

## Family businesses in India see rise of women as promoters and leaders

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The current trend among large family businesses in India is to tap the internal talent of women family members. More and more women scions are joining their family businesses. In this article, the authors have illustrated this rising phenomenon and tried to explore the underlying reasons for inclusion of women members in business.

**India Inc. Brings Women On-Board** - In recent years, many Indian family businesses have brought on board women family members. Mrs. Nita Ambani, who has now joined the board of Reliance Industries Limited, is the latest addition to this list. Earlier, her daughter Isha, a Yale graduate in psychology, joined the global consulting firm McKinsey & Co., perhaps as a precursor to a bigger role later at Reliance. Within the Godrej group, Tanya Dubash and Nisa Godrej, daughters of group chairman Adi Godrej, have been holding senior positions of the business for some time now. Radhika, the daughter of Dilip and Gita Piramal is leading VIP Industries as its managing director. Gursimran Mann, the daughter of Gurmit Mann is steering Simbhaoli Sugars as the company's managing director. Sulajja Firodia Motwani, the daughter of Arun Firodia, provides leadership to Kinetic Engineering being the vice-chairperson of the company. These women achievers inspire other female members of Indian business families to step-in and make a mark of their own.

**Three Pivots of Change** - The authors sought experts' opinion to identify the reasons for increasing participation of women family members in their family businesses. The experts interpret this phenomenon as a reflection of societal changes and point to three specific factors that are contributing to this trend –

**1. Professional Education** - Earlier, parents only encouraged their sons for professional education. Often they were sent abroad for learning and obtaining international exposure. Daughters were kept confined to matters of home and family. This changed overtime and parents started providing these opportunities to their daughters as well. Being equipped with professional qualification, joining the family business became the logical next step for daughters.

**2. Shrinking Family Size** - Joint families gave way to nuclear families. Thereby the family size became smaller. Therefore, the daughters had to enter and share business responsibility. *"In many families there is only one son and one daughter in the next generation. And daughters are the heir apparent. Also many families are realizing that girls are as good as, or better than, boys in performance,"* opines Prof. Kavil Ramachandran, Thomas Schmidheiny Chair professor of family business and wealth management at Indian School of Business.

**3. Change in Inheritance Law** - Earlier, only the male line of decedents had inheritance rights. This gender discrimination in inheritance in Hindu joint families was removed by an amendment in the Hindu Succession Act in 2005. Women were given rights and share in the family business. The amendment gave women equal inheritance rights to family assets. Even women who were married before the amendment came into effect, were legally entitled to stake claim for their share in family assets. This change empowered women and brought them at par with their male siblings in matters of succession.

**Rising Through the Ranks** - It is not that the women have been served everything on a platter. In many cases, they enter at a lower level and then earn their positions on top, passing through the ranks. For instance, Lakshmi Venu, the daughter of TVS Motor's chairman Venu Srinivasan, joined the company as a management trainee in the

family firm Sundaram Auto Components in 2003. A PhD in engineering management from The University of Warwick, Lakshmi rose through the ranks and is now the Director, Strategy at Sundaram Clayton. Similarly, Arathi, the daughter of Suresh Krishna (Chairman and Managing Director of Sundram Fasteners), initially worked in automotive strategy with a consulting company after doing her MBA in the US. Later she came back and joined the family business in 2006. Rising through the ranks she was appointed the joint managing director of Sundaram Fasteners only by 2011.

Experts opine that instead of parachuting from the top, it is better that the women scions take time to learn and sharpen their skills for business leadership. Besides equipping them, such experience also helps them in earning respect and acceptance in the organization.

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