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TOPIC OF RESEARCH: A COMPARATIVE ANALYSIS OF ENTREPRENEURIAL INTENSITY IN FAMILY AND NON-FAMILY BUSINESS FIRMS

#### FINDINGS

Entrepreneurial Intensity (EI) plays a vital role in shaping firm performance, yet existing research has largely focused on specific industries or isolated organizational forms. Limited attention has been given to comparing how EI operates within family and non-family business firms and how these differences influence firm performance. Family firms are typically characterized by long-term orientation, centralized control, and a relatively cautious approach to risk, whereas non-family firms often emphasize professional management, flexibility, and a higher tolerance for risk.

The findings reveal several important similarities between family and non-family firms in terms of how EI dimensions influence performance. In both firm types, autonomy emerges as a particularly strong driver of financial and operational performance. The effect of autonomy on financial performance is significant for family firms ( $\beta = .419$ ) as well as non-family firms ( $\beta = .517$ ), while its impact on operational performance is even stronger ( $\beta = .509$  for family firms and  $\beta = .604$  for non-family firms). These results indicate that empowering employees and managers with decision-making freedom enhances efficiency and financial outcomes, regardless of ownership structure. Proactiveness and innovativeness also display consistent positive effects across both firm types. Proactiveness significantly improves market performance in family firms ( $\beta = .689$ ) and non-family firms ( $\beta = .669$ ), highlighting the importance of forward-looking strategies and opportunity recognition. Similarly, innovativeness positively influences operational performance in both family ( $\beta = .469$ ) and non-family firms ( $\beta = .501$ ). Risk-taking further shows positive and significant effects on financial, market, and operational performance across both organizational forms. Collectively, these findings suggest that entrepreneurial practices such as employee autonomy, proactive market engagement, innovation, and calculated risk-taking are universally beneficial and form the foundation of strong firm performance.

Despite these similarities, notable differences emerge in the strength and application of EI dimensions. Non-family firms generally demonstrate stronger performance outcomes in areas such as autonomy, competitive aggressiveness, and proactiveness. The higher impact of autonomy on both financial and operational performance in non-family firms may be attributed to fewer emotional constraints and more decentralized decision-making structures. Competitive aggressiveness also shows a substantially stronger effect in non-family firms on financial ( $\beta = .563$  vs  $.377$ ) and market performance ( $\beta = .430$  vs  $.249$ ), reflecting their growth-driven orientation and willingness to challenge competitors aggressively. In contrast, family firms display relatively stronger outcomes in innovativeness, particularly with respect to financial performance ( $\beta = .551$  vs  $.514$ ), suggesting a more consistent ability to convert innovation into long-term financial gains.

From a managerial perspective, family firms should focus on enhancing EI by encouraging delegation, professionalization, and the active involvement of younger family members and external managers. Reducing excessive centralization can improve adaptability and innovation. Family firms can also strengthen competitive aggressiveness by leveraging digital technologies, forming strategic alliances, and focusing on niche markets where trust and long-term relationships provide an advantage. Risk aversion can be addressed through structured experimentation, incremental innovation, and investment in research and development, while maintaining the firm's legacy and reputation. Non-family firms, on the other hand, should sustain their entrepreneurial advantage by promoting autonomy through flexible structures, reduced bureaucracy, and incentive systems that reward innovation. While competitive aggressiveness is a strength, it should be balanced with ethical considerations and long-term value creation. Continuous market scanning, investment in emerging technologies, and learning from failure can further strengthen innovativeness and proactiveness.

In conclusion, the study demonstrates that EI significantly enhances firm performance in both family and non-family business firms, though the pathways and intensities differ. Recognizing these differences enables managers to design context-specific entrepreneurial strategies that foster innovation, competitiveness, and sustained long-term success.