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PRAVIN DALAL SCHOOL OF
ENTREPRENEURSHIP &
FAMILY BUSINESS MANAGEMENT (PDSE&FB)

ANTHOLOGISTS
Family Business Research Initiative

Business Dilemma

The Anthologists: Series 1

Director's Cut

SEEMA MAHAJAN

Our Pravin Dalal School for Entrepreneurship and Family Business Management at NMIMS, being the pioneer in the segment for more than a decade, understands the emerging needs of family run businesses in these challenging and turbulent times. We were also amongst the first few to understand that thinking and acting entrepreneurially is more than just an inclination. It can be taught. We do it better than anyone else because we have a global outlook along with a customized approach for catering Indian family run businesses.

We believe that entrepreneurship can be a powerful force within organizations of all types and sizes, in established businesses as well as new ventures. In any industry, in any position, it takes. Entrepreneurial thinking and relative action to solve problems and make an impact. The school has a vision to be amongst the top 50 in the world at enabling the development of Leadership skills, for sustainability and scalability of their respective family run businesses and ventures. Today in our collaborative community at NMIMS, students gain the fundamental business skills and specialized knowledge necessary to cultivate an entrepreneurial mind-set. They then use that mind-set to navigate real business situations, putting what they learn into practice and becoming leaders equipped to make a difference on campus, in their businesses and across the world.

The programs MBA E&FB (2 years full time) since 1999, Integrated MBA E&FB (5 years post 12th) since 2015 and Weekend FMBA since 1999 at our school focuses on technical and strategic competence, self-awareness and moral judgment. Our balanced curriculum keeping in mind the Indian family businesses, their values and professional challenges, has been designed in such a way that it offers students a blend of skills and capabilities that are at the heart of the management, along with their values and beliefs. The Intensive International exposure at the right time of their career while they are academically geared, helps them to build a global perspective and thereby lead their scalability strategies.

I am sure the journey of students here at NMIMS must have been an unparalleled experience of intensive learning which will lead to a record of outstanding accomplishments in all walks of their life along with providing a deeper perspective to the ideas and practice of management of respective Family run businesses and new ventures. I also wish to thank my each and every alumni (over 4,000 entrepreneurs) for believing in us and trusting us completely. These 4,000 plus alumni helped us understand the segment and carve specialization in the same.

Prof. Seema Mahajan.

About The Anthologists

Indian family businesses by far and large have been construed to be an integral part of the economy. Substantiating this is the fact that the top 20 Indian Family businesses control INR 26 Lakh Crore of the Indian GDP. Indian family businesses are also much respected for their founding principles and the values that they inherit. However, the family businesses image has also been tarnished by features such as non-professionalism, conservationism, poor corporate governance and lack of future planning in recent years. In the midst of all this fray lies the mammoth task of succession planning that each of the family businesses face at some point in time.

Rapid changes in the Indian business world has brought together new areas of focus for current family run businesses. Some of the key areas in Family run Businesses in this ever changing environment would be talent management, robust innovation, out-of-the-box thinking, and at the core of the organization, strategic planning. Efficient management of which will provide thrust to the wings of family run businesses, helping them soar high and achieve hallmark status in the world at large.

We The Anthologists students of Pravin Dalal School of Entrepreneurship and Family Business MBA Entrepreneurship & Family Business look towards researching on these intricacies and learning through:

- Debates and discussions with industry experts
- Brainstorming and creating business case studies
- Organization of workshops and networking events
- Creation and development of research papers

This document has been compiled by students of Pravin Dalal School of Entrepreneurship and Family Business. The data has been assimilated using freely available information from the public domain. The document is for Internal and academic purposes only and for facilitating discussions in these relevant areas.

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-- Winston S. Churchill

Business Dilemma: Decisions that Make or Break an Organization:

A Dilemma can be defined as "A situation in which a difficult choice has to be made between two or more alternatives, especially ones that are equally undesirable"[1].

A Business Dilemma is when a manager or an organization needs to make a forced decision between two or more choices which are equally favored or disfavored. This might arise due to both internal and external factors affecting the business and the organization's decision will be the determining factor on the success or failure of the business.

Over the years, various tools and system developments have resulted in making such decisions easier for the managers. However, even with the technological advancements, organizations might find themselves in a complex and tricky situation, forcing them to make decisions that might not be fruitful or favorable for the organization but need to be taken in order to survive in todays' competitive, ruthless and dynamic business environment.

[1] https://en.oxforddictionaries.com/definition/dilemma

"Finance is not merely about making money. It's about achieving our deep goals and protecting the fruits of our labor. It's about stewardship and, therefore, about achieving the good society."

-- Robert J. Shiller

Financial Dilemma – Traditional Funding

Capital is needed for any business to run. There is always a need to raise capital at every stage of the business from the set-up to the daily running of the business. One of the biggest dilemmas for family business is whether they want to raise funds in the form of debt or in the form of investments from venture capitalists or the public.

Family businesses mainly rely on debt financing to raise capital for growth apart from their own resources[2]. This leads them to suffer from poor balance sheets, high debt burden and low profitability. Even nine years after the recession of 2009, the family businesses have not been able to increase profitability due to the debt burdens[3]. Debts of the top family businesses have grown faster than sales and growth, leading to a decline in their financial ratios as well as their operations.

For example, the Tata's depend on Tata Consultancy Services to support their other business debts, and Reliance relies on its petrochemical business to support the liabilities of its other business.

Thus, it can be seen that debt financing has turned out to have a negative impact on the family businesses.

Can the answer to this negative impact be raising capital through equity? Are family businesses better off selling a stake in their businesses to raise capital rather than issue debt?

Private funding has been used by family businesses in India since the early 1990's when Apollo Hospitals, a then family run business decided to open its doors for foreign direct investment[4]. In the past five years, many first-generation family businesses, have cashed out large chunks of their family business through equity and private investments, following global cues.

Family Businesses can also use the help of Private Equity Firms to raise their capital through the creation of a contract that allows the PE firm to exit/sell their position back to the family after a set period of time through valuation by a third party of the business at that point of time in the future.[5] This way, the family business can raise large sums of money through PE firms that have family offices investing in them.

They will also not risk losing their control over their firm indefinitely and will only loose ownership for a small period of time during which they can also extract benefits from the expertise of the PE firm. This might provide the family business a cheaper source of finance as compared to bank loans which might come at high interest rates due to the existing debt burden of the company.

[2] http://www.rediff.com/business/report/most-family-businesses-find-it-tough-to-get-funds-report/20140911.htm

[3] https://www.business-standard.com/article/companies/top-family-owned-business-groups-continue-to-struggle-116103100896_1.html

[4] https://blog.ipleaders.in/can-help-family-business-go-next-level-growth/

[5] http://www.sbnonline.com/article/family-business-owners-can-raise-capital-without-losing-company/

The Anthologists Take:

Even though private equity or going public might not be aligned with the family values and with the business setting, we believe that there comes a time in any organization where debt funding becomes difficult. This results in the firms paying high interest rates. Given the conservative approach of Indian Family Businesses, we are willing to pay the extra interest but keep control of the company.

However, in changing times and business environments, the new age private equity firms and family office investors are willing to make contracts that are flexible and provide capital to the family businesses. The new age family businesses must therefore try and capitalize on this capital, leading to a capital structure that reduces financing costs and frees up capital for investing.

“The Investor of today does not profit from yesterday’s growth”.

--Warren Buffet

Financial Dilemma: Profit or Growth?

Start-ups and family businesses face the dilemma of whether they must focus on growth of the organization or increasing its profitability. While in most cases, Indian family businesses focus on the latter, business managers, start-ups and family businesses must understand the opportunity cost of both the options before making a strategy as well as the intricacies involved with each option.

The growth strategy is when an organization chooses to focus on increasing the market share and penetrating the market. The organization increases its expense on marketing and sales and makes sure no stone goes unturned to gain customers attention as well as market share. To achieve this goal, organizations might choose to invest $10,000 on the marketing and sales team in the first year in order to achieve $50,000 in sales over the next 5 years. Therefore as can be seen through the example above, when following the growth strategy, managers must understand that there might be low profit margins initially and also the possibility of making losses in the short term leading to profitability and increased market share in the long-term.

However, the organization will have to rely on borrowed capital in the initial loss making stages and managers will have to decide on how long the organization will rely on this borrowed capital before they decide to pay back their debtors as finance costs can tend to become a burden on organizations.

On the flipside, organizations might focus on maintaining a certain level of profit or try to maximize their profits. Here the goal lies to minimize all costs related to the business activities and charge a premium for the products or services. When following a profit strategy, once the predetermined profitability is achieved by the organization, there are a plethora of services as well as options available to the firm.

Banks will be willing to open larger lines of credit, provide larger working capital allowances, enabling the organization to secure new customers and even capture competitor's market share through their now deep pockets. Profits will allow investing in new opportunities and products as well as provide opportunities to diversity business lines. The organization will be more focused in growth and withstanding any bumps in the economy rather than spending on recruiting and raising capital. However, in the thirst of achieving profits, organizations might deviate from their vision, lose market share to competitors who have been steadily investing in marketing and sales, or end up alienating their customers who will no longer be loyal to the brand.

This is one of the biggest dilemma's being faced by both the start-up businesses, well established family business as well as the multinational corporations of the world.

“You need to invest in what helps, and divest from what harms”.

--*Barack Obama*

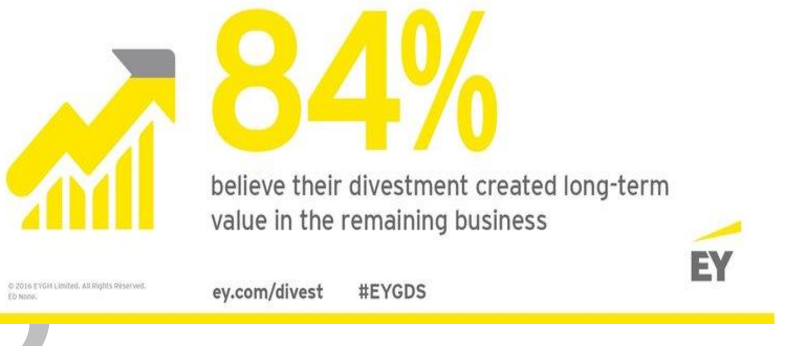
Investment Dilemma: Divestment or Diversification

Divestment, also known as divestiture, is the opposite of an investment, and it is the process of selling an asset for financial, social or political goals[6]. In a lot of cases, family businesses are forced to decide whether to retain, divest or diversify the business due to financial or market related issues. It is therefore crucial to understand when to divest? When to retain? And last but not the least when to diversity a business?

Therefore, family businesses must set up a third party committee to provide analytics as well as insights to the top level management as to when to divest the business[7]. If businesses are divested at the right time, when potential buyers can still unlock value from the purchase of the family business assets, the family business will be able to unlock the true value of the asset and sell it at market value or even at times command a profit for the synergies the buyer will receive from purchasing the asset. Planned divestment will also help the family business to avoid a distressed sale of the asset where the asset will be sold at a fraction of the costs.

Family business organizations might also divest their operations in order to consolidate their business as well as prevent any duplication of assets or workforce. This is seen in the case of Tata and sons where they are in a process of consolidating their businesses. Tata group has diversified into multiple businesses that range from chemicals and fertilisers to auto components and therapeutics over the last 110 years.[8]

Some of these businesses have been loss making, some are breaking even and some of the businesses are replicating the work of other businesses. It will be interesting to see which businesses will be divested and which will remain after the consolidation and this in itself will be the biggest dilemma faced by Tata and Sons.



6 https://www.investopedia.com/terms/d/divestment.asp#ixzz5KGVhWf7o

7 https://hbr.org/2008/10/how-the-best-divest

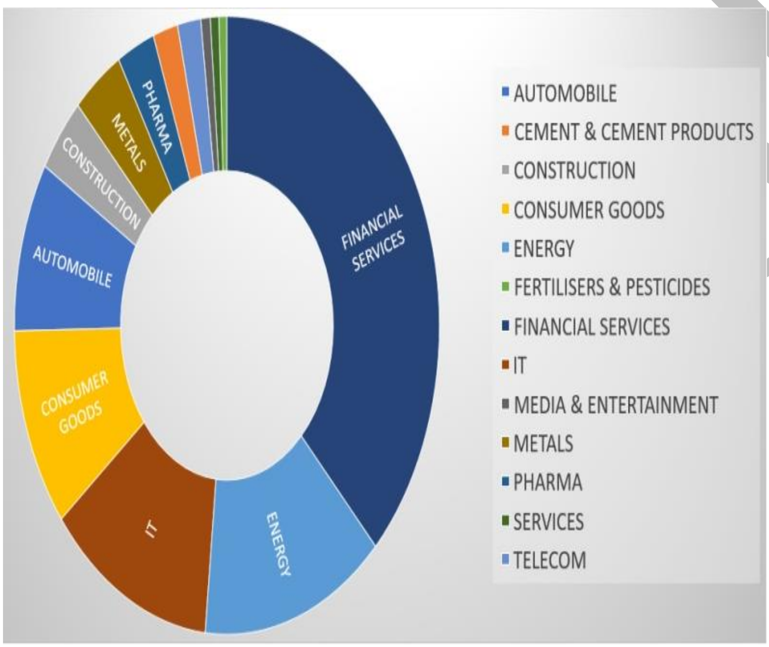
8 https://www.livemint.com/Companies/iZ5xm6om4lN7eE8aO0M5YL/N-Chandrasekaran-plans-to-consolidate-smaller-Tata-group-fi.html

"Wide diversification is only required when investors do not understand what they are doing."

--Warren Buffett

Diversification[9], on the other hand is when a firm enters into am industry or market that is different from its core operations. Businesses use this strategy to spread their risk in a basket of investments so that if one of the business investments does not work out, other business can generate the cash flow to revive the business once market conditions improve.

Diversification can also provide new opportunities and broaden the horizons of the firm. Diversification works best when the business expands in areas where the product lines are similar to their core business so that they can gain synergies and also paves the way for any backward or forward integration, helping the firm capture a large market presence.



The Aditya Birla group for example can be seen as India's success story through diversification[10]. They branched out from their core business of textiles and today have diversified into various businesses. From humble beginnings in textiles, they have amassed a large share of the Indian as well as global market through interests in sectors as diverse as cement, mining, financial services, telecommunications and many more industries. They have been able to grow steadily and hedge their risks to become a multinational company with operations in 35 countries and revenue of $44.3 billion corporation.

The Anthologist's Take:

As can be seen, timely divestment as well as planned and strategic diversification can help an organization spread its wings into any market. We believe that divestment and diversification helps a firm stabilize their operations and create a secured wall that protects them from the business cycles. It also provides them with cash flows for the difficult times and reduces the reliance on raising capital as the various diversified businesses create a self-sustaining environment for the firm to continue in the future.

9 http://www.businessdictionary.com/definition/diversification.html

10 https://economictimes.indiatimes.com/news/company/corporate-trends/investing-in-non-core-businesses-has-diversification-worked-for-india-inc/articleshow/22026550.cms

Operational Dilemma: Outsourcing or In-house Operations?

Another dilemma that family businesses face is whether to outsource services or produce in-house. The decision to prioritize certain aspects of family financial planning and choose whether to outsource them is equally important for family offices of any size, in terms of assets being managed.

Factors Affecting the Decision: In-House or Outsourcing[11]

There are a number of benefits that can be enjoyed from outsourcing like the family office services, but many other key services would allow for better independence and confidentiality if they are kept in-house. The trick is to find the right balance, depending on the setup, goals, priorities and requirements.

Cost-Effectiveness

Outsourcing certain services can bring down the overheads and associated costs, especially with economies of scale allowing you to access reduced prices for high-value and high-quality professional services. In addition, when staffing, technology and infrastructure services are outsourced, they are often cheaper but are with improved efficiency and productivity. This adds up to a subsequent improvement in overall performance and household functioning, which ensures better cost-effectiveness in both the short and long term.

Professional Competency

When it comes to family businesses, it's essential to hire only the best advisors, especially for high net worth families. By outsourcing specialized services, an organization can receive expert, specialized and objective advice from professionals with extensive experience in their fields. However, the family businesses may find that in-house management of priority services and production allows the business to receive trusted and independent advice, without any conflict of interest with external providers. In-house production can also create strategies and work on their skills in a manner that adheres to the organization culture.

[11] https://www.automation.com/automation-news/article/the-big-maintenance-dilemma-in-house-vs-outsourcing

Complexity[12]

Outsourcing will require the third party organization to have thorough understanding of (and agreement with) the family's needs and goals, setup and consolidation of various assets. In-house services are tailored to meet these requirements, with more direct and extensive control of business actually lying in the hands of the family. Sometimes, outsourced investment management services offer better performance and risk protection, through constant monitoring and due diligence by family office directors. Based on the legal structure, external providers with the ability to make investment decisions may also offer better regulatory independence and prevent negative publicity. However, if the third party does not understand the goals, setup and management of the family businesses, no advantages will be passed onto the organization and will just create higher costs.

Confidentiality

One of the main reasons for keeping key services in-house is because of the assurance that the family's privacy and confidentiality will be maintained. This applies to investment knowledge and internal strategies being kept within the family, as well as the security of confidential data.

Outsourcing works best for services, systems, staff and infrastructure that do not deal with data that needs to be kept private. Critical services that are heavily reliant on confidential information and strategies should be kept in-house whereas, other non-confidential services can be outsourced to help the family business gain from both outsourcing as well as in-house operations.

[12] http://songbirdmarketing.ca/house-outsource-start-budget-dilemma/

In today's environment and growing times, it is evident that business houses (both family run and even corporates) may tend to form a strategic alliance to compete for the limited available resources. At times such alliances may be short-lived for achieving a particular goal or objective.

Having a true sense of "co-operative" spirit in mind, a business house may be benefitted more with the pros of increased production and innovation – usually such a spirit can armour a business in more ways than competition allows.

On the flip side though, competition floods the industry throughout. Business houses have strong beliefs that the prowess of the competitive markets may help to keep the sales high, the prices low, and the customers happy! Delving deeper on the discussing, experts even believe that competition encourages companies to improve constantly, enabling further growth.

Trade-off[13]

The world over, business houses have been looking for alternative means to reinvent their business strategies for the purpose of remaining competitive. Collaboration is one of these alternative strategies and is defined literally as working together for a common interest. Arriving at such a trade-off between competition and cooperation would mean to opt for an inter-firm dynamic concept of 'Competition'.

Co-operation is defined as the strategic collaboration between business competitors for arriving at mutually beneficial results. Business houses can gain a competitive advantage by using a judicious mix of cooperation with suppliers, customers and firms producing complementary or related products. To opt for co-operation would be mean acceptance of synergies between the hardware or software requirements across business houses in the industry. For example, two competitors may have complementary strengths, and a co-operation agreement can be formed between them to share the common gains.

In broader sense, it can be exerted that, business houses do not always engage in either competitive or cooperative relationships with each other; rather, they create conditions that enable both relationships to coexist. Co-operation is a multi-dimensional and multi-faceted approach that requires an in-depth analysis of the business environment before adapting it.

13 https://www.emeraldinsight.com/doi/abs/10.1108/17515631011093052?journalCode=bss ; https://www.investopedia.com/terms/c/coopetition.asp ; https://link.springer.com/article/10.1057/dbm.2010.23

“The secret of my success is that we have gone to exceptional lengths to hire the best people in the world”.

--Steve Jobs

Family run businesses are plagued by the issue of managing and retaining talent – mostly for the top management post. There exists a "glass-ceiling" on the non-family members (though capable enough to handle the post) as these are reserved for family members willing and able to join the business.

The forced decision of involving their children into the business' top management arises because of the legacy issues mostly relating to transition of ownership and control to remain within the family. They are often ill-informed of the fact of incompetency of their heirs and believe that grooming alone would be able to create a managerial person out of them.

It is extremely rare that a business owner discloses this fact of incompetence of his children and rather keeps it tight-lipped. Such a "blind-spot" of not accepting the 'in-built' capability of their successors could land businesses into serious troubles even dwindling down to winding-up and closure due to improper management.

External takers: New hires, old guards, long-serving employees[14]

When a successor within the family is not prepared to take on a management role, owners sometimes hire external people or promote a non-relative within the company to oversee the operations. Such an arrangement may sometimes create conflicts, particularly when there is a gap in expectations or philosophy between the new managers and the family owners of the business.

At times the business owners hand on the helm of affairs to the group of people who have been in their core committee since inception of the business. The business owners are well aware of the capabilities of such veteran members of the company and even aware of the fact that they may not fit with the current advancement requirements. They are promoted on the basis of mere trust and loyalty. Even some long-serving employees may be deserving enough to be fit for the top chair and may be assigned the job of managing the operations of the company.

14 http://www.marinercapitaladvisors.com/resources/publications/family-businesses-and-succession-planning-challenges.html ; https://www.bcg.com/publications/2015/leadership-talent-human-resources-managing-talent-family-business.aspx

Avoiding the blind spot[15]

The perfect heir should not necessarily mean the children of the founders as the next best fit for the top chair rather, when looking for what the business needs, it may be wiser to cast the net wider – perhaps, a capable daughter, nephew or trusted outsider would be most suited to bring the family business to the next level of professionalism?

The business owner needs to judge the capable heir not just by their own unique characteristics but should even keep in mind what the business needs going forward. Managing the family talent may become all the more complex during transition stages of transfer of ownership. Family members may ask for and receive important roles, even if they lack the required capabilities. Candid conversations about capabilities are difficult in a family context, but these conversations are worth the effort. Placing a poorly suited family member in a critical role undermines talent management processes and diminishes the importance of merit in the organization.

The Anthologists Take

Agreed the fact that supermen aren't born every day but the business owners become highly perturbed with the fact if their sons/ daughters do not show an exemplary entrepreneurial flair. This at times may lead to fragile empires within the business operations and business owners may have to even look for leaders outside of their own family thereby breaking the shackles of the family control.

In our understanding what businesses today need to sustain and to survive is a leader with a strong will-power and focussed vision with good governance skills.

[15] http://thinkbusiness.nus.edu/article/blinded-by-the-son-leadership-succession-in-family-business/ ; https://www.bcg.com/publications/2015/leadership-talent-human-resources-managing-talent-family-business.aspx

Industry Dilemmas – Women in Male Dominated Industries

It is quite important to examine the viability of women involved in the top management positions with particular focus on the Indian family managed businesses. The family businesses are dictated by certain tightly-held value systems that differ from a wide range of corporates. Furthermore, the challenges to deal with, by such family businesses, are specific to their ideologies and operational mechanisms.

Predominance of the "male chauvinist" ideology[16]

We live in a predominantly male-driven society; where women are often considered as subordinate to men. The Indian workforce employs more men than the women workforce owing to several factors of industry influence and affluence regarding the show of strength.

In any traditional Indian family, women are expected to follow a set determined role of – a daughter, a spouse, a mother, an in-law and further aging to nurturing the grandchildren. Her life is determined with nourishing her family only.

This gender-bias 'was' and may be 'still is' prevalent in the Indian society. Certain industries revolved around the philosophy – "designed by men, for men, with a male culture and set of values." Naming few such male-centric industries could be – Construction & manufacturing, packaging, logistics & supply chain, engineering and cement. Such an environment had made it an impasse for women to enter lest alone to sustain in.

A positive note[17]

On the one hand there may be traditional industries that are male dominated where it is still felt that certain roles need to be held by men only but there are also pioneers in these industries that are setting a different example.

[16] https://www.entrepreneur.com/article/308934; http://ratio.se/app/uploads/2015/11/pb_ln_jp_women_as_directors_259.pdf; https://www.firstpost.com/business/study-shows-most-indian-family-businesses-dont-have-succession-plans-606193.html; http://feministaa.com/2015/10/08/family-businesses-to-join-or-not-to-join/; https://www.ft.com/content/51c81a8c-69d9-11e6-a0b1-d87a9fea034f; http://www.growthbusiness.co.uk/beating-the-bias-the-future-is-bright-for-women-in-male-dominated-sectors-2550009/; http://pwc.blogs.com/private_business/2018/03/the-importance-of-diversity-in-the-family-business.html;

[17] http://feministaa.com/2015/10/08/family-businesses-to-join-or-not-to-join/

The Birla Group founded in 1857, is the third largest Indian company in private sector. Kumar Mangalam Birla, joined the business at the age of 15. The business house was already thriving at that time, dealing in viscose, garments, textiles, aluminium, fertilizers and cement. Today, the business is run by its fourth generation. Ananyashree Birla, taking a completely different path towards social entrepreneurship. She ventured out in the microfinance sector which was overtly neglected in the country. Through her enterprise, Svatantra Microfin, she has been quite successful in giving out small loans to rural households.

The Goods[18]

Indian Family Businesses have seen a rapid change in this 'only-male-driven' ideology in the recent years. As the society became more transparent towards women, it helped open more opportunities to them and they were seen as equal. Women are knocking down the stereotypes in previously male-dominated roles, taking on path-breaking jobs across sectors.

The Anthologists' Take[19]

Just as we get to hear the recent stint of Isha Ambani (the daughter of Reliance Industries promoter, Mukesh Ambani) on her way to take the organisation towards the next gen mould and to inspire more women scion into the business fraternity; it is to be understood as an assertion that women today are far more capable and responsible than their male counterparts. This can be weighed in deep respect with numerous examples of successful women in the business world.

It can be stated that if family business firms do not proactively foster gender diversity in the workplace they are poised to lose out on the economic dividends of higher corporate reputation and better talent management. To remain competitive in an increasingly globalised and diversified marketplace, the firms must bring in women's perspectives and skills.

18 https://economictimes.indiatimes.com/jobs/women-knocking-down-stereotypes-in-male-dominated-sectors/articleshow/63176816.cms; http://www.igidr.ac.in/pdf/publication/WP-2015-026.pdf; https://economictimes.indiatimes.com/news/company/corporate-trends/family-businesses-in-india-see-rise-of-women-as-promoters-and-leaders/articleshow/34067802.cms?from=mdr

19 https://economictimes.indiatimes.com/news/company/corporate-trends/family-businesses-in-india-see-rise-of-women-as-promoters-and-leaders/articleshow/34067802.cms?from=mdr;

General Dilemmas: Traditional Thinking or Out of the Box Thinking?

Traditional thinking[20] builds and behests on the assumption that views and opinions expressed should remain the same as they have been over the years and will continue to be the same in the future. This makes the pathway for managing a business rigid enough, due to having a myopic approach towards solving a problem. However, in today's ever-changing and global business environment, companies need to look at much more than just the past in order to retain their market presence.

Traditional thinking overlooks the cause and effect relationship between situations and rather focuses on the behavioural aspects of situations. It further mentions the fact of non-existence of the difference between thought and reality. It adversely affects many businesses on their way to understanding the market dynamics, to make mistakes which eventually have a negative impact in their operations.

However, it can be even argued that quite a number of family businesses in India have relied on traditional approaches of decision making over the years and are still sustaining in today's tech-savvy era. But surviving in this disruptive age, they too need to change their approach & ideology to brace with the new modernised generation.

Out of the box thinking[21] on the other hand does not rely on assumptions or conventional barriers. It helps create new paradigms and explores non-logical and uncommon ways to solve problems and create dynamic paths for businesses to survive and sustain. The "out of the box thinking" model breeds ideas that transform business models, deliver better customer satisfaction and create new positions in the market.

The Anthologists' Take

Out of the box thinking also leads to creation of new business ideas that are unconventional and destruct the market and break the competition. This lead to diversification approaches for the business and also helps strengthen the business position in the market. Therefore, if out of the box thinking is used by tradition decision makers, they can use their experience to pave a stronger path for the future of the organization and help it sustain in the years to come.

20 https://forums.onlinebookclub.org/viewtopic.php?t=3657

21 http://www.businessdictionary.com/definition/out-of-the-box-thinking.html

Bureaucracy or Informal Management

The managerial practices of an organisation in a bureaucratic style of discipline can be seen as a significant element in organisations today. In this style, the work-environment is stable, roles and duties are clear and people work on the same routines over and over. Given the fact that bureaucracy is itself unquestionable, adaptation to change becomes more difficult and alienation may start among staff especially at the bottom level of the hierarchy. In such kind of an organization, coordination is high and communication is low.

On the other hand, considering the informal way of managing people at work may improve the performance of employees. Does it translate into higher performance for organisations too? A study conducted by Baard, Ryan & Deci, (2004) consisted of 320 small businesses, half of which granted workers autonomy, the other half relying on traditional control management, found that companies that offered autonomy grew at four times the rate of control. However, employees may enjoy the freedom and autonomy of a self-managed working environment and it may in fact impact negatively on organisational goals.

The Anthologists' Take

It is important to reinforce the understanding of different organizational theories/ models/ metaphors to be able to handle with dilemmas accordingly. By looking from one perspective/ paradigm may not help understand the situation or solve a problem.

Problems in organizations can involve complexity and uncertainty at different levels. Thus, being aware of different perspectives and paradigm-shifts may help bring new angles and solutions to the organizational matters when they are needed.

Pravin Dalal School Of Entrepreneurship & Family Business Management was established to assist family owned firms to be in line with professional organizations. Being pioneers in the segment for more than a decade we understand the emerging needs of family run businesses in the growth and emergence of India as a strong nation. With an Alumni base of 1500 plus entrepreneurs from a family business background, in the last 14 years the School has taken serious initiatives and has developed expertise in Family Business and Entrepreneurship Management. The School focuses on understanding and respecting each culture and values system existing in Indian markets and brings in transformation by becoming a part of the family thereby actually doing mentoring and handholding.

The focus of the courses offered at the School, ranging from 32 weeks going to 2 years full time MBA and recently launched Integrated MBA (5 years) post 12th , remains on deeply understanding and appropriately delivering to Indian Family Businesses a strategic path to transform and grow their business while they play an important role in India’s growth.

To provide holistic and relevant information to our students, the focus is on understanding and discussing each sector, its multidimensional applicability, characteristics, survivability, proposed growth and challenges in a growing economy like India and in the global environment. Courses and initiatives undertaken at the Centre acquaint students with possible growth through Joint Ventures and Foreign collaborations. International exposure and linkages are established keeping in mind the student's objectives of global expansion and possible collaborations in the International arena.

“On Jan 6, 2017, the School received a generous endowment from Mr. Nayan Dalal of The Dalal Family Foundation (USA), in honor of his father Shri Pravin Dalal who is a successful businessman and an active social worker. In recognition of the endowment extended, the School is renamed as the ‘PRAVIN DALAL SCHOOL FOR ENTREPRENEURSHIP & FAMILY BUSINESS MANAGEMENT’.”

Achievements

- Ranked 96th **"Best Entrepreneurship"** Masters world wide- Eduniversal Rankings.
- Only Program mentioned in the McKinsey Report **"The Power of Many"** - Realizing the socio economic potential of entrepreneurs in the 21st century released at the G-20 Young Entrepreneurs Summit in Paris.

For More Information please visit http://familybusiness.nmims.edu/

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NOTES

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