

Five Reasons Family Businesses will Embrace Leadership when the Pandemic Recedes

By Priyanka Gupta Zielinski - 2020-06-30

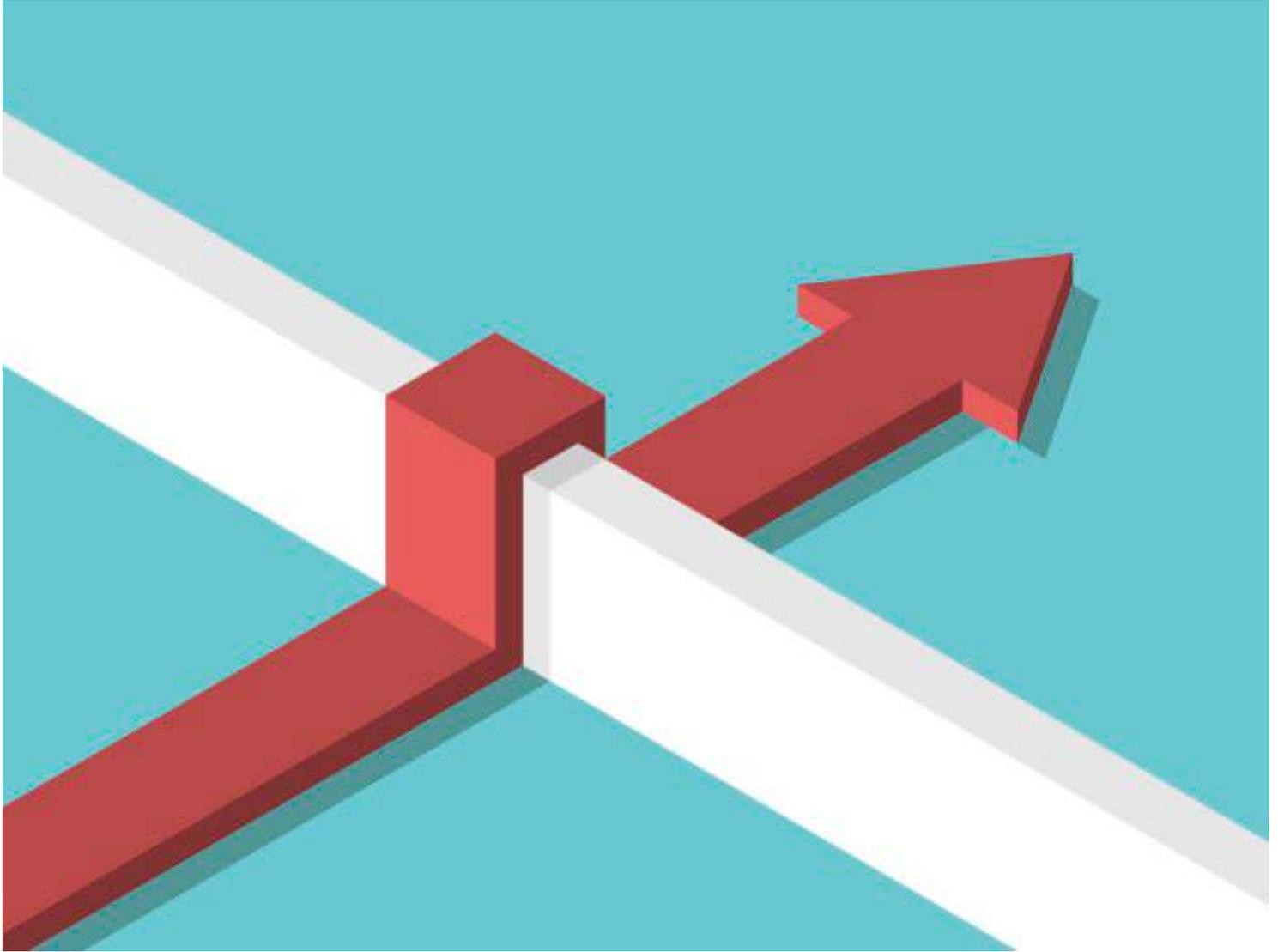


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Over the past two months, I have watched my father and husband work tirelessly to protect and retain our staff, pay their wages and bolster their spirits. Throughout the ordeal, we've been part of a community of family businesses in our circle, applying the logic that similar challenges have shared solutions.

These transformative conversations have me convinced that family businesses are more from a post-pandemic economic crisis; they will emerge as leaders in their respective industries for the following reasons why:

1. Frugality will be Celebrated

The family business mentality is, typically, uncomplicated: watch the costs, and the profit rudimentary business practices can, in fact, be viewed as frugality, innovation, and astute businesses as unprofessional and far from modern, criticising them for counting every penny as stingy or particularly tightfisted. Of course, there may be some who fit the negative stereotype, but family businesses demonstrate far more responsibility and accountability toward their business than large corporations. The family name is directly attached to the firm's reputation, the stakes are high. The business represents their livelihood, reputation and legacy. Therefore, there is a careful reassessment of spending and acting in an organized, thoughtful, and responsible manner.

2. Small will be the New Big

Despite their small size, family businesses play a significant role in keeping local, regional economies strong. The family element with family-managed SMEs and you get a deep network of personal and professional communities engaged, active, employed, productive and connected in a way that corporations cannot. Family businesses offer multi-dimensional fulfilment along professional, personal, and familial dimensions that corporations cannot.

A common criticism lobbed at family businesses is that they are unsystematic in their approach to conducting business haphazardly. It is true that, compared to larger organizations, a small business may not have a specific network of policies and procedures in place. However, their less rigid approach and the fact that a "family person" is directly involved with the business. Decisions can be made quickly, and negotiations can move forward. These firms do not face as much red tape as large corporate entities are. They are able to get to the bottom of issues they face. Their "unconventional" approach to business is a source of innovation in the face of limited resources; this creativity will be celebrated, not condemned.

3. Local will be Focal

With many travel and transport restrictions in place, local companies, businesses and economies will experience economic growth. People will appreciate and support that which is immediately around them. Family-owned businesses will invest more in exploring their own neighbourhoods. Family businesses will leverage how and the historical context to leverage for this increase in all things local.

4. Staff Retention will Become Crucial

In successful family businesses, employees are considered family members, which helps them do their work. It also helps foster informal support networks. This sense of community and support, independence, trust, and satisfaction of employees, inspiring them to contribute even more.

Family businesses, known for their emphasis on relationships and people, have historical advantages at a closer level. They will be best suited to retain labour and staff and emerge as the employers of choice when workers have returned home, and job security reigns supreme.

5. Agility will be Key

Unlike corporations that will need to rebuild from the ground up on much larger scales, family businesses have the flexibility to regroup, refresh, and rebuild in a more agile way. Moreover, given the fact that family businesses often have more independent leadership, the leadership in the company has more independence to make the critical decisions in response to market realities.

Corporations may be trying to guarantee shareholder value first and foremost during the pandemic, but they must focus not only on their bottom line, but also on their employees and long-term sustainability. Family businesses in the Gulf have already pivoted to assemble and produce personal protective equipment, ventilators and other needed materials to help fight the virus.

Whenever the pandemic finally begins to recede, family businesses will be at the forefront. Hopefully all firms, regardless of size, will have learned to be more resilient, adaptable, and

can take their cues from family businesses.



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