional bond to the system:

*"And even when we were in the US, my parents used to write to us,[…] and give us information about what was happening both with the family but also with the business, so we kept in touch, we knew what was happening, so there was a lot of attachment to the business in any case and I think there was this feeling of pride that we had even as children that this was something which was good which was created and not that we felt obligated that we should do something, but it's something which attracted us back and said yeah, we should do something with it" (Mr.M.4:50).*

The interviewee went to the United States as a young adult, about 30 years ago, to study and start a professional life – he was a manager of another company (not the parental business) for a couple of years then, before he came back to be part of the family business that he manages as the CEO today.

This course of action seems to be not extraordinary in Indian business families. Often the children in the families interviewed during either research journey went to the U.S. or Great Britain for a part of their education or first years of professional life outside the parental business. By doing so, there is the threat that these children may lose the connection to the family business and become alienated from the future the parents have planned for them – this can lead to friction when the different life plans are laid out at one point in time and the plans do not come into fruition. What his parents did to prevent this conflict was to keep the young family members attached to the family and to the business. The flow of information and the interaction among the family members helps to create attachment to the business (Davis & Herrera, 1998, p. 255). The letters written were not solely about the family, but they painted the business as a desirable place in the future that gave them identity – "pride" – when thinking about home. They created space for the business in the life of their children, even if the connection was practically not there anymore. This kind of connection, where children were kept informed, even if they were not constantly physically attached, was not described all too frequently. Also, given that the intermingling is not perceived as negative or conflict-inducing, this does not seem strange – there might be no need to emphasize the conflict-managing activities the parents have placed in order to keep the children attached.

On a different note, especially structural aspects of Indian families are praised for being positive in enhancing a supportive atmosphere for conflict-management:

*"I said you come here and find a house. […] Make [brother and sister-in-law] stay with us. So they stayed with me for three months. So I had my older son then, [sister-in-law] was very attached to my older son, […] so they stayed with me close*


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*to a year, before they went on and I think that's was very good thing, because again, my mom-in-law said, Ms I., something could be the deciding factor for how much of her condition in every sense, emotionally, physically, monetarily that we give to [them] is for Company I. For me it was a deciding factor by then. So it's very important that you have a word with her, that you have a certain empathy and sympathy towards her, […]" (Ms.I.8:85).*

The construct of the joint family was used with a specific purpose in mind in this case. When the younger brother returns from the U.S., where he met and married his wife who he subsequently brought with him to India, they stay with his elder brother, his wife, and his children for half a year in a quasi-joint family structure. This is a "quasi"-joint structure because it was only temporarily constructed from the beginning. It was also only formed on the horizontal relation, as the vertical joint structure was separated years ago. The mother of the family exploits the proximity and resulting possibility of the joint family to influence the incoming wife's difficult situation, as she is new to India and can in turn have strong influence on her nuclear family. If it depends on her whether a conflict arises concerning the role of the nuclear family in the family business, the family tries to create a positive atmosphere.

This proximity that the joint family experiences was mentioned all along, especially in connection to the general importance of good family relations for conflict management. The fact that these good relations are also kept up with changing the structure, which will be detailed in the following section, highlights the changes the system underwent and to which extent structural and communicational reforms during the last 10 years have changed the perceptions of how a family has to communicate in order to manage the conflicts that come up.

### D.2.2 Separation of the business or the family

At first, it seems counterintuitive: the interviewees lengthily describe how important togetherness, cohesion and to follow traditional rules are to manage conflicts and create the base for peaceful and management-oriented communication. On the other side, following the interviews, the opposite – a separation in the family – often seems to be an inevitable and essential reform to keep the family as aligned as necessary to fulfill their own claims concerning cohesion, unity, and identity as a business family.

#### Structural separation of the family

When considering German business families, a structural separation is usually not possible or necessary in the same sense. The typical German business family


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lives in nuclear families, sometimes more than one nuclear family in one area, especially when two or more siblings manage the family business together. Nowadays, it is not common for more than one family to live under one roof. This has been uncommon for generations, based on the structural changes and changes in communication the German business family has undergone.[39]

The structure of Indian business families is not so easily describable in general terms. As discussed in the theoretical introduction to the analysis, families are living in various constellations ranging from traditional joint structures and quasi-joint structures with more families living in one neighborhood to nuclear families that are scattered all around India. What characterizes them independently from their structure is the importance they place on working family relations, existing family values, and communication with one another, even if geographically the unity is more difficult to create than it was before, when most families were joint and only separated if the business forced them apart. But even if families currently live in various constellations, culturally enforced mechanisms are strong in the society. Consequently, the separation of a joint family is evaluated negatively:

*"In Bangalore if you moved out, everyone felt you were fighting you know. In India the culture is like that. We were the first family to do that and everyone was saying why does this happen but over time they realized that we had planned it that way" (Mr.I.9:82)*

The society – in this case the surroundings, but also the culture in general – asks why the joint family separates; it is not a process that goes unrecognized, especially in the context of a well-known business family. But despite this criticism, the family decided to follow their desired structure with the intention to keep the family capable of acting. During the interviews, the interviewee emphasized that they had not separated because they were actually fighting, but in order to prevent the family from having conflicts. And indeed, various family members from different business families reported the positive aspects of separating for conflict management: *"But then things are at one time it was quite a bad scene, now things have eased out, now they are understanding each other, everybody has their own space, they have their own businesses" (Ms.F.1:51).* While this segment also refers to the separation in management, the separation of households was carried out as well.

The structural separation is – and this is one large differentiation from German business families – an additional mode of conflict management Indian business families actively employ. Concerning the various conflicts that emerge through missing privacy and missing opportunities for family members to voice their concerns, it is not surprising that joint families are separating even if the

39 These changes have been described in chapter 5.


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society still questions the practice and fears of the family, like missing cohesion, are also present. It seems as if the fears are perceived as less significant than the benefits and that the missing structural proximity is substituted with enhanced communication ability to act, especially when other institutions represented in the family are seen as stable:

*"So and then having the separate houses, so all are, you know, satisfied and we knew of the equality that the brothers, had, in every way, you know, […] And that sense of equality gave us that, you know, the basic fulfillment that we are part of the business, the family and yet you are individual" (Ms.F.1.139).*

This quote describes different aspects that bother and soothe members of business families: the employed equality between the brothers, which serves as an important mode of reassurance (even if it can entail conflicts itself, due to the different goals the communication in the family and the business have (von Schlippe & Frank, 2013, pp. 393ff), and the family and businesses that take measures to preserve individuality.

As explained in the theoretical introduction, family members in India are often represented by their family in the society, an aspect that is even stronger in business families. In this case, the family stands for both the individual and the business. Individuals' actions that are seen as unacceptable or judged as negative by society are ascribed to the family and vice versa. Moreover, also the business serves as an identity giver, which can be positive, but this can also be threatening, as the individual with his/her personal traits can feel neglected (Kaye, 1996, p. 355). During social change that brings about an increase of individualism, the importance of being recognized as a person increases. When the family splits up, the individual person has more space, both geographically and also concerning actions in communication. As the person interviewed reported, the reassuring aspects of being part of something larger, the business family, were kept, while personal aspects were not lost due to structural changes the families undertook.

Among the family members interviewed only a few lived in joint structures, but most in quasi-joint arrangements, where the parents and grandparents shared one building with different households, or where more nuclear families lived close by in the neighborhood. The possibility to live in separate houses and still be part of the greater picture is a recent development for the families, and the society still scrutinizes the motives for the split. Nevertheless, it has become an important way of managing conflicts or not even letting them emerge in Indian business families – German business families cannot make use of this due to the dominant structure of the nuclear family. Besides that, many conflicts that might be irrelevant in German business families emerge due to the joint family structure. Nevertheless, it seems as if the step from being a joint to becoming a nuclear family is, while conflict-laden in itself, also helpful in terms of managing and avoiding conflicts that are not only more likely to arise in the joint family, but


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also due to communication traits of the business family, which in turn are equally conflicting for members of German business families.

### Functional separation in ownership and management

Another related argument affected the separation of the business to different family branches. This included the ownership of the family business, therefore a complete restructuring in past or present generations, but also the management of different companies or functions in the group.

The latter is used for entangling the responsibilities in the business – while the management by consent is needed and useful as long as one father decides finally over all – as soon as the full responsibility lies in the hands of more than one family member, different spheres of decision-making are used for keeping the intersection between the responsibilities in the business and therefore the means to create negated communicative acts relatively small:

*"And after that of course, there was, at least we did not intrude their boundaries of business, there was a line, we tried to maintain that" (Mr.A.2:306).*

Concerning the separation of the business to different families the general line of argument included the preventive aspect it entailed for conflict management:

*"So in that case you could say that you know there was a sort of split in the family that means we bought back those shares but in our generation my parents thought whether they should also separate things between my brother and me, but I think initially there was a feeling that's how it should be done […]" (Mr.M.4:109).*

The parents are thinking about splitting the business or are actually doing so in order not to let the children run into conflicts. A different aspect was mentioned concerning the managing function of splitting the business to different family members:

*"So I joined business in 95, 96, but I took charge when we were doing this split. So when my cousin joined it, we joined him, a slight amount of frictions started and we needed more space for each other" (Mr.A.2:42).*

With ongoing growth of the family also more and more family members are getting involved in the decision-making sphere. While the family communication includes several aspects that keep the business to a distinct group, mostly brothers or cousins from one generation and their fathers, the growing number of persons indicates a more complex matter of communications.

Especially concerning the latter, the split of ownership to different family branches can become a complex matter of its own during the growth process of a family. The loyalty of a person will much likely be stronger towards his own core family than towards the larger kinship, and it will become more difficult to


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decide coherently over the needs of the whole group (Interview with Prof. Fritz B. Simon, 2015). The Karta-system helped families in this matter, as it empowered one person to hold the ownership and decide about expenditures, but this seems not to be the norm among the families anymore. Therefore, they have to cooperate with more influences and are using structural measurements for creating own space and power-spheres. This included the delegation of different business-branches or whole sub-companies to single brothers, and the distribution of shares to different family branches.

## D.3 Traditional changes in role and status

The analysis so far concentrated on different communicational patterns the families used for cooperating with conflicts and structural measures they took for differentiating between family and business communication on the one hand, but, on the other hand, also for separating the proximity in the families when the joint family structure, combined with a jointly managed business, was experienced as too dense to effectively employ family- and business-communication. Apart from these measures that concern the whole family relation, also single persons, their ascribed roles, role changes and statuses they have in their family have been mentioned in connection to ways how the families cooperate with conflicts.

### D.3.1 "Becoming mature"

The time-wise decoupling of stimulus and reaction can support conflict-communication, specifically when an escalation of the conflict is immanent and even if the decoupling only lasts for a couple of days. Tranquility and self-composure can support the waiting period that sometimes is needed for cooperating with direct conflicts (Ludwig, 2014, p. 149). Among the interviewees, this process was rather described as a matter of changing life-stages than of moments in time:

*"[…] it's not like everything was perfect and always perfect, it's always a challenge but I think you know as you grow older and you realize what's really important in life and some stupid silly argument is that important? No. I mean I've learned that over the years" (Ms.M.5:79).*

Her personal evaluation of incidents is changing with age – the importance she poses upon arguments is diminishing, even if the conflicts exist nonetheless. There were different interview segments in which it was stated that waiting is an approved method for conflict management that is particularly often found among the female interviewees. Again, this can be referred to their particular


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attachment to the family into which they have married. But similarly, it describes the difference between younger and elder family members. Age is an important factor in the familial communication, not just in Indian families, but there in particular: The interviewee does not express the fear that conflicts worsen over time if not discussed, but that she made a progression towards a better understanding of meaningfulness by becoming more mature: *"And I think the second thing is also, you know you mature as you're older, something that was very important to me 20 years ago I couldn't care about today, isn't it?" (Ms.M.5:95).* Her personal progression and change of character by becoming older are responsible for better conflict management. Similarly, a change of character was ascribed to other family members:

*"But when you follow this formula over time and as one grew, everyone became mature and they understood it. So I guess there was nothing serious or major that anyone of us in the last 20 years had to really handle" (Mr.I.9:34).*

According to this segment, family members not only cooperate better with conflicts when they become older, but they also experience less conflicts.

### D.3.2 Conflict preventing role changes of fathers

The theoretical section has already introduced the importance of fathers in the family system. This special place was, considering the age structure of the interviewed group, often emphasized and seems to be deeply rooted in different rites de passage men undergo during their lives. The role they inherit changes from the active-decision making instance to the wise decider they become when they get older. Therefore, they take up specific positions in the communication also in terms of conflict management. As already mentioned in section D.5, they grow into the role as advisor and consultant, but refrain from day-to-day decision-making. Nevertheless, their role in conflict management cannot be underestimated, especially concerning conflicts that emerge among the managing family members actively involved in the business. Fathers were praised as exceptional thinkers and deciders; apparently the older they become, the more considerate they become. This change of role is conflict managing in two regards.

On the one hand, when it is accepted that aspects of one's personality are changing and only temporarily assigned to one person (also with regard to aspects of the personality that entitle these family members to positions in the business), it becomes easier to step back from an active role in the business, as this is regarded as a somewhat natural passage. It was already displayed that among the families visited the change from being an active CEO to becoming the chairman of the business was not so conflict-laden, neither for the dyad between


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predecessor and successor nor for the patriarch himself. Interviewees recognized their fathers' role change:

*"[…]because he pretty much left it to us. So he was at a stage of his life where he was more into philanthropy and those kind of things." (Mr.D..3:118), and their ability to hand over the business: "And I would say initially we would support what he would say and then gradually over time he was wise enough to allow us and our views to prevail and he would actually support it then. So it was a fairly smooth transition" (Mr.M.4:25).*

Their change in role can also be connected to the importance the patriarch gains in the family and the business when he gets older.

Different aspects during the process help to change the status, some of which are assigned, while some are actively pursued and supported by familial communication. One of the more external aspects is the title the business owners wear after the successor takes over the baton. The succession process and the following years can be very difficult and conflict-laden in business families, as described in research on this topic. The recently retired business man might feel lost and is not sure about the abilities of his successor – the result can be a constant interference with topics that are now his children's responsibility (Levinson, 1971, p. 379). To be in the respected position of the wise, long-term thinker and advisor, could be one way to overcome the threat of feeling useless and not being able to influence the business system anymore. Therefore, this role-change helped in conflicts during the succession process. Moreover, not only did the role change help the sons to gain their sphere of influence, but it was also described as enhancing the status of the father:

*"Ya, I think you know, if you look at it here, the way we see this is, chairman would not be involved with executive decisions on a day to day basis but is still very much looked at as a person who is not just there in name, but we would consult him in certain matters, particularly when it comes to matters related to culture and values" (Mr.M.4:06).*

The father is no longer influential in a sphere that is attached to decision-communication per se, but he is regarded as an advisor in governance-related questions.

This traditional role-change gives men the opportunity to change their status without losing importance in the business family system; on the contrary, they may gain status and respect as a result of this process – not due to title necessarily, but due to expected and expressed role ascriptions (von Brück & von Brück, 2011, p. 130). This helps the predecessors to take a step back and the successors to gain influence in the business, ideally supported by the advice from their fathers.


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### D.3.3 The role of mothers in conflict management

Female interviewees partially described their entrance to the business family not in connection to the relationship to their husbands, but to the family as a whole. One interviewee explained it like this:

*"So ya actually I really feel in India, that's what I tell my children, that in India you of course you love your husband but you have to love your family because you really marry the family. Very much, very very much, at least the culture we are brought up in and I would have hated to have (..) you know, it's really it would not have helped or done anything to have you know a bad relationship with anybody […]" (Ms.M.5:77).*

This refers again to the "attachment by proximity" phenomenon displayed in the previous section. She expresses a law-like imperative, "you have to love your family" – there were no other options, as privacy or the marital dyad did not have the same place in Indian families as they do in European families. When the feeling is enforced that you are not only part of a couple or one nuclear family, but also attached to a larger system, the business family, you are forced to quickly acknowledge the importance of peaceful communication. She also makes this clear in her wording: "it would not have helped or done anything"; she is sensible about her little power in conflict-enhancing or -managing communication, which is essentially another way of keeping the discussion silent. But their positions seem to differ when they become mothers.

Mothers are described as keeping the family together and caring for the needed cohesion between family members:

*"So Mum-in-law [The wife of the patriarch – author's note] in our family has played a wonderful, very very, what you call, role-worthy, her role has been everything I would say so. Because I think it's the fact she knew when to let go and she knows when to keep it to herself" (Mrs.I.8:23).*

Their status as mothers seems to be – also considering their options to influence the family communication negatively – different from their status as wives. They are said to be the communication-enforcers in the family:

*"But as a family, I think my wife is very well connected with all the children, discussing personal issues, family issues, house-running issues. You know, all kinds, so I don't think we have, and I think if you if you understood the Indian society, in our culture having relationships is very important" (MrMsB.10:30).*

This segment distills the communication skills that are ascribed to mothers: they are communication enhancers and cohesion enforcers, particularly on the family side. The influence on the family was described as being powerful: *"She is a very strong lady, extremely strong and very very vocal and she has been a very very strong influence on my father-in-law and on her boys as well" (Ms.M.5:118).*

The role of women in conflict management is not as clear as the role of men or


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fathers, who are said to be wise counselors or arbitrators between different family members, especially when they become older. Age is connected to a change of status towards a more omniscient position for men and women that is taken out of the day-to-day decision-making, but concerned with long-term family communication and peace. It is not so much the role of women, but of mothers that is said to be helpful for conflict management, as mothers are actively engaged in fighting against the threat of losing cohesion in the families.

## D.4 Influence of formal institutions: Advanced training and professionalization of family management

When expanding the view over the marital dyad or the relationship between children and parents, scientists have found a variety of institutions that stabilize the family as a self-organizing system:

> Applied to the family, this notion leads to a consideration of the regularities, rules, and structures that organize the family system and maintain its features through negative feedback when significant deviations occur, as when members violate shared family rules or values (Cox and Paley, 1997, p. 250).

Considering the Indian context and the dynamics discussed so far, these mechanisms in Indian business families are evident. When asked for specific institutions the families apply to keep the family coherent on a broader sense, most of them had specific ideas in mind, particularly considering formal institutions like the organization, specifically family business-oriented networks in which advanced training and interexchange takes place. Other ideas such as the formalization of the succession process or the role of family constitutions and councils were also mentioned as parts of their family management strategy. The following sections will explore this topic further by firstly displaying the formal institutions and their use in conflict management employed by the families.

### D.4.1 Advanced training

The topic "advanced training for business families" was often part of the discussion, sometimes deliberately introduced by the interviewer, sometimes by the interviewees themselves. In both cases, the acceptance of formal institutions for family business education was not homogeneous among the families visited. While some explicitly named different options on how they professionally educate themselves or parts of the business family and the experiences they made


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in professional interactions with other business families, others remained relatively vague in that they only talked about topics they knew from the conversations with other business families in their circle of friends and acquaintances.

Apart from formal agreements, rather seldom named were conferences or networks specifically designed for or by family business/business family interest groups. The interviewees who participated in some kind of advanced training named the benefits for business family cohesion or considered things they had learned during the course of their education as useful for developing working constitutions:

*"Right so what we do right now so I draft a certain set of principles, I ask [brother-in-law] also to do that and then we actually exchange notes. And then it's like what do we think is a good thing use that as a framework. I keep attending lot of family workshops. Just to understand from other families to understand that. I also keep talking to different arrangements within families on how they've done this [. . .]" (Mr.D.3:26).*

The statements about the usefulness of institutional trainings for family business cited the strategy of watching and learning from other families and then employing what they have learned in the context of own family dynamics. Apart from that the information shared and the setting, this is similar to German events of this kind in the sense that open and appreciative communication determine success and transferability:

*"Everybody should only say that I went through a similar experience, or something different, not what you did but it was similar and this is how I did and this is why I did. Or, that a friend of mine went through this and I remember him this. Whether it's to do with a sickness or it has to do with an emotional issue or a marital issue, a children's issue, a parental issue or a business issue. […] so we have a lot of experience in that sense in understanding that when we meet we need to meet with that kind of a mindset and a process in our own minds that the discussion that it doesn't become judgmental because the minute you make a judg/ you become judgmental I think you destroy the discussion at the forum" (MrMsB.10:68).*

The interviewee states that also usual private topics are included in the conversation, and the fact that they learned that appreciative communication supports positive outcomes. Albeit the observation of the network was described as useful when mentioned, only a few families seemed to interact with other business families professionally concerning the education of the business family. They rather referred to other means of family business management or education, often coming in the form of constitutions or councils specifically set-up for decisions the families have to take concerning the business.


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### D.4.2 Constitutions and councils for family management

One position most families had in common was the recognition of the need for "something" to help the family not to run into major conflicts:

*"Because he [the husband of the interviewee who is joint managing director of the business – author's note] is the one, not only sort of driving the business with the support of all the brothers, but he also has been trying to get all these, what you say, rules in place you know to help the family business group […] and not split. […] He's been taking this forward since the past 10 years, 10, 12 years that we should make a family constitution. We should have things in place so that we don't look forward to a split. Because if this generation goes through than otherwise 3rd generation is where the family split" (Ms.F.1:115).*

The assumption that family businesses are prone to experiencing severe conflicts the older they get and the more generation-turnover they experience is not only known to German business families, where it has already become a proverb describing the threat family businesses experience when no professional family management is developed (Plate et al., 2011, p. 22). Therefore, the family is well advised to find professional support with inner familial dynamics if they want to keep the family aligned for business success. The professional support can concern the business, but there are also formal institutions that have the family management in focus. With the help of these formal institutions, family members can rely to a certain extent on rules for behavior and communication during a conflicting situation (Baus, 2010, p. 136). They can come in the form of family constitutions, family councils or specific days for the family. What can be expected from other family members or which values the families intend to employ in the relationship are often thematised in family constitutions. In their preventive function they are compared to *house laws*, in which royal families or dynasties constitute rules over heritage, succession and rank, but are – in contrast to these house laws – not binding in a legal sense (Fabis, 2009, p. 283 f). Also among the visited Indian families there were several interviewees who referred not only to the necessity of these institutions, but also to reasons why they should include formal institutions for family management: Most interviewees aspired a form of constitution, an agreement in written form concerning the influence of the family on the business:

*"My daughter has two children, so now in this situation is the time where we need to start putting something together in terms of family constitution. And there is enough studies on that, so we're actually in the process of working on that and to put something together for the next generation" (Mr.D.3:24).*

He does not refer to the content the constitution will have. Nevertheless, he regards the growth of the family as reason enough for establishing formal agreements. Moreover, the fact that the family is thinking and communicating


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about topics that should be included in the constitution is a sign of openness towards a professionalization of family management.

In addition to these written agreements, some families also created a family council, often including outsiders and advisors to the family:

*b: "yes we also, well, that's relative I guess, we also have of course our own family council that is set up which has its meetings infrequently so that helped take decisions for the business as well" i: "ah so the family council consists of family members"*

*b: "and outsiders, both, but mostly family members"*

*i: "and what is their responsibility, what is their field of work?"*

*b: "so we have two separate things that that we like to discuss together. One is any major philanthropic initiative from the family. There are individual initiatives we of course take them ourselves or within the companies, but if it's a major one than we like to do that collectively and second is about major capital expenditure in the business any business needs a large capital fusion. So these decisions are taken through this council. And so they have to justify why it's required, what is required, what is the likely outcome. Of course, we hope it works, but it's business you understand sometimes it builds sometimes it will not. But at least the decision is taken, an intelligent decision can be taken" (Mr.G.17:66).*

The interviewee refers to the council as something that has to be there – "of course" they have the council. Secondly, he explains the setting in that family members and outsiders are part of the council, and thirdly, he describes the task the family council has to accomplish: according to his account, it concerns mainly decisions taken in the ownership sphere – which expenditures the family can or should take. The family council works like an intelligentsia of the family: it is a delegation that supports the family when decisions need to be taken for the whole business family. In that lies the conflict-managing power of the council: decisions that can be difficult for the family are outsourced and the influence of the larger shareholder-circle on the business is reduced.

Nevertheless, besides the expressed desire to have some form of higher reference one can fall back upon for questions regarding ownership or philanthropic activities the family wants to undertake, especially the doubts about formal agreements have been expressed.


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## D.5 The informal and the formal: entitled institutions in family communication

The benefits formal institutions can have on family dynamics are unquestionable. While the influence of those might not be directly referable to a particular conflict, when looking closely at the influence they have on the communication in the family, their power regarding many layers and players in conflict is noticeable (Ludwig, 2014, p. 183). Nevertheless, the Indian business owners expressed their doubts concerning the self-assertion of rules without the familial momentum that adds value to a primarily empty structure. They preferred to create their own sets of rules, incorporating the peculiarities of their families, their culture and their sets of values. Their doubts and the ways in which these are handled will be presented in the following sections.

### D.5.1 Doubts about beneficial aspects of formal agreements

While different interviewees referred to formal institutions they use for family management, the overall acceptance of those remained vague. Rather, they expressed doubts about formal aspects in family communication. The disaffirmation of formal agreements is not uncommon in families – they want to keep the relationship "regelungsfrei" (Baus, 2010, p. 139) or free of written down rules, as those rules already exist in abundance outside of the family (ibid., p. 139). The interviewed family members mentioned another reason for their rejection of formal institutions. Different interviewees agreed upon the assumption that institutions work only if family members were in line with the composition of the council/constitution and that it rather depends on the family itself whether it stays conflict-free, not on the existence of formal institutions.

Process-oriented aspects, like the named justification needed or the involvement of family members in the designing can help to establish trust between the family and the formal institution. Above that, the right "mindset" in the sense that family members need to have a self-understanding about their influence on the family communication is expressed as more influential than formal agreements: *"That's why I think see, the core principles are the important thing. Right, it's not what is written on the piece of paper. It's how we practice it" (Mr.D.3:86)* This segment, too, does not imply that the interviewee generally does not believe in the necessity of a formal agreement, but he doubts the impact if the family members are not committed. Therefore, different interviewees added an informal layer to the formal institutions, which possibly made those more perceptible in the relationship communication the family shares.


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Throughout different interviews, when it came to institutions they incorporate for interactions with inner-familial dynamics, informality was added to these institutions:

*"I think in this family business management education is very important and we as family have learned a great deal from people like John Ward […] and he has become a good personal friend as well […] so I think that helps a great deal so if you are exposed to this as you are developing a business, as you are developing your family relationships it helps you think about these issues before they become problems and it helps you arrive at some (….) sort of preparing yourself and the approaches that you can take to prevent a problem from occurring" (Mr.M.4:65).*

While the interviewee talks about formal education for family business and the preventive power this has on conflict-management in the sense that problems might not even come up when these strategies are employed, he also adds a personal note to it. John Ward, the family business expert, is not only regarded as a professional, but as a friend to the family. This inclusion might help family members to accept his advice rather than if he were regarded as a complete outsider, a notion which was also supported by other interviewees:

*"So our advisors also work, almost like members of the family itself, so they are also like a sounding board for us. Somebody who knows what's going on, but is an outsider, so can give an impartial view" (Mr.G.17:140).*

It was said particularly often in some form or the other that external advisors are made to close acquaintances for the purpose of making institutions work, but moreover, the need for working communication in the family to fill structures with content was expressed even more severely:

*"So it's it's very informally formal. You know what I'm saying, it's very informally formal. […] my experience and my thought is that I could write a book on family succession or I could write 5 pages or I could write a constitution – if the members involved do not love, respect and trust each other, that book is of no use. That's my view, there could be a different view, but that's my view" (Mr.G.9:23).*

As mentioned in previous sections, the interviewees made sure to mention that they highly appreciate the values they see as being intrinsic to their family and vital for family cohesion and alignment. The formal aspects of institutions for family communication are partly rejected, but more from the perspective that they are of no use if the family does not adhere to appreciative communication, the values transferred via generations, and the general willingness to maintain working family relations. These aspects were elaborated by the interviewees:

*"You know to be honest, I don't know first, second we have not laid out a process, we have not. There are reasons for it. When we started when my father started with us he told us, he says 'you know I am too old I have done my best and I brought you all up together, you all are working together, I don't see any reason*


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*why I should write a family constitution, right, I think the best family constitution is the three of you work together and if the three of you believe in each other you can do what you want. So therefore it's up to you all whether tomorrow you want to do something formal. Because my time is over in the business. It's your time and therefore it's important that I don't make that constitution, but you make it if you want to because you may have different views and you can come to me for advice, but you should follow your path.' Three of us sat down and we decided very few things, we didn't get into detailed things. We three decided that we would first equate all shares in our companies, irrespective of who is looking after any company. – We decided that we should take similar salaries irrespective of what our responsibilities are and we decided that we will not encourage our wives to work in the company. Right. And we also decided that we would take specific roles" (Mr.I.9:10).*

This lengthy interview segment points out different structures that could be found in this form or the other in different visited families. First, there is the aspect of the change of roles that has already been discussed. The father steps back from an active role and becomes an advisor to his succeeding sons. Secondly, he points to the importance of having working family relations in the sense that they are more important than formal structures. When it comes to the reaction of his sons, they all incorporate equality among themselves as the leading concept and the basis for their relationship concerning business communication. This is not something the father has prescribed, but the sons, when talking among themselves, transfer the family dynamic and propensity to keep everything equal to the business sphere, as they agree that this will also keep their relationship in the business context problem-free. Third, they exclude their wives from the system. By doing so, they reduce the complexity and the threat of having to regard the opinion of somebody who might not agree with the guiding principles. Equally, they take care of a functionalization of communication when they take over specific positions in the business.

But apart from their doubts about formal agreements they mentioned several aspects that can be related to an institutionalization of family communication. One main activity they mentioned was the implementation of family events to ensure proximity between the family members, or business events to create an attachment to the business. These events were often described as being formalized in some ways: *"These meetings are really formal, because as our family is spread all over the country, so all of them have to meet up in one place, so it's predecided meeting with a proper agenda and schedule" (Ms.F.1:73).* Other means for enhancing the communication were activities to which family members can relate to even if not directly concerned with the business, as philanthropic activities of the family. Nevertheless, the doubts about formal agreements remained influential in the communication about institutions. The interviewees


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rather referred to other means they use, also incorporating peculiarities of the Indian family system, for not letting the power of conflict becoming too strong in their communication.

### D.5.2 Change initiated by authorized entities

Concerning the interviewees, family communication is regarded as a substitute for formal agreements, and the informal institutions are more highly valued in conflict management than any kind of formal structure. Consequently, a focus was put on making the communication supportive for conflict management. The methods used reflect the characteristics the Indian culture keeps on hand for family communication. One of these supportive tools can be largely grouped under the topic *inclusion of a third party.* A third party can work as a catalyst for the familial communication and support conflict-management communication. The inclusion of a third party with special focus on process supporting or harming mechanisms, like voluntary participation in mediating processes, can establish a formalized method of familial communication with experts on this topic. Furthermore, already the inclusion of an outsider expresses willingness to manage the conflict in question (Kaye, 1991, p. 27; Kellermanns & Eddleston, 2006, p. 365). As already displayed, the formal aspects were regarded with doubt by many interviewees met in India. Nevertheless, third parties were incorporated into the conflict communication, but differently to the use described in literature so far: A third party usually is a person or a group of persons that is regarded as neutral in the conflicting situation. Therein lies their communicative power – it is generally assumed that they do not have an agenda of their own, but rather take the position that is ascribed to them, which can be the interest of the business or of the family or both (Kaye, 1991, p. 27).

The interviewees partly also named this kind of formal institution when asked for strategies on how they communicate in possible difficult areas:

*"Yes, ya, I think it's very very important sometimes to bring in somebody to be a mediator and you know just sit down and talk about it. Because I think what tends to happen is you get hooked on to the very small issues and you're forgetting that the really large big issue is really the family or really big business you know we are talking about" (Ms.M.5:168).*

Mediators are described as being helpful for working with the sources of conflicts, not only with the outcomes (cf. Fabis, 2009, p. 282; Kellermanns & Eddleston, 2006, p. 365). As such they are regarded by the interviewee: they do not only care for the specific issue, but frame the situation differently and bring the larger picture (also when it is not necessarily a source of conflict) back into the communication.


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But besides to professional mediators, the interviewees mostly referred to family members helping in these difficult situations. Single family members, often fathers or mothers were made responsible for keeping the family coherent and the family values in place, especially when they were elder males: Throughout the interviews, the father and his important role in supporting communication between his children was often named, which held true especially after the father had formally retired. Women named themselves (and were regarded as such by other family members) as influencers in the family communication and as enforcers of group activities:

*"I have always organized for the last I think maybe 20 years I organize a family holiday, so when my children were here and in school and then we, even now, like when they come at Christmas, […] then I kind of organize it mostly and I've been doing this for many years" (Ms.M.5:73).*

Concerning the communication in case of an existing conflict a particular mode was in use for generations that concerned the place young women were given in the familial communication. Being regarded as intruders they often had no option for voicing concerns to another person than their husbands, which made the latter essentially to a catalyzer for communication. Therefore, often young men experienced loyalty conflicts as they had to decide over which side they would support, either their wives or their family of orientation (Interview with Sudhir Kakar, 2014).

While it can be regarded as a management strategy to give importance to the communication via the husband, interviewees were eager to contest that they want to change the indirect communication:

*"My father said, 'Ms I., […]. You have to create your own bond. If you not like something your father-in-law has told you, please tell him, but if he tells you what he didn't like about you what you said, also learn to say sorry. Exactly as it was at home, but you must learn to do that'" (Ms.I.8:111).*

The interviewee names her father as the initiator of the process of change, which again fits the hypotheses that fathers are regarded as valuable advisors who have authority ascribed by role and status. But what he advises is a game changer: the daughter should not take anybody else as a catalyzer for her requirements, but incorporate open communication towards a hierarchically higher instance. In other cases, the husbands set up this rule:

*"So we made it clear to our wives see we three are very close as bothers so if you have a problem with me than you shouldn't tell my brother you should come and tell me and then resolved it with me. […] And so far that formula has worked very well. […] Every wife and sister in law know that they will not interfere" (Mr.I.9:97).*

This interview segment cites another reason for the same conflict-management method: the wives should communicate directly – not only for their


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benefit, but because the alignment between the brothers is too important to be able to be disturbed by negative communication the wives may initiate. The threat posed by the inability of the wives to communicate directly is tackled. What initially worked by silencing the wives and not giving them the opportunity to communicate is now being changed towards setting communication rules that on the one hand not threaten the dominant power structure, but on the other hand give them the possibility to claim their own space for meaning and acknowledgement. Entitled persons initiated the change in the families. Therefore, the stability of the family system is not threatened, especially the parts that directly relate to communication in the family and the business.

The same functional principle – to allow change by authorized persons or entities that do not threaten to destabilize the system – can be observed when regarding the functionality of spirituality in the families. Besides this initial functioning, spirituality also serves other demands in keeping the family coherent and ritualizing communication among family members.

### D.5.3 Spirituality, values and rituals

The importance of spirituality in the Indian subcontinent must be regarded in any context and also serves several purposes in conflict management. The interviewees often referred to the power of rituals that are influenced by spirituality when asked for positive influences in their familial system, how they keep aligned, and how their communication is steered and structured among the family members. Common rituals shape the values, norms and culture of a family and are as such formed by the communication the family members share (Sorenson, 2013, p. 471).

When analyzing the interviews conducted, there were different main fields in which religion influences the family system. Beside the general assumption that it is influential in the families, different components of spirituality, namely the acknowledgement of spiritual leaders as key persons and the power of rituals as creating an alternate system-reality with different guidelines can be also recognized.

There are different connotations to the interview segments regarded as belonging to the larger frame "spirituality". For once, there is the personal guidance family members seem to seek concerning their own communication set-up:

*"I think that's very nice in the Hindu philosophy, that even in the Bhagavad* Gītā *that they talk about just doing what you have to do what you feel that is right what your conscious feels is right but not having any expectation of a return as a result. And this is a very clear nicely articulated philosophy" (Ms.M:5:176).*

The interviewee refers to a general attitude one should have in life: not to


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expect something in return for your own behavior in general, but to act according to your awareness. This attitude is transferred from philosophy when referring to the interview segment, but is also put in context with the Bhagavad Gītā, one of the most important Hindu scriptures. In the families, religion helped to saturate one's demands and to guide one's own expectations – this could help family members to cooperate with disappointed expectations, whether they refer to anything they expect in communication from the counterpart, but also what to expect from the business as a return for their engagement.

But apart from the personal value and guideline the interviewees transfer from the scriptures, it also serves the purpose to stabilize and equalize the communication in the family as a whole:

*"I mean, ours is a unique family I would say. It is the mediation and all that we follow, the entire family. So there is so much of this peace I would say. If there are differences also we all get back together. And there is not so, each one does not have that urge to be a leader" (Ms.F.1:99).*

The meditation stabilizes the cohesion – it brings all of them together in case of a conflict – and levels the members of the family in their communication. This is particularly interesting considering the socially prescribed hierarchy that also influenced the order of communication in case of a conflict. The collective mediation aligns the family members and equals the communication among them, which refers back to the notion of equality as a conflict-management method. Considering the given hierarchy in the communication, spirituality also adds another component to the setting, which facilitates the otherwise sometimes difficult communication in various settings. The power of ritual is to change seemingly given settings by creating an autonomous system reality.

Referring to research about spirituality in the Indian context, it is described as often coming in the form of rituals practiced by the family. These rituals create self-contained social communication and support cohesion through inclusion and exclusion at the same time – firstly for the length of the ritual, but also beyond that, as guidelines for general conduct of life. They include people directly involved in the ritual and establish a common social identity amongst those individuals, but at the same time exclude others, which also serves this function. To give allowance to the ritual to structure its conduct, this higher authority is accepted for the time that the ritual is practiced, and decision-making as dictated and prescribed by other institutions is temporarily interrupted. Rituals structure and guide the family life and thus stabilize this social system – they serve as an alternate system level in that they can reinforce given system-inherent rules, but at the same time, they supersede institutions by creating alternatives. As a result, rituals serve as meaning-makers and create stability, identity, and affiliation among the individuals interlinked by the ceremony (Segrin & Flora, 2011, p. 52f; von Brück & von Brück, 2011, p. 18f).


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While no family member described in detail how they practice rituals during the interviews, many of the interviewees named the impact rituals have on the daily life:

*"Yes, there are lots of traditions that are very [Religion] in nature, so for example you know our food and our, ya I think the general, you know like the behavior, there are certain, you know, issues, that yes, that does influence our family lives, so there are certain traditions, that I think, you probably have in Germany or in anywhere country, but in India more so I think it's the religion that sort of makes the way you live is more important than being Indian. Because India is so diverse, so when you're Hindu, you have very particular customs in your family, Muslims and so on, and so similarly we do to. So the food, the way you dress on a traditional day, stuff like that" (Ms.M.5:37).*

The person interviewed belongs to the Parsi-community, but makes a statement concerning the different religious affiliations in India that she situates higher in their identity-giving influence than the affiliation to the general society. She directly describes the different frame, as religion and spirituality create guidelines, customs and traditions that can be used as an identity giver for the family members.

Key persons are involved in the spiritual enforcement in the family:

*"[…] you know that people need to talk to somebody. Right, so in the Indian situation, just imagine, the women who are not in the business, right, if they need to talk to somebody about issues they would be most uncomfortable talking in a family setting. Right, so who else would they speak to. If you appoint like a counselor or something, in the Indian context, it doesn't work really well. So they need somebody who is more like a spiritual kind of a guru, not the leader's kind, right, so more of a special group kind of thing. Who is then able to preach family principles, but also be somebody whom people can talk to" (Mr.D.3:36).*

The interviewee implies that in large families with generational breaks, family members, especially women, need reference people with whom they can talk. They need a possibility that allows them to be open about negative emotions, but cannot do so in the given setting or with a professional counselor, as those presumably are not accepted in the Indian culture, where families are urged to keep closely aligned and refrain from exposing family conflicts in public.

Family or couple counseling in India in general has to deal with the specific requirements the culture poses. Therefore, it has to balance the subtle demands concerning relational and individual needs and the family being closely inspected by the surrounding society. The history and present of counseling therapy are strongly influenced by religious practices, folk wisdom, or astrology. When practiced in India, western counseling is influenced by and situated in a variety of rituals or spiritual institutions practiced by the family itself or guided by spiritual leaders (cf. Bhatt, 2015, pp. 38ff; Kakar & Kakar, 2012, p. 22).


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Therefore, the family members need an option that is (1) accepted in order to communicate with other family members, even if these family members are in a higher position in the family hierarchy, and (2) not judged by the society. With a spiritual leader, similar to the allowance and direction by fathers or husbands to talk directly, women get an outlet for their communication.

Spiritual leaders do not necessarily have to be external gurus, but can be situated inside the family system as well. Mothers sometimes are ascribed with a similar role, but they were not named as "spiritual leaders" among the interviews conducted. Mothers are more typically described as family members who are very influential in family concerns, a task that is of high importance in the families. Sometimes they are also seen as being the "angels of the family" or deciding wisely and being able to "see through people", attributions that are closely connected to spiritual wording:

*"She was very wise. I mean she had a sense. She could see through people; I think she had that gift" (Mr.A.f.2:146).* Without having the same position as a spiritual leader, they inherit a similar role. Other male family members can get the entitlement, like uncles who are then not inclined with business decisions, but solely concentrating on the spiritual alignment of the family: *"So my father's elder brother became like our spiritual leader, he was very religious, driven by faith and values." (Mr.G.17:28).*

A different aspect, but similar in its functioning is the set of family values that get perpetuated over generations. Those values are said to help in establishing communicational guidelines in the relationships of the family members that are being repeated in the generations:

*"This value system the family seems to be carried forward through actions of the elders. And that's definitely something which I observed in the last, me, myself and my children, you know the way we interact, the way how honest we, you know I behave with him, or I behave with my brother or I behave with my nephew, he watches that. Everybody watches that. So there is a level of honesty, a level of sincerity in our relationships" (Mr.A.2:171).*

The values help to create a common identity as a business family. Growing families need an additional entity for staying aligned, as ongoing support cannot be presupposed with loosening family ties (Interview with Prof. Fritz B. Simon, 2015):

*b (son): "So what, good question, what binds us, what binds us. it's a really difficult question to answer"*

*b (father): "I think values. that's the answer. The values are" (Mr.A.2:196).*

Spirituality and rituals that derive from spirituality help to guide one's own communication in order to help family members position themselves in the communication. Moreover, they are also helping to stabilize the family's communication. They do so by creating alternate system realities, which are valid for


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the time of being practiced and also serve as general guidelines for one's personal conduct, but also for the creation of family-values, bonding the group (von Brück & von Brück, 2011, p. 18f; Sorenson, 2013, p. 471). The families channeled and transferred conflict communication with the support of key persons in the families or outside of the families in a society-wide accepted framework. Supportive for these more formalized methods of communication are the family values that are said to give stability in the expectation-frame, therefore in what to expect in the family communication also regarding a changing set-up between the generations.


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# Die WIFU-Schriftenreihe

Herausgegeben von Arist von Schlippe und Tom Rüsen

Seit Mitte 2009 gibt das Wittener Institut für Familienunternehmen (WIFU) eine eigene Schriftenreihe zum Thema Familienunternehmen heraus. Seitdem sind insgesamt 22 umfassende, aber dennoch praxisnahe Bücher erschienen.
Das WIFU beschäftigt sich seit fast 20 Jahren mit diesem Thema und hat hierzu bereits zahllose Bücher und Zeitschriftenbeiträge herausgegeben. Da diese Unternehmensform ebenso spannend wie komplex ist, nimmt der Umfang der hierzu herausgegebenen Veröffentlichungen immer mehr zu. Die Schriftenreihe soll es ermöglichen, einzelne Themenkomplexe in dem erforderlichen und angemessenen Umfang zu veröffentlichen.
Das Wittener Institut für Familienunternehmen (WIFU) der Wirtschaftsfakultät der Universität Witten/Herdecke ist in Deutschland der Pionier und Wegweiser akademischer Forschung und Lehre zu den Besonderheiten von Familienunternehmen. Drei Forschungs- und Lehrbereiche – Betriebswirtschaftslehre, Psychologie/Soziologie und Rechtswissenschaften – bilden das wissenschaftliche Spiegelbild der Gestalt von Familienunternehmen. Dadurch hat sich das WIFU eine einzigartige Expertise im Bereich Familienunternehmen erarbeitet. Seit 2004 ermöglichen die Institutsträger, ein exklusiver Kreis von 75 Familienunternehmen, dass das WIFU auf Augenhöhe als Institut *von* Familienunternehmen *für* Familienunternehmen agieren kann. Mit aktuell 18 Professoren leistet das WIFU einen signifikanten Beitrag zur generationenübergreifenden Zukunftsfähigkeit von Familienunternehmen.
Das Leiten und Führen von Familienunternehmen stellt eine komplexe und mitunter auch paradoxe Herausforderung dar. Das Studienangebot der Universität Witten/Herdecke leistet hier wichtige Unterstützung: Im Bachelorstudiengang »Business Economics« sowie im Masterstudiengang »Management« kann der Schwerpunkt »Family Business« gewählt werden. Der besondere Fokus liegt dabei auf dem operativen und strategischen Management von Familienunternehmen. So ist es dem WIFU möglich, seine Expertise an potenzielle Nachfolger, Fach- und Führungskräfte sowie Berater in Familienunternehmer weiterzugeben. Außerdem organisiert das WIFU in Zusammenarbeit mit dem Zentrum für Fort- und Weiterbildung der Universität Witten/Herdecke regelmäßig Workshops und Seminare für Gesellschafter, Nachfolger und Mitglieder aus Familienunternehmen.

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