



Entrepreneurial Development through Family-Owned Businesses: Ahmedabad District

Dr. Lalita M. Solanki

Head and Associate Professor, Department of Commerce Samarpan Arts and Commerce College,
Gandhinagar

Corresponding Author – Dr. Lalita M. Solanki

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Abstract:

Entrepreneurship is a very significant aspect in economic development, innovation, and creation of employment. Family-owned businesses have been traditionally regarded as a significant part of the entrepreneurial ecosystem in India, especially in the areas of the high level of tradition-based business culture. This paper analyses the contribution of family companies towards entrepreneurial growth in Ahmedabad district. The research question targets the role of family support, financial resources, and intergenerational knowledge transfer on the process of entrepreneurial development and sustainability. The quantitative research method based on survey was chosen and the findings were obtained using primary data of 70 respondents related to family business. The analysis of the data was performed using such statistical methods as One-Sample *t*-test, Pearson Correlation and Independent Sample *t*-test. The results indicate that family-owned firms play a major role in entrepreneurial motivation, knowledge sharing, and economic involvement in the area. Nonetheless, there are some moderating variables that demonstrate less significant statistical relationships with business development. Altogether, the paper suggests that family businesses are significant in establishing entrepreneurship and promoting local economic growth in the Ahmedabad district.

Keywords: Family-Owned Businesses, Entrepreneurial Development, Small and Medium Enterprises (SMEs), Family Entrepreneurship, Business Sustainability, Local Economic Growth, Ahmedabad District

Introduction:

Entrepreneurship is important in the economic development, creation of employment, and innovation in a region. Family-owned businesses have traditionally been among the most dominant types of business in India, and they have contributed to the development of the local economies of the country. Such businesses tend to integrate traditional values, long-term commitment and collective decision making which aid them to carry the businesses through the generations. Family businesses like the Ahmedabad district of Gujarat have played a

significant role in promoting entrepreneur culture and economic development in the region.

The family-owned businesses are distributed within a wide range of industry such as textile, manufacturing, retailing, services as well as small-scale industries. Family entrepreneurship is a strong tradition in Ahmedabad which is considered as one of the major commercial centres in Gujarat. The numerous thriving businesses operating in the area started as small family-owned business and through proper management, innovation and change in market conditions evolved into well established businesses. Such businesses not only

offer livelihood chances to the members of the family but also create job opportunities to the local people.

The fact that family-owned businesses can cultivate entrepreneurial capabilities within the next generations is one of the major traits of these corporations. The family members tend to learn about the business, leadership, risk-taking, etc. through being directly involved in the business processes at a very early age. This transference of knowledge across generations is very important in creating new entrepreneurs and business continuity.

Nevertheless, even though they are important family businesses also have a number of issues including succession planning, professional management, access to finance, and adjusting to the contemporary business practices. Knowledge on the contributions of family-owned enterprises to the entrepreneurial development is therefore a necessity to the policy makers, researchers and business practitioners.

In this regard, the current research will focus on analysing the role of family-owned businesses in developing entrepreneurship in the Ahmedabad district. The paper will look into the characteristics of family enterprises, how they stimulate entrepreneurship and how they develop and remain sustainable in the regional economy.

Literature Review:

Kwoba and Ebewo (2022) list managerial capability, financial and marketing management, technological adoption, and entrepreneurial orientation as the key predictors of performance in family-owned manufacturing companies, but also provide such issues as limited capital and insufficient skills and inconsistent government policies. As it is stated by **Sari, Nugroho, and Wibowo (2023)**, family economic education plays a valuable role in building entrepreneurial intentions in university students, and financial literacy and family support enhance

entrepreneurial risk-taking and confidence. On the same note, **Correa, Bajpai, and Kapoor (2024)** discover that organizational culture can play a crucial role in the performance of the family-owned businesses in India, and cultural dimensions, including hierarchy, market orientation, and entrepreneurial culture, can improve innovation, and operational performance.

Achuti (2025) demonstrates that the practices of apprenticeship help to sustain tourism enterprises owned by families because of being able to transfer skills, mentor, and develop workforce. Along with this, **Porfirio, Carrilho, and Felício (2022)** indicate that entrepreneurial intentions of family firms are well supported by family support, role modelling, and exposure to business activities. **Mthembu et al. (2023)** continue to state that these intergenerational knowledge transfers can be achieved by mentorship and exposure to business at an early age to guarantee business continuity as managerial and technical expertise is passed on to the successors.

The studies by **Zainol and Ayadurai (2011)** and **Abuzuhri, Alabdallah, and Aljarah (2023)** support the hypothesis that entrepreneurial orientation, especially innovativeness, proactiveness, and risk-taking, affect the performance and competitiveness of family-owned SMEs in a positive way that is strong. **Pistrui, Welsch and Roberts (1997)** underscore the significance of family and institutional networks in availing financial resources, mentorship and knowledge that aid development of an entrepreneurial venture.

Ogwuche and Sulaiman (2017) and **Sari, Widodo, and Setiawan (2021)** highlight innovation, marketing performance, and succession strategies as factors to enhance market share, increased sales, and sustainability of family businesses. Moreover, according to **Justice, Chiliya, and Mutshidza (2025)**, such sustainability strategies as governance,

innovation, and participative leadership can be identified. As it is demonstrated by **Al-Khawaldeh et al. (2023)**, the application of big data analytics and entrepreneurial orientation enhances competitiveness and decision-making. Lastly, **Oghojafor et al. (2011) and Dewi (2024)** also point to the significance of strategic planning and the role of family support in enhancing the development of the entrepreneurship, whereas **Baran and Sroka (2023)** focus on the new role of the women successors as the guarantor of the diversity and continuity of the leadership within the family businesses.

Research Gap:

Despite the large number of research studies done on entrepreneurship and small business development in India, few studies are specific and involve the use of family-owned business in terms of enhancing entrepreneurial development in the region. The dominant contribution of the family firms to the growth of the entrepreneurial activities of local economies is under-explored and most of the available research focuses on financial performance, succession planning or governance problems in family firms. In the context of the Ahmedabad district in particular, there is little empirical data regarding the manner in which family businesses foster entrepreneurial capabilities, generate new lines of business and economic development. Thus, this research paper tries to address this gap by examining the correlation between family business and the development of entrepreneurs in Ahmedabad district.

Research Objectives:

1. To examine the role of family-owned businesses in promoting entrepreneurial development in Ahmedabad district.
2. To examine the relationship between influencing factors such as family support,

financial resources, and experience on the growth of family-owned businesses in Ahmedabad district.

3. To examine whether family-owned businesses contribute to employment generation and local economic development in Ahmedabad district.

Research Methodology:

1. Research Design: The research design assumed in the study was both descriptive and quantitative research to explore the contribution of family-owned businesses to entrepreneurial development.
2. Area of Study: The study was carried out in Ahmedabad district of Gujarat that has a rich entrepreneurship and family business culture.
3. Nature of Data: Primary data was applied in the study, through a structured questionnaire, and secondary information was taken in form of research articles and other academic materials.
4. Sampling Method: The respondents were selected through a convenience sampling technique which was done by selecting the respondents who were women and identified with family-owned businesses.
5. Sample Size: The research gathered the answers of 70 respondents who were in a family business.
6. Data Collection Method: The Likert-scale questionnaire was used to collect data based on the statements on family support, entrepreneurial motivation, financial resources, and business development.
7. Statistical Tools Used:

The statistical methods that were used to analyse the data gathered are the following:

- One-Sample t-test
- Pearson Correlation Analysis.
- Independent Sample t-test

8. Data Analysis Software:

The SPSS software was used to undertake the statistical analysis.

Data Analysis and Interpretation:

H_{01} : Family-owned businesses have no significant role in promoting entrepreneurial development in Ahmedabad district.

H_{11} : Family-owned businesses have a significant role in promoting entrepreneurial development in Ahmedabad district.

One-Sample Statistics				
	N	Mean	Std. Deviation	Std. Error Mean
Family-owned businesses play an important role in promoting entrepreneurship in Ahmedabad district.	70	3.5714	1.17426	.14035
Family support encourages individuals to start their own businesses.	70	3.6143	1.08070	.12917
Knowledge and experience passed through family members help in developing entrepreneurial skills.	70	3.4571	1.16328	.13904
Family-owned businesses provide good opportunities for learning business management.	70	3.2429	1.14760	.13716
Success of family businesses motivates younger generations to become entrepreneurs.	70	3.5143	1.13881	.13611

One-Sample Test						
	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Family-owned businesses play an important role in promoting entrepreneurship in Ahmedabad district.	4.071	69	.000	.57143	.2914	.8514
Family support encourages individuals to start their own businesses.	4.756	69	.000	.61429	.3566	.8720
Knowledge and experience passed through family members help in developing entrepreneurial skills.	3.288	69	.002	.45714	.1798	.7345
Family-owned businesses provide good opportunities for learning business management.	1.771	69	.081	.24286	-.0308	.5165
Success of family businesses motivates younger generations to become entrepreneurs.	3.778	69	.000	.51429	.2427	.7858

The t-test was conducted in One-Sample t-test 3 to check the effect of family-owned enterprises to the growth of entrepreneurship in Ahmedabad district. The results show that the respondents would lean towards the statements that have touched the areas of the effect of family-owned businesses. The mean of most of the statements is greater than the test value of 3 that means that the respondents have a positive opinion concerning them. Some of the statements that were found to be important include the role of family businesses in promoting entrepreneurship (Mean = 3.57, $p = .000$), family support that could inspire people to start businesses (Mean = 3.61, $p = .000$) and knowledge and experience transfer in families that could inspire them to start businesses (Mean = 3.45, $p = .002$). Similarly, the success of the family businesses in motivating the younger generations to become an entrepreneur (Mean = 3.51, p

$= .000$) is also effective. However, the remark on the family business to provide the channel of learning the business management (Mean = 3.24, $p = .081$) did not prove to be significant at the 5% mark. Overall, the findings indicate that family-based businesses play a major role in the development of entrepreneurship, support, experience, and encouragement of individuals to start up and develop their own companies within Ahmedabad district.

H_{02} : There is no significant relationship between influencing factors (such as family support, financial resources, and experience) and the growth of family-owned businesses in Ahmedabad district.

H_{12} : There is a significant relationship between influencing factors (such as family support, financial resources, and experience) and the growth of family-owned businesses in Ahmedabad district.

Correlations				
		Family support encourages individuals to start their own businesses.	Financial support from family helps in starting new business ventures.	The experience of senior family members helps in effective business decision-making.
Family support encourages individuals to start their own businesses.	Pearson Correlation	1	-.142	-.080
	Sig. (2-tailed)		.240	.510
	N	70	70	70
Financial support from family helps in starting new business ventures.	Pearson Correlation	-.142	1	-.046
	Sig. (2-tailed)	.240		.703
	N	70	70	70
The experience of senior family members helps in effective business decision-making.	Pearson Correlation	-.080	-.046	1
	Sig. (2-tailed)	.510	.703	
	N	70	70	70

The Pearson correlation analysis has been carried out to suggest the relationship between the critical influencing factors that involve family

support, financial resources and experience in the family owned business in Ahmedabad district. The results indicate the weak and negative

relationships between the variables. The correlation between the family support and the financial is mentioned as -0.142 with significance value of 0.240 and the correlation of the family support and experience of the senior family members is stated as -0.080 with significant value of 0.510. This is also true of the financial support and experience of older family members which correlates with -0.046 with a significant value of 0.703. The correlations among these influencing factors are statistically insignificant because all the significance values are greater than the level of 0.05. This is a pointer that even though family

support, monetary and experiences are the important factors in family businesses, statistical analysis does not reflect that the three factors are robust and important in terms of family owned businesses development in Ahmedabad district based on the data gathered on the sample.

H₀₃: Family-owned businesses do not significantly contribute to employment generation and local economic development in Ahmedabad district.

H₁₃: Family-owned businesses significantly contribute to employment generation and local economic development in Ahmedabad district.

Group Statistics					
	Gender	N	Mean	Std. Deviation	Std. Error Mean
Entrepreneurial perception	Male	56	3.4464	.56551	.07557
	Female	14	3.5714	.71001	.18976

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Entrepreneurial perception	Equal variances assumed	2.194	.143	-.702	68	.485	-.12500	.17805	-.48028	.23028
	Equal variances not assumed			-.612	17.347	.548	-.12500	.20425	-.55528	.30528

Having a difference in gender between the entrepreneurial perception, an independent sample t-test was plotted to establish a significant contribution of family-owned business to employment opportunities and growth of the local economy in the Ahmedabad district. These results suggest that the average of the perception score among male respondents is 3.4464 and the standard deviation is 0.56551 and the average of respondents female is 3.5714 and the standard

deviation is 0.71001. Although there is a very low difference in the mean perception of the female respondents and the male respondents, there is no significant difference between the two group. Based on the Levene test of equal variances, the level of significance is 0.143 and it means that one can assume that the variances are equal. The t-test value shows that t-value = -0.702 with the significance level = 0.485 which is greater than the level of significance = 0.05. Therefore, the

perception gap between the male and female participants in the role of the family-owned business in creating job and building the local economy is statistically insignificant. It implies that there are comparatively near views of both men and women respondents in terms of the economic contribution of the family-owned businesses in the Ahmedabad district.

Conclusion:

The current paper discussed the contribution of family-owned business to the entrepreneurial development, contributing factors to the growth of the businesses, and their contribution to local economy development and growth creation in Ahmedabad district. The statistical analysis will give valuable information on the importance and understanding of family businesses in the entrepreneurship ecosystem of the area in question.

The results of the one-sample t-test indicate that the family-owned businesses are also influential in motivating entrepreneurial growth. The majority of the respondents asserted that family support, transfer of knowledge, and success of the already existing family businesses are some of the factors that encourage individuals to begin their own business. It has also been proved that experience and the advice provided by older family members have a positive effect on the acquisition of entrepreneurial qualities. Such results bring the significance of familial condition in the development of entrepreneurial attitudes and trust in people. Nevertheless, the declaration about family firms offering the possibility to learn business management was not statistically important, indicating that systematic learning of managerial activities might need the outside influence or official training.

The correlation revealed the connection between the family support, the financial resources and the experience in terms of its

influence on the development of the family-owned business. The findings showed weak correlations that were not statistically significant between these factors. Even though all these factors are normally deemed to be significant in the development of any business, the statistical indication is that they might not have strong effect once combined in the sample under research, possibly because of the difference in business structure, management style, and external market conditions.

Moreover, the independent sample t-test has shown that there is no significant difference in the perceptions of male and female respondents on the role of family business in the generation of employment and local economic development. This implies that there is a shared knowledge among the respondents that family-owned businesses are part of the economic activities and entrepreneurial opportunities in the Ahmedabad district. Altogether, the paper has found that family-owned enterprises are still a significant source of entrepreneurship and local economic participation in the area.

Recommendations:

Structured entrepreneurial training and professional management practices are the two elements that family-owned businesses should consider in order to enhance business growth and sustainability. The government and business development agencies are to offer monetary aid, entrepreneurship trainings, and policy to support family based enterprises. Educational institutions can also incorporate family business management classes to improve managerial skills with respect to the upcoming entrepreneurs. Moreover, the young entrepreneurs can be assisted with mentoring programs whereby family business owners of experience can impart the young entrepreneurs with practical knowledge and confidence. Enhancement of access to finance,

technology use and market will also contribute to the growth of family-owned businesses and their role in creating jobs and economic development in the Ahmedabad district.

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