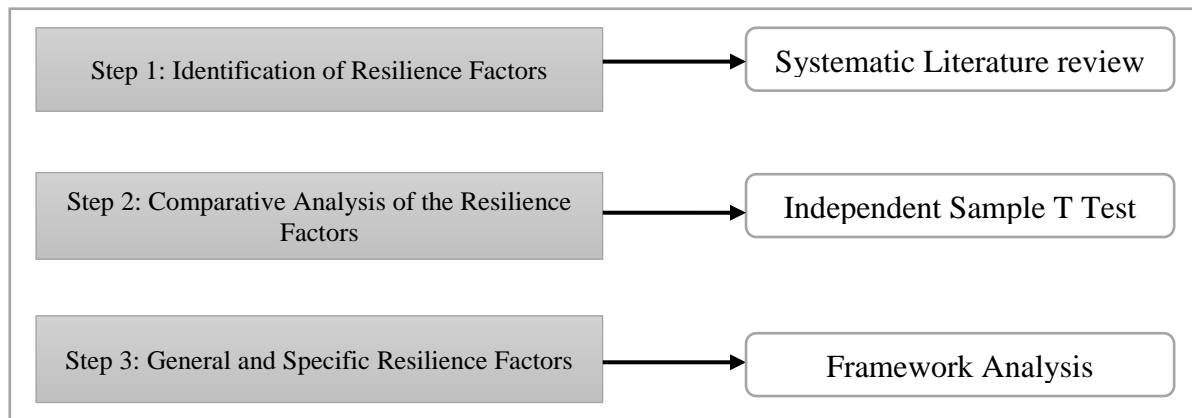


CHAPTER-VI

Resilience Factors of Family and Non-Family Business - A Comparative Analysis

6.1. Introduction

Resilience in business is a critical factor that determines the ability of a business to withstand and recover from crises. Family Business (FB) and Non-Family Business (NFB) exhibit varying degrees of resilience due to differences in ownership structure, decision-making processes, and resource mobilization. This chapter presents a comparative analysis of resilience factors between FB and NFB using an independent t-test on 29 resilience-related parameters. The results provide insights into key areas where these business types differ, contributing to the broader understanding of crisis management and sustainability in business contexts. Additionally, the study identifies both general resilience factors that contribute to long-term business stability and those specific to the challenges posed by the COVID-19 pandemic. These pandemic-specific resilience factors highlight how businesses adapted to sudden disruptions, financial constraints, and shifts in consumer behaviour. By analysing these aspects, the study develops a comprehensive framework for Family Business Resilience (FBR), offering strategic insights into strengthening businesses against future crises. This chapter has five parts. The first part (*Section 6.1*) is the introduction. The next part (*Section 6.2*) discusses the identification of resilience factors. The third section (*Section 6.3*) compares resilience factors between FB and NFB. the fourth part (*Section 6.4*) discusses the specific and general resilience factors. Last, the fifth part (*Section 6.5*) discusses the chapter summary. Below an overview of the analyses to be conducted for Objective 1 is depicted in the form of a diagram (Figure 6.1) for better understanding:

Figure 6.1: Overview of the Analysis for Objective 3

Source: Compiled by the Researcher

6.2. Identification of Resilience Factors

To identify key resilience factors in FB, a Systematic Literature Review (SLR) was conducted. This review examined existing research on resilience and identified 29 statements related to resilience (Prasad & Roy, 2024).

6.3. Comparative Analysis of Resilience Factors

To assess differences in resilience factors between FB and NFB, an independent samples t-test was conducted. This analysis examined 29 resilience-related statements, which had been categorized into four key dimensions through exploratory factor analysis. This comparative analysis provided insights into how resilience factors differ between these two types of businesses, highlighting potential strengths or vulnerabilities unique to each group.

(i) Categorization of T-Test Results

The results of the independent sample T-test were organized into three categories based on the statistical significance and direction of the mean difference: (i) significant differences where FB perform better, (ii) significant differences where NFB perform better, and (iii) no significant differences between FB and NFB. This categorization offers a clearer picture of which resilience factors are more prominent in FB, which are stronger in NFB, and which are commonly shared across both types of businesses. Furthermore,

the analysis highlights (iv) the most important resilience factors for FB as well as (v) the major divergences in resilience practices between FB and NFB, as discussed below.

I. Significant Difference (FB Perform Better)

This category includes resilience factors where FB demonstrate significantly higher mean scores compared to NFB. A significant p-value ($p < 0.05$) confirms that FB exhibit stronger resilience in these aspects. The results (Table 6.2) demonstrate that FB exhibit stronger resilience than NFB across multiple dimensions. The analysis reveals statistically significant differences, with FB consistently scoring higher across various resilience factors. The p-values are all below 0.05, confirming the statistical significance of these differences. The following sections provide a detailed interpretation of each resilience factor where FB outperform NFB.

Table 6.1 presents the resilience factors where FB demonstrated significantly higher mean scores compared to NFB.

Table 6.1: Significant Resilience Factors with Higher Mean in FB

Parameters	FB Mean (SD)	NFB Mean (SD)	t	df	p	Mean difference	Interpretation
1. Free support from family members	5.64 (1.33)	3.88 (1.57)	16.05	583.7	0.00	1.76	Significant Difference
2. Use of family members personal asset	5.52 (1.36)	3.29 (1.40)	21.99	739	0.00	2.24	Significant Difference
3. Securing a new loan with family members private assets	5.01 (1.33)	2.89 (1.27)	21.77	739	0.00	2.12	Significant Difference
4. Family members providing monetary support	5.04 (1.31)	2.92 (1.30)	21.66	739	0.00	2.12	Significant Difference
5. Family members working without pay	5.41 (1.33)	4.03 (1.58)	12.47	578.17	0.00	1.38	Significant Difference
6. Family members agreeing to delay remuneration	5.57 (1.28)	3.97 (1.47)	15.36	594.72	0.00	1.60	Significant Difference
7. Continued presence of family members in the business help to quickly manage the crisis	5.04 (1.17)	3.73 (1.17)	15.72	739	0.00	1.31	Significant Difference
8. Members/Employees ability to identify new opportunities	4.87 (1.49)	3.52 (1.41)	12.45	739	0.00	1.35	Significant Difference
9. Member/Employees capacity to work harder in times of crisis	5.31 (1.35)	3.52 (1.72)	15.2	551.25	0.00	1.79	Significant Difference
10. Employee's loyalty and commitment	5.29 (1.35)	2.90 (1.11)	26.15	719.72	0.00	2.38	Significant Difference
11. Retaining valuable employees in tight labour markets while paying them less than competitors	5.32 (1.41)	3.64 (1.5)	15.54	739	0.00	1.68	Significant Difference
12. Easy access to financial assistance in the community during crisis	5.65 (1.26)	3.39 (1.51)	21.44	576.45	0.00	2.25	Significant Difference
13. Easy access to technical assistance in the community during crisis	5.52 (1.31)	3.29 (1.53)	20.68	590.39	0.00	2.23	Significant Difference
14. Strong and longstanding relationship with external stakeholders	5.67 (1.31)	4.43 (1.61)	10.42	565.88	0.00	1.16	Significant Difference
15. Long term involvement of family members	5.34 (1.20)	3.81 (1.61)	14.06	530.18	0.00	1.53	Significant Difference
16. Healthy relationship between employer and employees	5.58 (1.7)	3.95 (1.70)	14.52	500.84	0.00	1.63	Significant Difference
17. Focus on long-term goals over short term goals	5.50 (1.12)	3.61 (1.56)	18.19	517.8	0.00	1.89	Significant Difference
18. Clear vision and focus on goals during uncertainty	5.61 (1.10)	4.6 (1.48)	10.16	531.65	0.00	1.01	Significant Difference
20. Free flow of communication in the organisation	5.53 (1.17)	4.8 (1.41)	7.38	575.46	0.00	0.73	Significant Difference
21. Variety of measures to cope with crisis	5.29 (1.16)	3.9 (1.49)	13.61	549.23	0.00	1.38	Significant Difference
22. Effective conflict management during crisis	5.29 (1.17)	3.91 (1.48)	13.57	554.14	0.00	1.38	Significant Difference
23. Fast reactivity in crisis situation	5.40 (1.11)	4.27 (1.48)	11.41	533.61	0.00	1.14	Significant Difference
24. Less formal control and flexible work structure	5.47 (1.20)	4.47 (1.54)	9.52	545.06	0.00	1.00	Significant Difference
25. Employees participation in decision making	5.09 (1.45)	3.68 (1.58)	12.35	617.99	0.00	1.41	Significant Difference

Source: Compiled by the researcher

The following section presents a structured discussion of the significant resilience factors identified in Table 6.2, where FB reported substantially higher mean values compared to NFB. Each subsection below elaborates on how these statistically significant differences illustrate the unique strengths of FB in Assam.

1. Financial and Emotional Support from Family Members- Financial Capital

FB significantly benefit from financial and emotional support from their family members during crises.

- a) *Free Support from Family Members:* The mean score for free support from family members is notably higher for FB (5.64, SD = 1.33) compared to NFB (3.88, SD = 1.57), with a mean difference of 1.76 ($t = 16.05$, $p = 0.00$). This finding suggests that family members actively contribute to the business without expecting immediate financial returns, creating a strong informal support system that enhances both financial stability and emotional resilience during challenging times.
- b) *Use of Family Members' Personal Assets for Business Continuity:* FB heavily rely on the personal assets of family members to ensure business continuity, a practice significantly less common in es. The mean score for the use of family members' personal assets is notably higher in FB (5.52, SD = 1.36) compared to NFB (3.29, SD = 1.40), with a mean difference of 2.24 ($t = 21.99$, $p = 0.00$). This finding highlights that FB have greater access to personal financial resources, which serve as a critical buffer during crises, whereas NFB often lack such readily available support.
- c) *Securing a new loan with family members' private assets:* FB demonstrate a strong willingness to pledge family members' private assets to secure new loans, reflecting their deep-rooted commitment to sustaining the business. The mean score for this practice is significantly higher in FB (5.01, SD = 1.33) compared to NFB (2.89, SD = 1.27), with a mean difference of 2.12 ($t = 21.77$, $p = 0.00$). This finding underscores the high level of financial interdependence within FB, where family members are more inclined to take personal financial risks to support business continuity, a practice far less prevalent in es.

- d) *Family members providing monetary support during crises:* FB benefit from internal financial support as family members readily provide monetary assistance during crises, reducing reliance on external funding. This is reflected in the significantly higher mean score for FB (5.04, SD = 1.31) compared to NFB (2.92, SD = 1.30), with a mean difference of 2.12 ($t = 21.66$, $p = 0.00$). In contrast, NFB primarily depend on external financing sources, making them more vulnerable to financial instability during crises.

2. Contribution of Family Members to Business Operations - Organisation Culture

- a) *Family members working without pay during crises:* FB have a distinct advantage in crisis situations, as family members willingly contribute their time and effort without immediate compensation, ensuring business continuity. This is evident from the significantly higher mean score for FB (5.41, SD = 1.33) compared to NFB (4.03, SD = 1.58), with a mean difference of 1.38 ($t = 12.47$, $p = 0.00$). This unpaid support helps FB reduce labour costs and sustain operations during financial hardships.
- b) *Family members agreeing to delay remuneration during financial distress:* FB effectively manage cash flow during crises by having family members agree to delay remuneration, reducing immediate financial burdens. This is reflected in their significantly higher mean score (5.57, SD = 1.28) compared to NFB (3.97, SD = 1.47), with a mean difference of 1.60 ($t = 15.36$, $p = 0.00$). In contrast, NFB face greater challenges in meeting employee salary obligations due to a lack of such internal flexibility.
- c) *Continued presence of family members helps in crisis management:* FB benefit from the continued presence of family members, which helps preserve institutional knowledge and ensure business continuity during crises. This advantage is reflected in their significantly higher mean score (5.04, SD = 1.17) compared to NFB (3.73, SD = 1.17), with a mean difference of 1.31 ($t = 15.72$, $p = 0.00$). This stability enables FB to respond more effectively to challenges compared to their non-family counterparts.

3. Employee Commitment and Workforce Resilience- Human Capital

- a) *Employees' ability to identify new opportunities:* Employees in FB demonstrate a higher capacity to identify new business opportunities compared to those in es, as reflected in the significantly higher mean score (4.87, SD = 1.49) versus (3.52, SD = 1.41), with a mean difference of 1.35 ($t = 12.45$, $p = 0.00$). This proactive approach contributes to the resilience and adaptability of FB in dynamic market conditions.
- b) *Employees' capacity to work harder during crises:* The strong sense of ownership and responsibility in FB fosters greater employee commitment and effort, as evidenced by the significantly higher mean score (5.31, SD = 1.35) compared to NFB(3.52, SD = 1.72), with a mean difference of 1.79 ($t = 15.20$, $p = 0.00$). This heightened dedication enables FB to navigate crises more effectively.
- c) *Employee loyalty and commitment:* Employees in FB demonstrate significantly higher loyalty (FB Mean = 5.29, SD = 1.35; NFB Mean = 2.90, SD = 1.11), with a mean difference of 2.38 ($t = 26.15$, $p = 0.00$). This loyalty is driven by close relationships, long-term job security, and alignment with family values, which are less prevalent in NFB.

4. Access to External Resources and Community Support- Social Capital

- a) *Easy access to financial assistance from the community:* FB benefit from stronger connections with local financial networks (FB Mean = 5.65, SD = 1.26; NFB Mean = 3.39, SD = 1.51), with a mean difference of 2.25 ($t = 21.44$, $p = 0.00$), enabling them to secure funding more easily than NFB.
- b) *Easy access to technical assistance from the community:* FB benefit from stronger social and business networks (FB Mean = 5.52, SD = 1.31; NFB Mean = 3.29, SD = 1.53), with a mean difference of 2.23 ($t = 20.68$, $p = 0.00$), enabling them to access expertise and resources more effectively during crises.

5. Strategic Orientation and Leadership Resilience - Organisation Culture

- a) *Focus on long-term goals over short-term goals:* FB prioritize long-term sustainability over immediate financial gains (FB Mean = 5.50, SD = 1.12; NFB

Mean = 3.61, SD = 1.56), with a mean difference of 1.89 ($t = 18.19$, $p = 0.00$), making them more stable than NFB.

- b) *Clear vision and goal focus during uncertainty*: FB leadership maintains strategic clarity (FB Mean = 5.61, SD = 1.10; NFB Mean = 4.60, SD = 1.48), with a mean difference of 1.01 ($t = 10.16$, $p = 0.00$), enabling them to navigate crises more effectively than NFB.
- c) *Employees' participation in decision-making*: FB foster an inclusive decision-making culture (FB Mean = 5.09, SD = 1.45; NFB Mean = 3.68, SD = 1.58), with a mean difference of 1.41 ($t = 12.35$, $p = 0.00$), leading to higher employee engagement and resilience compared to NFB.

II. Significant Difference (NFB Perform Better)

This category comprises resilience factors where NFB have significantly higher mean scores than FB. The findings from **Table 6.3** indicate that NFB significantly outperform FB in two key resilience factors:

1. Clearly Defined Roles and Responsibilities (26)
2. External Collaboration (29)

The p-values for both factors are 0.00 ($p < 0.05$) (Table 6.2), indicating statistically significant differences. This suggests that NFB have advantages in professional management structures and external networking, which contribute to their resilience during crises.

Table 6.2: Significant Resilience Factors with Higher Mean in NFB

Parameters	FB Mean (SD)	NFB Mean (SD)	t	df	p	Mean difference	Interpretation
26. Clear defined roles and responsibilities	4.82 (1.14)	5.56 (1.02)	-8.96	739	0.00	0.73	Significant Difference
29. External Collaboration	2.63 (1.48)	3.30 (1.40)	-6.24	739	0.00	0.67	Significant Difference

Source: Compiled by the researcher

The following discussion interprets the significant resilience factors where NFB exhibit superior performance, as highlighted in Table 6.3.

- a) *Clearly Defined Roles and Responsibilities (26)*: The mean score for clearly defined roles and responsibilities is 4.82 (SD = 1.14) for FB and 5.56 (SD = 1.02) for NFB. The t-value of -8.96 and degrees of freedom (df) = 739.00 indicate a statistically significant difference, with a p-value of 0.00 ($p < 0.05$). The mean difference of 0.73, with a 95% confidence interval ranging from 0.08 to 0.89, confirms that NFB have significantly clearer role definitions compared to FB. The results indicate that NFB demonstrate a significantly higher level of clarity in defining roles and responsibilities compared to FB. A structured approach to role allocation is a key characteristic of NFB, as they tend to have formalized job descriptions, well-established hierarchies, and accountability mechanisms. In contrast, FB often operate with informal role allocations, overlapping responsibilities, and decision-making influenced by family dynamics, which can create inefficiencies. The presence of clear role differentiation in NFB enables faster decision-making, improves operational efficiency, and ensures business continuity during crises.
- b) *External Collaboration (29)*: The mean score for external collaboration is 2.63 (SD = 1.48) for FB and 3.30 (SD = 1.40) for NFB, indicating that NFB engage in external collaboration more actively than FB. The t-value of -6.24 and degrees of freedom (df) = 739.00 confirm a statistically significant difference, with a p-value of 0.00 ($p < 0.05$). The mean difference of 0.67, with a 95% confidence interval ranging from -0.88 to -0.46, further supports this finding. This suggests that NFB are more proactive in forming alliances, partnerships, and engaging with external stakeholders, which enhances their ability to access resources, industry networks, and innovative solutions during crises. In contrast, FB may rely more on internal networks and traditional business practices, which could limit their ability to adapt quickly to external challenges. Strengthening external collaboration could help FB improve their resilience and competitiveness in dynamic market conditions.

III. No Significant Difference Between FB and NFB.

This category includes resilience factors where the t-test results show no statistically significant difference between FB and NFB. A p-value greater than 0.05 suggests that both types of businesses exhibit similar levels of resilience for these factors. This finding

indicates that certain resilience factors are universally applicable, regardless of business ownership structure.

Table 6.3: Resilience Factors with No Significant Difference Between FB and NFB

Parameters	FB Mean (SD)	NFB Mean (SD)	t	df	p	Mean difference	Interpretation
19. Viewing challenges as opportunities	5.23 (1.12)	5.3 (1.25)	0.8	799	0.42	0.07	No Significant Difference
27. Government support	2.61 (1.61)	2.75 (.83)	-1.41	739	0.16	-0.13	No Significant Difference
28. Industry Support	2.40 (1.41)	2.54 (1.40)	-1.36	739	0.17	-0.14	No Significant Difference

Source: Compiled by the researcher

The findings from table 6.3 indicate that there is no significant difference between FB and NFB in terms of three key resilience factors:

- a) **Viewing Challenges as Opportunities (19):** The mean scores for FB (5.23, SD = 1.12) and NFB (5.30, SD = 1.25) are very similar, with a t-value of 0.80, df = 799.00, and a p-value of 0.42 ($p > 0.05$), indicating that both types of businesses perceive challenges as opportunities at comparable levels. This suggests that regardless of ownership structure, businesses recognize the importance of adaptability and resilience when facing adversity.
- b) **Government Support (27):** The mean scores for FB (2.61, SD = 1.61) and NFB (2.75, SD = 0.83) show slight variation, but the t-value of -1.41, df = 739.00, and p-value of 0.16 ($p > 0.05$) indicate no statistically significant difference. This suggests that both FB and NFB receive similar levels of government support, implying that policy measures and assistance programs do not favour one type of business over the other.
- c) **Industry Support (28):** The mean scores for FB (2.40, SD = 1.41) and NFB (2.54, SD = 1.40) are closely aligned, with a t-value of -1.36, df = 739.00, and a p-value of 0.17 ($p > 0.05$), again showing no significant difference. This finding suggests that both FB and NFB experience similar levels of support from industry networks, suppliers, and trade associations.

Overall, the lack of significant differences across these resilience factors suggests that certain external support mechanisms and mindsets toward resilience are universally applicable to both FB and NFB. This highlights the need for tailored strategies beyond ownership structures to strengthen resilience in businesses facing crises.

IV. Most Important Resilience Factors for FB

The most important resilience factors for FB are identified based on the highest mean scores. These factors indicate critical strengths that contribute to the sustainability and crisis resilience of FB. The results, as shown in Table 6.4, highlight four key factors where FB significantly outperform NFB, with statistically significant differences ($p < 0.05$).

Table 6.4: Most Critical Resilience Factors for FB

Parameters	FB Mean (SD)	NFB Mean (SD)	t	df	p	Mean difference	Interpretation
1. Free support from family members	5.64 (1.33)	3.88 (1.57)	16.05	583.7	0.00	1.76	Significant Difference
12. Easy access to financial assistance in the community during crisis	5.65 (1.26)	3.39 (1.51)	21.44	576.45	0.00	2.25	Significant Difference
14. Strong and longstanding relationship with external stakeholders	5.67 (1.31)	4.43 (1.61)	10.42	565.88	0.00	1.16	Significant Difference
18. Clear vision and focus on goals during uncertainty	5.61 (1.10)	4.6 (1.48)	10.16	531.65	0.00	1.01	Significant Difference

Source: Compiled by the researcher

The following discussion elaborates on the most critical resilience factors where FB exhibit significantly higher strengths than their non-family counterparts, as identified in Table 6.5.

- a) **Free Support from Family Members (1):** FB exhibit a higher mean score of 5.64 (SD = 1.33) compared to NFB at 3.88 (SD = 1.57). The t-value of 16.05 and p-value of 0.00 indicate a significant difference, with a mean difference of 1.76 (95% CI: 1.55, 1.98). This suggests that family support is a crucial resilience factor for

FB, as family members often contribute time, labour, and resources without formal compensation, enhancing business stability during crises.

- b) ***Easy Access to Financial Assistance in the Community During Crisis (12)***: FB report a mean score of 5.65 (SD = 1.26), significantly higher than 3.39 (SD = 1.51) for NFB. The t-value of 21.44 and p-value of 0.00 indicate a strong statistical difference, with a mean difference of 2.25 (95% CI: 2.04, 2.45). This highlights that FB have stronger community ties, allowing them to access financial support more easily during crises, whether through informal lending, community networks, or local financial institutions.
- c) ***Strong and Longstanding Relationships with External Stakeholders (14)***: The mean score for FB is 5.67 (SD = 1.31) compared to 4.43 (SD = 1.61) for NFB. The t-value of 10.42 and p-value of 0.00 confirm a significant difference, with a mean difference of 1.16 (95% CI: 0.94, 1.38). This suggests that FB maintain strong, trust-based relationships with suppliers, customers, and other external stakeholders, which enhances their ability to navigate economic uncertainties and sustain long-term business operations.
- d) ***Clear Vision and Focus on Goals During Uncertainty (Q18)***: FB score 5.61 (SD = 1.10), significantly higher than 4.60 (SD = 1.48) for NFB. The t-value of 10.16 and p-value of 0.00 indicate a significant difference, with a mean difference of 1.01 (95% CI: 0.82, 1.21). This demonstrates that FB have a long-term strategic vision, allowing them to remain focused on their goals even in times of crisis. The ability to align business decisions with family values and legacy-oriented goals may contribute to this resilience factor.

The results indicate that FB benefit from strong internal and external support systems, which significantly enhance their crisis resilience. Family support, access to financial assistance, strong stakeholder relationships, and a clear vision during uncertainty are the four most important resilience factors for FB. These findings highlight the unique advantages of FB in leveraging social capital, long-term relationships, and a shared sense of purpose to withstand external shocks.

V. Major Divergences in Resilience Between FB and NFB

The resilience factors with the greatest divergence are identified based on the highest mean difference. The findings reveal a significant disparity in employee loyalty and commitment between FB and NFB. FB report a considerably higher mean score ($M = 5.29$, $SD = 1.35$) compared to NFB ($M = 2.90$, $SD = 1.11$), with a mean difference of 2.38 (table 6.5). The t -value of 26.15 and a p -value of 0.00 indicate that this difference is statistically significant. Additionally, the 95% confidence interval (2.20 to 2.57) reinforces the reliability of this result.

Table 6.5: Major Divergences in Resilience Between FB and NFB

Statements	FB Mean (SD)	NFB Mean (SD)	t	df	p	Mean difference	Interpretation
10. Employee's loyalty and commitment	5.29 (1.35)	2.90 (1.11)	26.15	719.72	0.00	2.38	Significant Difference

Source: Compiled by the researcher

This suggests that employees in FB demonstrate significantly greater loyalty and commitment than those in NFB. The close-knit structure of NFB, long-term employment relationships, and strong personal connections between owners and employees likely contribute to this higher level of dedication. In contrast, NFB may face higher employee turnover and weaker emotional ties to the organization. This finding highlights the impact of family-driven values, trust, and job security in fostering employee commitment within FB.

6.4. General and Specific Resilience Factors

After identifying the key resilience factors, a second questionnaire was developed focusing on five main dimensions: social capital, human capital, financial capital, organisational culture, and external assistance derived from the previous analysis. This questionnaire aimed to further classify resilience strategies into two categories: general resilience factors (those adopted regardless of crises) and specific resilience factors (those adopted specifically during the COVID-19 pandemic). Framework analysis was applied to the responses of 30 participants (15 from FB and 15 from NFB) to identify and categorize these strategies accordingly. All five dimensions, human capital, social capital, financial

capital, organizational culture, and external assistance are treated as resilience factors in this study, each contributing uniquely to business resilience

6.4.1. Human Capital as Resilience Factor

Human capital plays a crucial role in shaping the resilience of both FB and NFB, particularly during crises like COVID-19. However, the approaches taken by these businesses differ significantly.

FB exhibit a strong emphasis on employee loyalty and internal hiring, viewing their workforce as an extension of the family. One respondent stated, *"Our employees are like family. Even during tough times, we supported them because they have been with us for years."* This sense of loyalty led many FB to retain employees even during financial difficulties. Instead of layoffs, businesses opted for reallocating workers to different roles, as highlighted by another response: *"Instead of letting go of workers, we assigned them to different tasks until things improved."* The commitment to employee welfare over personal profits was also evident in financial decisions. Some business owners personally absorbed financial shocks to support their employees, as one stated: *"We cut our own salaries to ensure workers were paid."* This approach reinforced trust and long-term relationships, with another respondent noting, *"We treated our workers like family, which is why they stayed loyal during hard times."* Beyond crisis management, FB also focus on successor development and continuous employee training. A respondent shared, *"We train our next generation early so they understand the business values and practices,"* indicating a long-term investment in human capital. Another response emphasized ongoing learning: *"We continuously upgrade our skills and invest in employee training."*

In contrast, NFB follow a performance-based and cost-efficient approach to human capital management. During crises, they had to make difficult workforce reductions, as one business stated: *"We had to let go of staff due to financial constraints. Employee retention is harder in a competitive environment."* Cost-cutting strategies often included downsizing, as highlighted in the response: *"We had to reduce our workforce temporarily to sustain the business."* Unlike FB, NFB relied on market-based hiring and temporary staffing. One respondent explained, *"We bring in skilled workers as needed,"* while another noted, *"We hired temporary staff to manage fluctuations in demand."* The focus was primarily on flexibility and adaptability rather than long-term

employee relationships. While NFB invested in digital training programs, their employees showed lower willingness to take on extra responsibilities during tough times. As one response stated, *"Employees hesitated to take on additional responsibilities during tough times."* Furthermore, financial struggles led to delayed salary payments, which negatively impacted morale: *"We had to delay salary payments, which led to employee dissatisfaction and resignations."* A key challenge for NFB was employee commitment and trust. Some employees left during the crisis because they did not feel valued, as one response noted: *"During the crisis, some employees left because they didn't feel a sense of ownership in the business."* Additionally, there was low trust in employees, as highlighted in the statement: *"We don't trust employees enough to give them decision-making power."* The comparative analysis for human capital is shown in the form of a matrix in table 6.6.

Table 6.6: Comparative Matrix for Human Capital

Factor	FB General Theme	FB Specific Theme	NFB General Theme	NFB Specific Theme
Human Capital	Employee loyalty and internal hiring	Prioritization of employees over personal profits	Market-based hiring and workforce flexibility	Workforce reduction due to financial stress
	Employee commitment and trust	Commitment to worker welfare	Short-term workforce adjustments	Downsized to cut costs
	Successor development	Reallocated employees to different roles	Performance-based employment policies	Lower willingness for extra effort from employees
	Ongoing learning and capacity building	Flexible work arrangements	Digital learning adaptation	Lack of employee commitment
			Low trust in employees	Financial struggles affecting workforce morale

Source: Compiled by researcher

6.4.2. Social Capital as Resilience Factor

Social capital plays a crucial role in the resilience of businesses, influencing their ability to navigate crises and sustain long-term growth. The findings indicate that FB and NFB differ in how they leverage social capital to enhance business continuity and stability.

FB tend to rely heavily on long-standing relationships with suppliers and the local community to ensure business stability. A respondent from a FB highlighted the importance of supplier trust, stating, *"Our suppliers allowed us extended credit periods because of long-standing relationships."* This suggests that strong relational ties provide financial flexibility, which can be particularly beneficial during economic downturns or crises. Additionally, supplier collaboration appears to be a key strategy, as noted in the response, *"We invest in maintaining strong relationships with our suppliers, which helps in times of crisis."* This aligns with prior research suggesting that trust-based relationships enable businesses to access critical resources when needed (Erdem & Atsan, 2015; Shi et al., 2015; Sundaramurthy, 2008). During the COVID-19 pandemic, FB displayed adaptability by expanding their local supplier networks when global supply chains were disrupted. One respondent stated, *"We expanded our local supplier network when supply chains were disrupted,"* reflecting a community-oriented approach that allowed businesses to maintain operations despite external shocks. Similarly, strong community ties helped in customer retention, as one business owner shared, *"Our longstanding relationships with the community helped us maintain customer loyalty during lockdown."* This demonstrates that FB use social capital not only for supplier relations but also for customer engagement, reinforcing business resilience.

Another notable aspect of social capital in FB is community involvement. A participant mentioned, *"We support local community events, which strengthens our customer base and loyalty."* Such engagement suggests that FB view social capital as a two-way process while they gain customer loyalty, they also contribute to strengthening the community, fostering long-term business sustainability. In contrast, NFB appear to rely on a more professionalized and strategic approach to social capital. A respondent from a NFB noted, *"We rely on external consultants for specialized business strategies."* This highlights a preference for professional networks over informal relational ties, indicating that NFB may prioritize expert advice and structured decision-making processes to

enhance their competitive advantage. Additionally, business-to-business collaborations are a dominant theme in NFB' use of social capital. One respondent stated, "*We formed strategic partnerships with suppliers to ensure a steady supply chain.*" This approach suggests that while NFB may not have the same deep-rooted relational ties as FB, they compensate by forming strategic alliances that offer stability and operational efficiency.

The findings suggest that FB primarily leverage social capital through trust-based relationships, community ties, and long-term collaborations, whereas NFB take a more structured and strategic approach, relying on professional networks and formal partnerships. FB' reliance on relational social capital provides resilience in crises, while NFB benefit from structured collaborations that offer agility and efficiency.

Table 6.7 presents a comparative matrix that outlines the general and crisis-specific themes of social capital across both types of businesses, highlighting the distinctive ways each group mobilizes their networks to navigate challenges.

Table 6.7: Comparative Matrix for Social Capital

Factor	FB General Theme	FB Specific Theme	NFB General Theme	NFB Specific Theme
Social Capital	Long-term supplier trust and collaboration	Strengthened local business ties (during crises)	Professionalized decision-making process	Strategic supplier partnerships
	Community-based business resilience	Community involvement in business	Business to business collaboration	Reliance on external consultants for strategies

Source: Compiled by the researcher

6.4.3. Financial Capital as Resilience Factor

Financial capital plays a crucial role in ensuring business sustainability, especially during crises like COVID-19. However, the way businesses manage financial resources varies significantly between FB and NFB. While FB leverage their social networks and long-term financial planning, NFB rely more on institutional funding and cost-cutting strategies. The following discussion explores these differences in detail, highlighting how financial capital was managed in both types of businesses based on respondents' experiences.

FB have a unique advantage in financial resilience due to their strong social and community ties. These businesses rely on internal financial networks, such as family members and close associates, to maintain liquidity during difficult times. Unlike NFB, which often turn to banks and external funding sources, FB use informal lending and resource pooling to navigate financial challenges. During the COVID-19 pandemic, many FB sought financial assistance from their extended families and community connections. One business owner explained how their relatives played a vital role in sustaining the business: *"Our relatives helped with additional funding and customer outreach during covid-19."* Similarly, another respondent highlighted the role of informal loans from family and friends in keeping the business afloat: *"Relatives and friends extended informal loans to help us during lockdown."* These responses illustrate that FB often turn to their social networks for financial support rather than seeking formal institutional loans. This approach minimizes debt obligations and allows businesses to sustain operations with flexible repayment terms. Unlike NFB, which operate as separate legal entities, FB often integrate personal and business finances. This integration allows them to pool financial resources when needed. A respondent shared: *"Our extended family pooled money to keep the business running."* This demonstrates a collective financial resilience strategy, where multiple family members contribute to the survival of the business during crises. This model ensures that financial stress is distributed among the family rather than being shouldered solely by the business itself. Although FB prioritize survival during crises, they also focus on long-term financial stability. Many respondents mentioned strategic financial decisions, such as postponing expansion plans and cutting unnecessary expenses. One business owner explained: *"We postponed expansion plans and instead focused on sustaining existing operations."* Another respondent described their strategy to optimize financial resources: *"We reduced non-essential expenses and reinvested in core operations."* These statements reflect a strategic shift from growth to survival, demonstrating how FB adopt conservative financial strategies in uncertain times. Beyond crisis management, FB emphasize financial planning and diversification to reduce long-term risks.

One respondent stated: *"We diversify our business operations to avoid over-reliance on a single income source."* This approach ensures that businesses are not entirely dependent on one revenue stream, reducing vulnerability during economic downturns. Additionally, many FB maintain emergency funds as a financial safeguard. A respondent shared: *"We*

maintain emergency funds to prepare for unexpected disruptions." This proactive financial strategy highlights the importance of long-term planning in FB. By prioritizing financial security over short-term profitability, FB build resilience that helps them sustain operations during crises.

In contrast to FB, NFB depend more on formal financial institutions and external support systems. These businesses follow a structured, market-driven approach to financial management, prioritizing external funding, cost-cutting, and short-term financial strategies. NFB are less likely to rely on personal financial networks and instead seek financial assistance from government programs and banks. One respondent explained: *"We needed government subsidies to pay our suppliers."* Similarly, another business owner emphasized how institutional loans were crucial for survival: *"Without government loans, we would have had to shut down."* These responses highlight the dependence of NFB on external financial support, making them more vulnerable to financial policy changes and loan availability during crises.

NFB often adopt aggressive cost-cutting strategies to maintain financial stability. One of the common approaches is outsourcing non-core business functions to reduce expenses. A respondent shared: *"We outsourced non-core functions to reduce costs."* Another respondent mentioned adjusting salaries and incentives based on market trends: *"We adjusted salaries and incentives to match market trends."* Unlike FB, which reinvest in core operations, NFB focus on short-term cost reductions to maintain financial performance. During the pandemic, NFB prioritized short-term financial goals over long-term sustainability. One respondent noted: *"We focused on short-term profitability rather than long-term sustainability during the crisis."* This approach differs significantly from FB, which often sacrifice short-term gains to secure long-term financial stability. Additionally, NFB relied on external negotiations to reduce operational costs. A respondent explained: *"We negotiated rental agreements with landlords to reduce fixed costs."* This highlights how NFB actively seek external financial flexibility rather than relying on internal financial reserves. These findings indicate that FB are more financially resilient in times of crisis due to their reliance on internal financial networks and long-term planning. In contrast, NFB are more dependent on external funding and market-driven financial strategies, making them more vulnerable to economic downturns.

Table 6.8 presents a comparative matrix that outlines the general and crisis-specific themes of financial capital across both types of businesses, highlighting contrasting approaches each adopts to ensure financial continuity during turbulent times.

Table 6.8: Comparative Matrix for Financial Capital

Factor	FB General Theme	FB Specific Theme	NFB General Theme	NFB Specific Theme
Financial Capital	Reliance on family and community networks	Relatives and friends provided informal loans during crises	Dependence on government and institutional funding	Government subsidies and bank loans were crucial for survival
	Collective financial resilience	Extended family pooled money to sustain business operations	Cost-cutting strategies	Outsourced non-core functions to reduce expenses
	Strategic financial adjustments	Reduced non-essential expenses and reinvested in core areas	Short-term financial survival	Focused on short-term profitability over long-term sustainability
	Long-term financial sustainability	Maintained emergency funds and diversified business operations	External financial flexibility	Negotiated rental agreements to reduce fixed costs

Source: Compiled by the researcher

6.4.4. Organisational Culture as Resilience Factor

Organizational culture plays a significant role in shaping decision-making, adaptability, and resilience in businesses. The responses from FB and NFB owners and managers reveal distinct differences in how these businesses function, particularly in times of crisis such as the COVID-19 pandemic. The discussion below is structured based on key themes identified from the responses.

FB demonstrate a high degree of agility in decision-making due to fewer bureaucratic layers. One respondent from a FB emphasized this flexibility, stating, *"Decisions are quick because we don't have corporate red tape."* Another respondent highlighted the advantage of direct communication with trusted members, saying, *"We consult family members and trusted employees for major decisions."* This contrasts with NFB, where hierarchical

structures often slow down the decision-making process. One NFB respondent shared, *"Company policies required board approval before making major changes, which slowed down our response."* Similarly, another respondent from a NFB noted, *"We had to wait for approvals before changing operational procedures."* This suggests that while NFB may have structured and consistent decision-making mechanisms, they lack the agility that FB enjoy during crises. The ability to quickly adjust operations during a crisis is another distinguishing factor between FB and NFB. A FB respondent highlighted their rapid shift in operations during the pandemic, stating, *"Since we had control over decisions, we immediately set up an online ordering system."* Another respondent from a FB mentioned how their business swiftly pivoted its focus, *"Since we don't have corporate policies, we immediately shifted our focus to domestic tourism when international travel stopped."* In contrast, NFB required structured planning and approval processes before implementing similar changes. One respondent mentioned, *"We switched to an online inventory system to manage supply chain issues."* While this adaptation was beneficial, it came with delays due to formal approval processes. These differences underscore the ability of FB to make immediate changes without bureaucratic constraints. FB often prioritize long-term sustainability over short-term financial gains, which is deeply embedded in their organizational culture.

One respondent from a FB stated, *"Our business prioritizes long-term sustainability over short-term profits."* Another emphasized the role of family values in ensuring business stability, *"Our family values emphasize perseverance and unity, which keeps the business stable."* NFB, on the other hand, tend to follow strategic market-driven decisions. One NFB respondent highlighted, *"We expanded into new markets after analysing data-driven trends."* Another noted their approach to efficiency, *"We invested in automation to reduce dependency on manual labour."* These responses indicate that while FB rely on traditional values and generational sustainability, NFB prioritize market trends and technological advancements to maintain competitiveness.

Both FB and NFB recognize the importance of technology in enhancing efficiency, but their approaches differ. A NFB respondent noted, *"We implemented online workflow systems."* Another respondent from a NFB highlighted their commitment to digital efficiency, *"We invested in automation to reduce dependency on manual labour."* FB, on the other hand, tend to focus on digital transformation when necessary, often as a

reactionary measure rather than a proactive strategy. While NFB systematically integrate technology, FB implement technological changes primarily to maintain operational continuity.

The organizational culture in FB and NFB significantly impacts their resilience, decision-making, and adaptability. FB are more flexible, allowing them to make quick decisions, adapt to market changes, and sustain long-term visions based on family values. NFB while structured and efficient, often face delays due to hierarchical decision-making but make strategic, data-driven choices that enhance long-term sustainability. Understanding these differences provides valuable insights for businesses looking to enhance resilience and efficiency in times of crisis.

Table 6.9 presents a comparative matrix outlining the general and crisis-specific organizational culture themes observed in FB and NFB, offering insights into their unique strengths and operational philosophies.

Table 6.9: Comparative Matrix for Organisation Culture

Factor	FB General Theme	FB Specific Theme	NFB General Theme	NFB Specific Theme
Organisation Cultural	Fast and Flexible Decision-Making	Quick Adaptation to Market Changes	Slow and Bureaucratic Decision-Making	Delays in Decision-Making
	Adaptive Leadership	Rapid Digital Adaptation	Hierarchical Structures	Structured Digital Transformation
	Long-Term Vision	Family Values and Commitment	Strategic Market Approach	Efficiency-Driven Decision-Making
	Employee Engagement in Decision-Making	Trust-Based Leadership	Rigid Formal Structure	No Employee Involvement
	Quick Operational Adjustments	Emphasis on Perseverance and Unity	Procedural Constraints in Crisis	Approval-Dependent Crisis Management
		Shift to Domestic Market during Crisis	Market-Oriented Growth Strategies	Data-Driven Expansion Strategies

Source: Compiled by the researcher

6.4.5. External Assistance as Resilience Factor

External assistance played a crucial role in business resilience during the COVID-19 crisis, but FB and NFB approached it differently. FB generally avoided relying on institutional support, instead choosing self-sustaining financial strategies. One respondent stated, *“We chose not to take a loan; instead, we adjusted business expenses internally.”* This reflects a preference for financial independence and adaptability in crisis situations. Another FB owner shared, *“We managed on our own but took a small loan for safety,”* indicating a reluctance to depend on government aid, even when assistance was available. In contrast, NFB relied heavily on formal financial support systems. Many turned to government relief programs, as one respondent noted, *“Government relief funds helped us keep the business afloat.”* Others sought industry-specific aid, saying, *“We applied for industry-specific government support, which helped cover fixed costs.”* However, challenges arose due to bureaucratic inefficiencies, as one business owner explained, *“We applied for government assistance, but delays made it difficult to sustain operations.”* Additionally, some respondents highlighted their complete dependence on institutional support, with statements such as, *“We had no personal backup, just institutional aid,”* and *“There was no one to step in and help during the crisis; everything depended on institutional support.”*

These responses underscore the fundamental difference in resilience strategies. FB leveraged internal financial adjustments and personal networks to navigate the crisis, whereas NFB relied on external aid but struggled with access barriers. Policymakers should consider streamlining financial assistance processes for NFB while also supporting FB through flexible financial tools that align with their preference for self-sufficiency.

Table 6.10 presents a comparative matrix that captures the general and crisis-specific external assistance themes across FB and NFB.

Table 6.10: Comparative Matrix for External Assistance

Factor	FB General Theme	FB Specific Theme	NFB General Theme	NFB Specific Theme
External Assistance	Financial independence, self-reliance	Avoided reliance on external financial support	Dependence on external financial aid	Government reliance for financial stability
	Preference for internal financial adjustments	Reluctance to rely on government aid	Limited personal backup, relied on financial institutions	Bureaucratic hurdles in obtaining aid
	Informal financial support network	Took minimal loans only as a safety measure	Lack of informal financial support networks	Dependence on formal financial support systems

Source: Compiled by the researcher

Key Observation and Insights

FB tend to have stronger social and human capital, leveraging internal trust, community relationships, and family-driven leadership for resilience. They exhibit higher employee loyalty, succession stability, and informal skill development, fostering long-term financial planning and conservative risk-taking. Their crisis response relies on strong internal networks and personal ties rather than external funding or government support. In contrast, NFBs are more structured and professionalized, emphasizing external partnerships, market-driven strategies, and formal training programs. They demonstrate higher risk-taking, decentralized decision making, and greater utilization of government support and industry collaboration. During crisis, they depend on external investors, professional networks, and strategic alliances, making them more adaptable to external shocks but less rooted in long-term relational stability. Overall, FB prioritize continuity and internal strength, while NFB focus on flexibility and external resource mobilization for resilience.

Table 6.11 offers a consolidated comparison of resilience factors across FBs and NFBs, synthesizing key themes from earlier analyses. It highlights critical differences in human capital, social capital, financial practices, organizational culture, and reliance on external assistance demonstrating how each business type adopts distinct strategies to navigate crises and sustain operations. It presents these insights in a structured format, enabling a clearer understanding of their respective resilience mechanisms.

Table 6.11: Comparative Analysis of Resilience Factors in FB and NFB

Factors	Aspect	FB	NFB
Human Capital	Employee Loyalty	High	Moderate
	Leadership Stability	Strong Succession Planning	Frequent Leadership Changes
	Skill Development	Family based training	Formal training programme
	Employee Participation in decision making	High	Low
	Crisis Response Capability	Flexible role adaptation	Structured but less flexible
Social Capital	Trust and Relationships	Strong internal trust	Professional relationships
	Community Involvement	High	Moderate
	Business Networks	Family-based ties	Industry-based Network
	Customer Loyalty	High due to long term relationship	Market driven loyalty
	Crisis Support from Networks	Strong informal support	Linked external Support
Financial Capital	Funding Sources	Family savings, reinvestment	Bank Loans, external investors
	Risk taking ability	Conservative	Higher risk-taking
	Financial Planning	Long term focus	Short to medium term focus
	Crisis Financial Management	Rely on family reserves	Depend on external funding
	Government Support Utilization	Low	High
Organisational Culture	Decision-making	Centralised (family-driven)	Decentralised (professionalised)
	Work Environment	Personalised, close-knit	Structured, formal
	Employee retention strategy	Emotional and relational incentives	Performance based incentives
	Crisis Response Strategy	Informal, experience-driven responses	Formalized protocols, structured contingency plans
External Assistance	Government support access	Limited utilization	Active engagement
	industry Collaboration	Low	High
	Supplier and Partner Networks	Strong family based ties	Market driven partnership
	Crisis Response Support	Informal, internal adjustments	Strategic alliances, external advisors

Source: Compiled by the researcher

6.5. Chapter Summary

This chapter examines the third objective of the study, which focuses on identifying resilience factors in FB and comparing them with NFB. The discussion highlights the key resilience factors where FB perform better, those where NFB excel, and the factors where no significant difference is observed between the two business types. Additionally, the chapter identifies the most critical resilience factors for FB and explores the major divergences in resilience strategies between FB and NFB. Lastly, both general and specific resilience factors, including those adopted during the COVID-19, are analysed.

From the analysis, it is observed that there exists a significant difference in resilience approaches between FB and NFB. FB demonstrate higher resilience in areas such as financial conservatism, employee loyalty, informal decision-making, and community-based financial support. Their ability to leverage family and social networks plays a crucial role in their crisis management strategies. On the other hand, NFB exhibit greater adaptability in terms of strategic shifts, structured financial management, performance-based workforce retention, and formalized crisis response mechanisms. The findings further reveal that some resilience factors, such as digital adoption and operational flexibility, are commonly practiced across both business types. The most important resilience factors for FB include financial discipline, strong social capital, and long-term vision, while NFB rely more on structured financial instruments, market-driven adaptability, and professionalized decision-making. The analysis of COVID-19-specific resilience factors further underscores these differences, with FB depending more on internal resources and informal support systems, while NFB were more proactive in seeking external funding and implementing structured crisis management strategies. These distinctions highlight the unique strengths and challenges of each business type in navigating crises and ensuring long-term sustainability. Overall, the chapter provides a comprehensive understanding of resilience in FB and NFB, offering valuable insights into their distinct approaches to crisis management and long-term sustainability. In the upcoming chapter, the findings and conclusions of the study are described and discussed.