

# Family-Owned or -Managed Higher Education Institutions: A Special Kind of Governance

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Boston College  
Lynch School of Education

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FAMILY-OWNED OR -MANAGED HIGHER EDUCATION INSTITUTIONS: A SPECIAL  
KIND OF GOVERNANCE

Dissertation by

EDWARD WOONG SHIK CHOI

submitted in partial fulfillment  
of the requirements of the degree of  
Doctor of Philosophy

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## **ABSTRACT**

### **FAMILY-OWNED OR -MANAGED HIGHER EDUCATION INSTITUTIONS: A SPECIAL KIND OF GOVERNANCE**

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Dissertation Chair: Hans de Wit

The family ownership context has been investigated across many business settings, within the manufacturing, trade, and services industries. The consensus among scholars has been that families that own and operate firms act in self-serving ways and frame organizational problems and make decisions with the primary goal of satisfying the family's affective needs, i.e., preserve or augment what is referred to as socioemotional wealth. However, the theoretical reasoning of socioemotional wealth theory may fall apart in traditional university settings, where self-serving behaviors may lead to (pronounced) agency conflict. Universities have been long understood for their politicized governance environs in which multiple stakeholder groups have representation in decision-making. Within this reality, families involved in higher education management may be challenged to act self-servingly and protect or enhance certain socioemotional wealth. They may need to act in altruistic ways to avoid agency conflict. I investigate whether this is the case through a single, critical case study approach conducted at one family-owned or -managed university in India. I rely on what Yin (2003) refers to as "rival explanation as patterns" to test socioemotional theory relative to a rival theoretical framework. I ask the important question of whether this rival theory can address the limitations of socioemotional wealth theory when applied to the higher education context. As expected, findings generally suggest that where socioemotional wealth theory fails to capture family decision-making behaviors, the rival theory is relevant. This finding is important to consider and has several implications to theory, practice, and future research. Importantly, the findings support

that current family-owned business theorizing is not enough to capture family decision-making behaviors in the context of traditional university settings.

## ACKNOWLEDGEMENTS

This study goes beyond the mere academic exercise of fulfilling the requirements of a doctoral degree. Driving this study is a deeper conviction connected to my family's heritage. This heritage began with my grandfather, who seeking to develop areas devoid of postsecondary options and industry, founded a number of educational institutions in the provincial areas of South Korea. Among these institutions is a four-year university and a two-year college. While my grandfather is no longer with my family, his legacy lives on in the work of my father who now is the president of the university. Eventually, I am to succeed my father as the university's third-generation president. Following my grandfather and father's path is not so much a process of *choosing* a career, but one cultivated into existence over time and through myriad personal and meaningful encounters with my grandfather and father, as well as the faculty and staff working at our university.

This dissertation comes at an opportune time where I am now preparing for my eventual leadership transition in earnest. Completing this dissertation was a deeply personal process that I believe brings me one step closer to fulfilling my vocational purpose. Thus, I take a moment here to recognize the people who have inspired and helped me along the way.

First and foremost, I would like to thank Dr. Hans de Wit as the chair of my dissertation committee. Your mentorship, encouragement, and unwavering support, especially during my site visit but throughout the whole process, were invaluable. Completing my dissertation would not have been possible without your guidance and support. My deepest thanks to you. I also wish to extend equal appreciation to the members of my dissertation committee, Dr. Philip G. Altbach and Dr. Andrés Castro Samayoa. Thank you for patience in working with me, and inspiring me, to produce a dissertation that I am proud of. My sincere thanks to the both of you.

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## TABLE OF CONTENTS

|  |     |
|--|-----|
| <b>TABLES AND FIGURES</b> .....  | vii |
| <b>CHAPTER 1: INTRODUCTION</b> .....                                     | 1   |
| <b>Introduction</b> .....  | 1   |
| <b>Focus of Study and Research Questions</b> .....                       | 2   |
| <b>Statement of Problem</b> .....  | 5   |
| <b>Significance</b> .....  | 7   |
| <b>Definition of Key Terms</b> .....                                     | 9   |
| <b>Overview</b> .....  | 12  |
| <b>CHAPTER 2: LITERATURE REVIEW</b> .....                                | 14  |
| <b>Introduction</b> .....  | 14  |
| <b>Existing Literature</b> .....   | 14  |
| <b>The Family-Owned Business</b> .....                                   | 15  |
| A Definition of the Family Firm.....                                     | 16  |
| Socioemotional Wealth Theory.....  | 20  |
| The Positive View of SEW.....  | 27  |
| The Negative View of SEW.....  | 29  |
| <b>Private Higher Education and Family Ownership</b> .....               | 32  |
| <b>Prototypical Higher Education Characteristics</b> .....               | 34  |
| Missional Ambiguity, Competing Interests, and Stakeholder Diversity..... | 35  |
| Complexity of Organizational Structure and Culture.....                  | 39  |
| Shared Governance and a Legacy of Faculty Empowerment.....               | 41  |
| <b>Problematizing Socioemotional Wealth Theory</b> .....                 | 44  |
| <b>Stakeholder Theory—A better Fit?</b> .....                            | 51  |
| Power, Competition, and Conflict.....                                    | 53  |
| Complexity and Disjointedness in Decision-Making.....                    | 56  |
| Constituent Participation in Governance.....                             | 56  |
| Social Obligation and Environmental Cognizance.....                      | 58  |
| <b>CHAPTER 3: METHODOLOGY</b> .....                                      | 61  |
| <b>Introduction</b> .....  | 61  |
| <b>Research Design</b> .....   | 62  |
| <b>Methods</b> .....   | 66  |
| Sampling Procedure.....  | 66  |
| Sampling Criteria.....   | 68  |
| Interview Participants.....  | 71  |
| Data Collection.....   | 75  |
| Gaining Access.....  | 77  |
| Interviews.....  | 77  |
| Documentation.....   | 78  |
| Direct Observation.....  | 79  |
| Case Study Database.....   | 80  |
| <b>Data Analysis</b> .....   | 81  |



|   |     |
|---|-----|
| <b>Confidentiality and Risk</b> .....   | 87  |
| <b>CHAPTER 4: INDIA’S HIGHER EDUCATION SYSTEM</b> .....   | 89  |
| <b>Introduction</b> .....   | 89  |
| <b>Overview of Higher Education in India</b> .....  | 89  |
| <b>Institution Types and Numbers</b> .....  | 90  |
| <b>Admissions, Access, and Equity</b> .....   | 92  |
| <b>Funding</b> .....  | 94  |
| Government-Funding.....   | 94  |
| Self-Financing.....   | 96  |
| Trends in Funding.....  | 96  |
| <b>External Governance</b> .....  | 98  |
| Private Sector Regulation.....  | 100 |
| Deemed-Status Regulation.....   | 102 |
| <b>Conclusion</b> .....   | 106 |
| <b>CHAPTER 5: GRAND HALL UNIVERSITY</b> .....   | 107 |
| <b>Introduction</b> .....   | 107 |
| <b>Vision and Mission Statements</b> .....  | 107 |
| <b>A Brief History</b> .....  | 107 |
| <b>Current Picture</b> .....  | 109 |
| <b>Governing Bodies</b> .....   | 110 |
| The Trust and the Managing Committee.....   | 111 |
| Board of Management.....  | 112 |
| Academic Council.....   | 114 |
| Board of Studies.....   | 116 |
| <b>Hierarchy of Governing Authorities</b> .....   | 116 |
| <b>Profiles of Key Positions</b> .....  | 117 |
| <b>Interview Participants</b> .....   | 120 |
| <b>Conclusion</b> .....   | 123 |
| <b>CHAPTER 6: THE HIGHER EDUCATION DIMENSION OF GRAND HALL<br/>UNIVERISTY</b> .....                           | 124 |
| <b>Introduction</b> .....   | 124 |
| <b>Organizational Complexity</b> .....  | 125 |
| Large Size and Diversity.....   | 125 |
| Specialized Functions.....  | 126 |
| <b>Missional Ambiguity, Competing Interests, Organizational Conflict, and<br/>Stakeholder Diversity</b> ..... | 128 |
| Stakeholder Diversity.....  | 129 |
| Competing Interests and Organizational Dissent.....   | 134 |
| <b>Accountability to the Government</b> .....   | 137 |
| Program Controls, Salary Controls, and Facility Controls.....   | 138 |
| <b>Shared Governance and Faculty Empowerment</b> .....  | 140 |
| The Need for Shared Governance at GHU.....  | 141 |
| Shared Governance via Two Decision-making Chains.....   | 142 |

|  |     |
|--|-----|
| Shared Governance via Representation on Governing Authorities.....             | 145 |
| Shared Governance via Different Governing Authorities Working Together.....    | 147 |
| <b>Conclusion</b> .....  | 149 |
| <b>CHAPTER 7: THE FAMILY-BASED DIMENSION OF GRAND HALL</b>                     |     |
| <b>UNIVERSITY</b> .....  | 151 |
| <b>Introduction</b> .....  | 151 |
| <b>Family Influence</b> .....  | 151 |
| Family Influence as Indicated by Controlling Key Leadership Positions.....     | 151 |
| Family Influence as Indicated by Family Members Assuming Multiple Roles.....   | 155 |
| <b>Identification with Firm</b> .....  | 159 |
| Psychological Connection.....  | 160 |
| Shared Reputation.....   | 161 |
| Higher Emotional Involvement of Family Members.....                            | 162 |
| <b>Binding Social Ties</b> .....   | 164 |
| Proactive Stewardship of Relational Capital.....                               | 164 |
| Relationships Built on Trust and Respect.....                                  | 165 |
| Fair Treatment.....  | 166 |
| <b>Emotional Attachments</b> .....   | 169 |
| Negative Emotional Attachments.....  | 170 |
| Spillover of Emotional Attachments into Business Affairs.....                  | 171 |
| <b>Renewal (Family-Based Succession)</b> .....                                 | 172 |
| Importance of Family-Based Succession.....                                     | 173 |
| Mentorship of Successor.....   | 175 |
| Process of Family-Based Succession at GHU.....                                 | 177 |
| <b>Conclusion</b> .....  | 180 |
| <b>CHAPTER 8: THE INTERSECTION OF THE FAMILY SYSTEM AND THE</b>                |     |
| <b>HIGHER EDUCATION SYSTEM</b> .....   | 181 |
| <b>Introduction</b> .....  | 181 |
| <b>Factors Resisting Family Influence</b> .....                                | 182 |
| Organizational Complexity as a Factor Restricting Family Agency.....           | 183 |
| Stakeholder diversity, Competing Interests, and Missional Ambiguity as a       |     |
| Factor Restricting Family Agency.....  | 187 |
| Government and Society as a Factor Restricting Family Agency.....              | 196 |
| Shared Governance as a Factor Restricting Family Agency.....                   | 199 |
| <b>Factors Resisting Renewal</b> .....   | 205 |
| Organizational Complexity as a Factor Challenging Family-Based Succession..... | 206 |
| Stakeholder diversity, Competing Interests, and Missional Ambiguity as a       |     |
| Factor Challenging Family-Based Succession.....                                | 207 |
| Government and Society as a Factor Challenging Family-Based Succession.....    | 211 |
| Shared Governance as a Factor Challenging Family-Based Succession.....         | 212 |
| <b>Conclusion</b> .....  | 213 |
| <b>CHAPTER 9: THE FAMILY'S DECISION-MAKING APPROACH AT GRAND</b>               |     |
| <b>HALL UNIVERSITY</b> .....   | 215 |

|   |     |
|---|-----|
| <b>Introduction</b> .....   | 215 |
| <b>Investigative Approach</b> .....   | 216 |
| <b>The Family’s Approach to Decision-Making where Subcultures Preclude Institutional Coherence</b> .....                                    | 217 |
| Family Influence.....   | 218 |
| <b>The Family’s Approach to Decision-Making where Nonfamily Stakeholders use their Power to Influence the Decision-Making Process</b> ..... | 225 |
| Family Influence.....   | 225 |
| Renewal.....  | 236 |
| <b>The Family’s Approach to Decision-Making where Government Regulatory and Social Pressures are Pronounced</b> .....                       | 240 |
| Family Influence.....   | 240 |
| Renewal.....  | 248 |
| <b>The Family’s Approach to Decision-Making within the Governance Reality of Shared Governance</b> .....                                    | 249 |
| Family Influence.....   | 250 |
| <b>Is this the Whole Picture?</b> .....   | 261 |
| The Administrative Decision-Making Chain.....   | 262 |
| Family Values as a Driver of Decision-Making.....   | 268 |
| <b>Conclusion</b> .....   | 274 |
| <br>  |     |
| <b>CHAPTER 10: DISCUSSION AND CONCLUSION</b> .....  | 278 |
| <b>Introduction</b> .....   | 278 |
| <b>Summary of Findings</b> .....  | 279 |
| <b>Significance of Findings and Theoretical Implications</b> .....  | 283 |
| <b>Stakeholder Theory as a Complimentary Framework</b> .....  | 286 |
| <b>Generalizability of Findings</b> .....   | 291 |
| <b>Implications to Practice</b> .....   | 293 |
| <b>Limitations</b> .....  | 294 |
| <b>Future Research</b> .....  | 299 |
| <b>Conclusion</b> .....   | 302 |
| <br>  |     |
| <b>REFERENCES</b> .....   | 306 |
| <br>  |     |
| <b>APPENDICES</b> .....   | 325 |
| <b>Appendix A: Electronic Letter to Interview Participants</b> .....  | 325 |
| <b>Appendix B: Interview Protocol (for nonfamily)</b> .....   | 326 |
| <b>Appendix C: Interview Protocol (for family)</b> .....  | 329 |
| <b>Appendix D: Consent Form</b> .....   | 332 |

## TABLES AND FIGURES

### Tables

|           |  |     |
|-----------|--|-----|
| Table 1.0 | Interview Participants.....  | 72  |
| Table 1.1 | Funding by Institution Type.....   | 95  |
| Table 1.2 | India's Statutory Bodies and their Functions.....  | 99  |
| Table 1.3 | Managing Committee, 2018-19.....   | 112 |
| Table 1.4 | Board of Management, 2018-19.....  | 113 |
| Table 1.5 | Academic Council, 2018-19.....   | 115 |
| Table 1.6 | Interview Participants.....  | 120 |
| Table 1.7 | Family Representation on Governing Authorities.....  | 153 |
| Table 1.8 | Calculation of Relative Power Circles for GHU Stakeholder Groups.....  | 193 |
| Table 1.9 | Decision-Making by the Managerial Family of Grand Hall University.....   | 217 |
| Table 2.0 | The Family's Decision-Making Approach (with respect to family influence and within the governance reality of organizational complexity)..... | 221 |
| Table 2.1 | The Family's Decision-Making Approach (with respect to family influence and within the governance reality of stakeholder diversity).....     | 230 |
| Table 2.2 | The Family's Decision-Making Approach (with respect to renewal and within the governance reality of stakeholder diversity).....              | 238 |
| Table 2.3 | The Family's Decision-Making Approach (with respect to family influence and under government and social accountability).....                 | 244 |
| Table 2.4 | The Family's Decision-Making Approach (with respect to renewal and under government and social accountability).....                          | 249 |
| Table 2.5 | The Family's Decision-Making Approach (with respect to family influence and within the governance reality of shared governance).....         | 256 |
| Table 2.6 | Socioemotional Wealth Theory vs Stakeholder Theory.....  | 276 |
| Table 2.7 | Socioemotional Wealth Theory vs Stakeholder Theory.....  | 287 |

### Figures

|            |  |     |
|------------|--|-----|
| Figure 1.0 | Dual Nature/Continuum of Socioemotional Wealth Outcomes.....                     | 31  |
| Figure 1.1 | Code-to-theme Model.....   | 85  |
| Figure 1.2 | Analysis Process.....  | 87  |
| Figure 1.3 | Organizational Structure of Governing Authorities.....                           | 117 |
| Figure 1.4 | Simplified Organizational Chart.....   | 122 |
| Figure 1.5 | Horizontal Governance via Representation on Governing Authorities.....           | 146 |
| Figure 1.6 | Centrality of GHU's Pro-chancellor.....  | 157 |
| Figure 1.7 | Family-Family-Based Reporting within GHU.....                                    | 158 |
| Figure 1.8 | Perceived Decision-Making Power for Academic Decisions.....                      | 190 |
| Figure 1.9 | Perceived Decision-Making Power for Administrative Decisions.....                | 191 |
| Figure 2.0 | Decision-Making Power of Faculty.....  | 192 |
| Figure 2.1 | Distribution of Power Among Stakeholders Regarding Academic Decisions.....       | 194 |
| Figure 2.2 | Distribution of Power Among Stakeholders Regarding Administrative Decisions..... | 194 |

|            |  |     |
|------------|--|-----|
| Figure 2.3 | Distribution of Power Among Stakeholders for Non-specified Decision-Making.....                                | 196 |
| Figure 2.4 | Distribution of Power Among Stakeholders Regarding Academic Decisions.....                                     | 234 |
| Figure 2.5 | Distribution of Power Among Stakeholders Regarding Administrative Decisions.....                               | 234 |
| Figure 2.6 | Criteria Driving the Decision-Making Behaviors of the Managerial Family at Grand Hall University.....          | 270 |
| Figure 2.7 | Criteria Driving the Decision-Making Behaviors of the Managerial Family at Grand Hall University.....          | 274 |
| Figure 2.8 | Diffusion of Family Influence in Grand Hall University.....  | 282 |
| Figure 2.9 | Comprehensive Theoretical Framework to Understand Decision-Making in Family-Owned or Managed Universities..... | 290 |

## CHAPTER 1: INTRODUCTION

### Introduction

To the common understanding, university control falls under governments, nonprofit boards of trustees, for-profit corporations, or even powerful academic senates. As discussed by many scholars (e.g., Brubacher & Rudy, 1997; Austin & Jones, 2015; Dobbins et al., 2011; Hirsch & Weber, 2001; Minor, 2004; Shattock, 2014), these forms of control dominate practice across public and private sectors, globally.

However, there is a model of control or management that also may be found globally without the awareness of the academic community. This model concerns universities and colleges within the private higher education sector that are owned and operated by families. These universities are called family-owned or -managed institutions (FOMHEIs). I define a FOMHEI as an institution governed and/or managed by a family unit whose intention is to shape the institution according to a distinct family vision in a manner that is potentially sustainable across successive familial generations. I explain how I arrive at this definition in the literature review. This special class of institutions share a number of characteristics with nonfamily universities, or those controlled by the government, nonprofit boards, or academic senates. For example, there are nonprofit boards of trustees in FOMHEIs. FOMHEIs can also be for-profit in status just like many nonfamily counterparts. However, FOMHEIs, while sharing these characteristics, may be distinguished for having a fundamentally unique trait not found in nonfamily types. FOMHEIs are ultimately controlled by a family unit. In the case of FOMHEIs with a nonprofit board of trustees, the managerial family typically controls the board. And in the case of for-profit FOMHEIs, the family controls the for-profit company that the university or

college has affiliation. In other words, the managerial involvement of a family unit sets FOMHEIs apart from nonfamily types. This is quite unique, as we will learn in this study.

### **Focus of Study and Research Questions**

The purpose of this dissertation is to investigate and profile the decision-making behaviors and intent of families involved in higher education ownership or management. The study's thrust comes from the assumption that families involved in traditional university ownership or management (nonprofit universities) may behave differently from the normative decision-making patterns espoused by what is referred to as socioemotional wealth theory. This theory is found in the family firm literature and assumes that families involved in business ownership and management frame organizational problems and make decisions according to whether they gain or lose socioemotional wealth (SEW). According to Berrone et al. (2012), SEW may be understood as the nonfinancial endowments of a family-owned firm and broken into five distinct, but related components: family influence, identity with the firm, binding social ties or relational capital, emotional attachments, and renewal or family-based succession. For the families owning and operating commercial businesses, augmenting SEW is a major preoccupation and a more important goal than any other organizational objective including economic gain (Gomez-Mejia et al., 2007).

However, in the context of traditional higher education settings, managerial families may reference other criteria besides socioemotional wealth when framing problems and making decisions. In other words, decision-making may not be entirely based on whether or not there is a real or perceived risk to losing socioemotional wealth, or the nonfinancial endowments of family firms (Berrone et al., 2012). Rather, families in the nonprofit higher education context may negotiate decision-making with additional sensitivity to the realities of the academic governance

culture (which are not found or found to a lesser extent in commercial settings). My assumption is that the realities tied the academic culture, which will be clarified in later chapters, place expectations and pressures on families to behave in certain ways—effectively restricting their ability to satisfy their affective needs (protect SEW). For example, faculty in higher education may expect decision-making to be open and democratic. This may pressure the family to keep decision-making open and democratic. Thus, in such a reality, the family may be challenged to protect or argument the SEW dimension of family influence, which espouses centralized governance structures and absolute authority in the family.

The above assumption prompts the following primary research question: **How does the owner family at one nonprofit FOMHEI negotiate organizational decision-making where inherent governance realities may place limits on the ascribed decision-making authority of the family?** This question is supported by three secondary questions:

- a. What prototypical characteristics of (private nonprofit) higher education may be found at a nonprofit FOMHEI?
- b. What family-based characteristics may be found at a nonprofit FOMHEI?
- c. What are the factors resisting family-centric decision-making behaviors at a nonprofit FOMHEI?

Answering these questions hopefully will clarify whether families in higher education management make decisions according to the principles of SEW theory or not. Ultimately, these questions were designed in congruence with the purpose of theory testing, referring to the testing of existing theory, and its propositions, in new contexts (Crabtree & Miller, 1999). I attempt to extend the theoretical underpinnings of socioemotional wealth theory to the higher education context where as Altbach (2005) and Altbach et al. (2020) infer that hundreds, if not thousands,



of family ventures exist. The investigation of higher education in relation to SEW theory is first of its kind and is expected to produce new findings diverging from those catalogued in the existing family firm literature. In other words, I expect to identify gaps in SEW theory by evaluating its key proposition(s) in the never-before investigated context of higher education. The expectation is that higher education, having unique organizational realities tied to the (traditional) academic culture (e.g., the need for shared governance), is a context where family decision-making behaviors, or rather a significant part of decision-making, are mostly determined by what the academic culture and the realities of the academic culture allow. In this way, my expectation is that families involved in university management may diverge in their decision-making patterns from those in commercial settings. To note, I test theory in this dissertation using a single, critical case study in the tradition of Yin (2003). As explained in the methodology chapter, a critical case sampling approach may be combined with a single case study design when the purpose of the study lies in “testing a well-formulated theory.” My methodological approach is further clarified in the methodology chapter.

As part of my approach to theory testing, I propose that another theoretical framework, outside of the family firm literature, may reconcile the (assumed) limitations of SEW theory. This theory is stakeholder theory and it may be better suited to explain decision-making in the context of higher education. It may more accurately capture the decision-making dynamics associated with higher education, where multiple stakeholders can influence decision-making and even come to politicize it.

Importantly, this study is not seeking to replace SEW theory, a widely accepted family theory, with a nonfamily-based theoretical lens. The complete dismissal of SEW theory may neither be prudent nor possible. This is because SEW theory may have a rightful place in

accounting for the family dimension of business, regardless of industry. In other words, every family-owned venture across industries is expected to retain idiosyncratic characteristics that make the venture *family-owned*. Thus, this study expects to rely on both theoretical frames (SEW theory and stakeholder theory) to explain managerial family decision-making behaviors in higher education. The novelty of this approach in relation to current family firm theorizing is two-fold: (1) in the need to consider another theory alongside SEW theory and (2) in the argument that SEW is not the primary or only criteria that families in university management may reference when framing problems and making decisions.

### **Statement of Problem**

Altbach (2005) calls on the academic community to investigate FOMHEIs in his article, “Universities: Family Style.” He argues that the worldwide phenomenon of family-owned or -managed higher education institutions requires understanding—and scrutiny. These institutions, operating in both nonprofit and for-profit sectors, are integral to the increasingly diverse and expanding global higher education landscape (Altbach, 2005). Altbach foregrounds several other reasons warranting their investigation relative to the lack of academic attention they receive.

FOMHEIs have a worldwide presence and may be found in all regions of the world: Latin America, Asia, Europe, Africa, the Middle East, and even North America. In many national contexts, such as Korea, India, Colombia, and Brazil, FOMHEIs are significant in numbers. Therefore, understanding their role in and contribution to society, both in local and international spheres of operation, is needed. FOMHEIs need to be studied also because the managerial involvement of the family creates all sorts of opportunities and challenges that may not be found in nonfamily institution types. One challenge is related to the excessive concentration of power in the family unit. This may have a suppressing effect on academic

freedom and faculty autonomy. This may also lead to organizational conflict where the family uses its power to satisfying goals unrelated to the academic mission. There are also opportunities. According to Altbach (2005), FOMHEIs may be understood as organizations that can readily adapt to changes in the marketplace and test innovate pedagogical approaches or other new initiatives as a result of centralized authority. His understanding is that centralized authority makes decision-making streamlined, and conducive to solving problems in a quick and efficient manner.

Unfortunately, Altbach's (2005) call to research has been virtually unmet, until recently. Altbach et al. (2020) coedited a book titled *The Global Phenomenon of Family-owned or Managed Universities* and this book is a first attempt to provide some substantive understandings of the governance of FOMHEIs as well other characteristics. Importantly, it is a comparative piece that draws commonalities and differences from across a number of case studies to profile the FOMHEI landscape globally. The book concludes with saying that FOMHEIs are hybrid organizations possessing dual characteristics, those rooted in the family system and those related to higher education.

However, the book still leaves some important questions unanswered. While providing a conceptual framework to understand FOMHEIs, the book does not delve deeply into exploring how the two systems, one related to the family-based characteristics of institutions and the other related to the higher education system, interact. This interaction is important to consider because the higher education system may have particular needs tied to the academic culture that the family system does not or cannot fully meet. In other words, the family system in which the family makes decisions to pursue SEW may lie in conflict with the higher education system in which the pursuance of certain SEW may not make sense. Indeed, there is some anecdotal

evidence that this is the case. In Altbach et al. (2020), the authors from Bangladesh explained that faculty and other nonfamily stakeholders (e.g., government officials who sit on university boards) come to have little power in their ability to influence decision-making. This was echoed by a number of other chapters in the book, all from different parts of the world. It is reasonable to suggest that such a reality would be problematic, especially for nonfamily faculty who according to the higher education literature value their participation in decision-making (Birnbaum, 2004; Gutmann, 1999) and according to Teferra (2014) do not fear authority. Teferra further explains that “academic freedom—is not that compatible with the principles of business and corporate regimes” (p.2). Shared governance is aggressively defended by faculty who consider their contribution as vitally important to keeping the university accountable to its mission. How then do they (the faculty and other nonfamily stakeholders) react to such circumstances? Answering this question is important to answering the primary research question stated earlier: How does the owner family at one nonprofit FOMHEI negotiate organizational decision-making where inherent governance realities may place limits on the ascribed decision-making authority of the family?

### **Significance**

The significance of this dissertation is manifold. Importantly, it is a first attempt to understand the governance and decision-making at a FOMHEIs through qualitative research using a single case study. The case study approach is expected to emerge findings not arrived at in the comparative volume of Altbach et al. (2020). Second, it has a pioneering focus on testing an established theoretical framework of the family firm literature in a new organizational context. The potential outcome of generating new knowledge through theory testing is quite exciting. This study thus “becomes instrumental to the theoretical contribution” (Crabtree &

Miller, 1999, p.66) of SEW theory. Furthermore, the application of stakeholder theory to the context of higher education also carries some significance. This is because as Powell (2007) claims only a handful of studies exist that attempt to “evaluate the relative influence of the different stakeholders in postsecondary education [decision-making]” (p.13). Indeed, this study fills these gaps, and should appeal to the academic interests of scholars based in both higher education governance and family-owned businesses fields, especially those interested in theory.

Practitioners employed by the hundreds, if not thousands, of FOMHEIs also stand to benefit. They may draw policy/practice lessons from this study to illuminate and enhance their work. Notably, they may learn about both effective and ineffective governance and decision-making practices in an environment where the two systems of family and business values clash and interact. Finding a balance between these two systems with respect to managing a university may be a key takeaway for practitioners.

This study is significant for another reason. Societies around the world generally have a negative perception of FOMHEIs. Much of the criticism centers on family-based leadership styles that do not conform to fair and ethical business standards and practices. Many families in higher education management are known for “getting their way” which means different things from family to family, but sharing the same characteristic of prioritizing family interests over those of the university. In some countries, the public generally associates FOMHEIs with malpractice and low-quality education. While this may be true for many FOMHEIs worldwide, this critique is problematic for its broad application to the entire family venture landscape in higher education.

There are many FOMHEIs around the world of positive repute. In some national contexts, some are even considered elite and are nationally ranked among the top institutions

operating there. These FOMHEIs are well regarded for their invaluable role in providing both local externalities (e.g., employment opportunities) and supporting national economic growth. The owner families of these FOMHEIs, with the support of their staff and faculty, operate from deep educational convictions and a vision to transform society through innovative services and programming. For these families, owning a university is less about running a business and profiteering than fulfilling a mission to nurture the educational curiosity of upcoming student generations.

Unfortunately, the stories of these FOMHEIs, and the families that operate them, become lost in the negative public discourse. Their reputation suffers at the hands of a few or many, depending on national context. This study seeks to push back on this discourse and illuminate positive aspects of the FOMHEI organizational culture. Importantly, this study hopes to discuss family ownership and higher education as two systems that can co-exist (and even be mutually reinforcing) without suffering the academic mission. This study seeks to illuminate FOMHEIs as an integral and important part of the higher education landscape.

### **Definition of Key Terms**

*Governance.* Governance “refers to the structures and processes through which institutional participants interact with and influence each other and communicate with the larger environment” (Birnbaum, 1988, p. 4). According to Austin and Jones (2015), governance is essential to the functioning of higher education (p.22). Further, governance structures, when appropriately articulated, acts as boundaries within which organizational order is created and organizational success may be achieved (Austin & Jones, 2015). In this study, governance is used interchangeably with organizational culture.

*Shared governance.* Shared governance refers to the set of practices within which college faculty and staff collectively make key decisions concerning the operation of their institutions (American Federation of Teachers, n.d.). Within higher education, some (e.g., Nadler et al., 2010) discuss shared governance as specifically pertaining to the representation of faculty in institutional decision-making.

*Constituents/constituencies/stakeholder.* These terms are interchangeably used in this study and any one of them may refer to “all the groups and individuals that can affect, or are affected by, the accomplishments of the organization’s objectives” (Freeman, 1984, p.25).

*Dominant family coalition.* The dominant family coalition (DFC) refers to family members, including the founder, who are involved in controlling and managing a firm. The DFC is dominant in influencing firm activities and have the ascribed right to pass on ownership to successive generations.

*Organizational/institutional decision-making/decisions.* This type of decision-making refers to key decisions that alter an existing condition on behalf of the whole organization. This condition may be related to the services the organization provides and internal policies and procedures. This level of decision-making is strategic in purpose and affects multiple stakeholders.

*Socioemotional wealth.* According to Berrone et al. (2012), socioemotional wealth refers to the nonfinancial endowments of a family-run firm. These endowments not only define the family firm, but the pursuance of these endowments is said to drive family involvement in firm

activities. Berrone et al. (2012) organize socioemotional wealth into five interconnected dimensions. These are family influence, identification with firm, binding social ties, emotional attachment and renewal through dynastic succession.

*Power/influence.* Power refers to the ability to affect the outcomes of others (Cartwright and Zander, 1968). Influence is similarly defined as power. Banfield (1962) views influence as the ability to affect the actions, thoughts and feelings of others. In this study, power and influence are used interchangeably and refer to the ability of one stakeholder or stakeholder group to exert pressure on others involved in decision-making with the aim of representing personal interests in the outcomes of a decision. Simply, power/influence refers to the ability affect organizational decisions, goals, and outcomes.

*Power relations.* Above, power is defined as the ability to affect the decision-making outcomes of others. Power relations takes this notion of power and makes it a relational concept. In other words, this study does not define power as a juridical element to be possessed and used by people, let alone one stakeholder group, in a controlling way. Rather, power is a relational construct circulating among different stakeholders and manifesting in the very structures of higher education governance. These governance structures, academic senates and other mechanisms, facilitate the circulating of power. To a large extent, this conception of power, as being relational and structurally embedded, finds some anchoring in Foucault (1975). Notably, he avers that where there is power, there is resistance (p.95). The concept of power relations is therefore synonymous with tensions that are inherently manifesting among groups in social settings.



*Loose-coupling*. Popularized by Weick (1976), as well as others (e.g., Cohen et al., 1972), loose-coupling refers to a characteristic casting organizations (institutions) as an assemblage of subcultures that operate as autonomous and distinct units without coordination. Some scholars (e.g., Deal & Celotti, 1980) contend that loose coupling in organizations preclude institutional coherence where the administration holds a strong and central position in decision-making. In other words, loose-coupling undermines centralized authority.

### **Overview**

This dissertation is organized as follows. Following this chapter, chapter two provides a comprehensive literature review at the nexus of three areas: the family firm scholarship, the higher education scholarship, and the theoretical scholarship of stakeholder theory. Chapter three provides a detailed overview of this study's research design. Notably foregrounded are the key assumptions that come to bear on the topic of investigation; the research methods related to sampling, data collection and analysis; and descriptions of research site and interview participants. Chapter four presents an overview of the Indian higher education system with attention to describing the accountability environment in which Indian universities and colleges operate. This leads into the fifth chapter where I zoom into describing the case example of this study with respect to the governance structure and key personnel found there. Some information regarding the roles and responsibilities of the interview participants is also provided in this chapter. Both chapters 4 and 5 are written to provide background information about the case study. Findings are then discussed over four chapters with each chapter focused on answering each of the research questions of this dissertation. Chapters 6 and 7 are written to answer the first two research questions and establish that both higher education and family-based traits exist in

the case study. Establishing that both characteristics exist in the case study is crucial for the purpose of theory testing, further explained in the methodology chapter. Chapter 8 then investigates whether and how these characteristics interact. Further, this chapter clarifies the governance realities, or factors, that limit family-centric decision-making behaviors. The final findings chapter then clarifies how the owner family of the case study approaches organizational decision-making, within the overlapping governance realities described in chapter 8. Answering the research questions in this order should build an understanding of decision-making at Grand Hall University, gradually, and set the proper stage to answer the final research question. Finally, the last chapter, chapter 10, discusses the findings in relation to their import to theory and practice. I will also address the limitations of this study in this chapter, as well as potential future research paths.

## **CHAPTER 2: LITERATURE REVIEW**

### **Introduction**

This chapter provides a comprehensive literature review on three strands of discourse: the family firm literature, the higher education scholarship, and the theoretical scholarship of stakeholder theory. These bodies of scholarship have particular salience to providing background information on the concepts being explored in this study. Importantly, they set the stage for problematizing SEW theory in higher education and considering the rival theoretical framework of stakeholder theory as a better suited (and perhaps complimentary) lens to investigate and illuminate decision-making behaviors of families involved in higher education management. Before examining these bodies of scholarship, it is important to review what literature exists regarding FOMHEIs to see what is out there. Some of the existing literature, namely the book mentioned in the introduction, provides valuable background information on FOMHEIs, which I use in this study.

### **Existing Literature**

As mentioned, there is virtually no literature on FOMHEIs except for the recent book edited by Altbach et al. (2020). This book is a first attempt to provide substantive understandings regarding the governance culture at FOMHEIs and other characteristics that may be found at these institutions. Several points are made by Altbach et al. First, FOMHEIs are hybrid organizations possessing dual characteristics, one related to the higher education system and the other related to the family system. FOMHEIs are inevitably higher education institutions typifying characteristics found in private (and public) nonfamily types. These characteristics include organizational and operational properties defining the general higher education population of institutions, and relate to such dimensions as academic offerings, funding

mechanisms, and compliance and accountability pressures. On the other hand, FOMHEIs are uniquely family-based organizations possessing family-based traits. These traits are described further down in this chapter. Another important point made by Altbach et al. is that FOMHEIs do not constitute a monolithic group of institutions. There is diversity in the FOMHEI landscape in the forms of institutional mission, styles of management, and type (i.e., nonprofit vs for-profit).

In addition to Altbach et al. (2020), I identified only a handful of articles on the topic of family-owned or-managed institutions (e.g., Bae et al., 2012; Calucag & Drucker, 2012; Razzak, 2012; Tsamenyi et al., 2013). These articles, while offering some novel insights into family-based governance and practices, contribute little in substance and are limiting in a number of ways. Foremost, the sum of their work lacks coherence with each article caring little about integrating what others have done. Second, none of the articles provide a proper literature review that situates FOMHEIs as a unique research context. Third, some of the articles have questionable quality in terms of methodology, findings, and discussion, and do not provide any conceptual framework to understand FOMHEIs. Given these limitations, I rely on the family-owned business literature to build a conceptual framework to understand this unique class of institutions.

### **The Family-Owned Business**

The literature on family-owned businesses (FOBs) is extensive (e.g., Ashwin et al., 2015; Berrone et al., 2012; Davis, 1983; Davis, 1968; Gomez-Mejia et al., 2010; Lansberg, 1983; Litz, 1995; Miller et al., 2008; Steier, 2001; Whiteside & Brown, 1991; Zahra et al., 2004). These studies represent the long history on and comprehensive coverage of the varied characteristics of the family-owned enterprise. Topics may be found on the corporate social responsibility of family firms (e.g., Zientara, 2017), the challenges associated with leadership succession (e.g.,

Jaskiewicz et al., 2016; Handler, 1994; Wang et al., 2004), the earnings management strategies of family managers or dominant family coalitions (DFCs) (e.g., Stockmans et al., 2010), and the marketplace advantage that family-owned businesses possess (e.g., Ashwin et al., 2015; Benedict, 1968; Churchill & Hatten, 1987; Davis, 1983; Habbershon & Williams, 1999; Lansberg, 1983; Zahra et al., 2004).

All these topics open potential pathways to pursue novel and exciting research on family-owned or -managed higher education institutions (FOMHEIs). While research directions abound, the novelty of FOMHEIs as a research area of interest calls for research having a foundational purpose. This purpose concerns laying down theoretical groundwork as a way to understand the uniqueness of FOMHEIs and the decision-making behaviors of family management in higher education. The vast body of scholarship on family-owned businesses (FOBs) is used as a starting point to understand FOMHEIs.

Thus, this study foregrounds literature with salience to informing a fundamental understanding of organizational decision-making within family-owned ventures. The focus on governance and decision-making is not arbitrary. Much of the FOB literature discuss family firms as being unique relative to nonfamily firms from the perspective of governance. Namely, two areas of the family firm literature qualify for this purpose. The core definitional articulations of the family firm comprise one area. The other strand of literature focuses on a dominant family firm theory, socioemotional theory, that makes clear the motivational drivers undergirding family decision-making behaviors. This theory may also be used to delineate the core characteristics of the family firm.

### **A Definition of the Family Firm**

The literature rallies mainly behind two definitional approaches to describing family-owned businesses. One common definition is in the ‘components-of-involvement’ perspective. According to this approach, firms are family-owned on the basis of satisfying at least one of the following conditions: (1) a family is the owner, (2) a family manages the firm, or (3) a family controls the firm (Kraiczy, 2013). These conditions are interrelated and in practice the presence of any single condition typically means the presence of the other two. In other words, families that own firms also typically manage and control them. On a more operational level, the components-of-involvement approach is concerned with to what extent, through what modalities, and what members of the owner family have managerial involvement in the governance of the firm they own (Astrachan et al., 2002; Klein et al., 2005; Sharma & Salvato, 2013).

The application and discussion of the ‘components-of-involvement’ definition may be found across many studies. For example, Ashwin et al. (2015) discuss ownership and control as concepts tied to the occupation of both Chief Executive Officer (CEO) and board chairman positions by a single family member. The occupation of these positions by a single family member is referred to as “CEO duality,” where the family member tightens his/her control over firm affairs by consolidating responsibilities that typically in nonfamily firms are divided among different people. Berrone et al. (2010) discuss other components of (family-based) involvement. For example, families are understood to own their firms when multiple family members occupy seats on the board and/or when the representation of family members exceed that of nonfamily members on the board. Still another proxy of ownership comes from other scholars who tie the ownership of businesses to family members controlling a minimum percentage of company shares. Villalonga and Amit (2006) use a five percent threshold. Kraiczy et al. (2015) apply a

stricter rule and understand a firm to be family-owned if 25 percent of the company (as a percentage of shares) is controlled by the family.

While the ‘components-of-involvement’ approach has gained traction among scholars, not all scholars accept this definitional approach. To them (e.g., Litz, 1995; Sharma & Salvato, 2013; Shanker & Astrachan, 1996), the operational focus of involvement and control is limiting and does not capture more important and what they refer to as essential qualities of the family venture. These qualities concern the belief, vision and intent of the families involved in firm management and operations. They also concern the distinctive behaviors and activities that family managers or dominant family coalitions (DFCs) adopt to fulfill the firm outcomes they most desire. The focus on these aspects—intent and behaviors—is understood to better capture the “essence” of the family firm.

Thus, critical scholars of the ‘components-of-involvement’ approach adopted a new definitional framework known as the ‘essence’ approach. The new definition centralizes the DFC’s vision and behaviors and applies the following criteria to defining the family firm: (1) a family’s influence over the strategy of the firm, (2) a family’s vision and intention to maintain control over the firm throughout successive generations, (3) family firm behavior, and (4) distinctive familiness (Chrisman et al., 2003; Kraiczy, 2013).

Some further clarification on these criteria are warranted. For one, the essence approach builds on the components-of-involvement definition by incorporating the activities of control and involvement. It is thus a more expansive definition. Second, it locates the objective of transgenerational succession within the vision of the DFC, meaning that family leaders and managers desire to pass on their firms down generational lines as part of a family vision of success. The passing on of ownership rights from the proprietor to successive familial

generations is integrative and generative to the vision of all DFCs. Chrisman et al. (2003) make this clear: family firms may be defined by “the systemic vision of the familial coalition that generates distinctive familiness for transgenerational value creation” (p.471). Third, the criteria of family firm behavior and distinctive familiness allude to what Habbershon and Williams (1999) call *familiness*. The familiness of a firm may be understood as the nonfinancial resources (not concerned with profit) that DFCs generate through their managerial involvement. These resources include a participatory family culture that promotes care and loyalty (regarding the firm and peers) among both familial and nonfamilial employees; family language (a communication style allowing for more privacy and efficiency among family members); a stewardship orientation to the management of employees (owners treat and nurture employee relationships like any other valuable resource of the firm); the unification of beliefs and vision; flexibility (both family and nonfamily personnel can adapt to multiple roles while maintaining strong social bonds); and a culture that promotes creativity and innovation.

In sum, the essence approach captures a broader array of family-based characteristics, compared with the components-of-involvement approach, that lead to a more comprehensive understanding of the family firm. Incorporating all of these components is the most commonly used definition in the literature:

The family business is a business governed and/or managed with the intention to shape and/or pursue the vision of the business held by a dominant coalition controlled by members of the same family or a small number of families in a manner that is potentially sustainable across generations of the family or families (Chua et al., 1999, p.25).

This literature review draws from Chua et al. (1999) to propose an expanded working definition for the family-owned or -managed higher education institution:

A family-owned higher education institution is one that is governed and/or managed by a dominant family coalition whose intention is to shape the university according to a



distinct family vision in a manner that is potentially sustainable across successive familial generations.

Next discussed is socioemotional theory, a dominant theoretical framework of the family firm literature that may provide further clarity on the family-owned enterprise. The theory may be thought of as expanding on Chua et al. (1999) definitional work. It further clarifies the reasoning behind organizational decision-making behaviors and fleshes out the major characteristics of the family firm, which a definition alone cannot accomplish.

### **Socioemotional Wealth Theory**

First introduced by Gómez-Mejía et al. (2007), socioemotional (SEW) theory has gained widespread acceptance in the family firm literature as a theoretical framework to understand why families own and remain involved in firm management. The theory's legitimacy is anchored in both anecdotal research and empirical data on the ownership venture across many industries, e.g., manufacturing, trade and service (Berrone et al., 2010; Gómez-Mejía et al., 2007; Stockmans et al., 2010).

The socioemotional wealth of family firms is akin to the earlier discussed concept of Habbershon and Williams's (1999) *familiness*. Therefore, SEW may be also understood as a firm's nonfinancial utilities/endowments created by the family's managerial involvement in firm activities. However, the two concepts may be differentiated with respect to how they are discussed in the literature. While both may be understood as products of familial involvement, and even characteristics of a firm that families desire, SEW is specifically discussed as primary criteria that families reference when making organizational decisions. In this way, SEW theory is conceptually anchored in the behavioral agency model (BAM) found in the management field. This model theorizes that management make decisions on the basis of implications to losing or gaining affective (nonfinancial) endowments. The protection/enhancement of these utilities,

otherwise known as SEW in the family firm literature, is a more important goal for DFCs than any consideration of economic gain (Gomez-Mejia et al., 2000; Wiseman & Gomez Mejia, 1998). In other words, family owners frame problems and make decisions in terms of assessing how their actions will affect their stock of socioemotional endowment. When there is a threat to that endowment, the family is willing to make decisions that are not driven by an economic logic, and in fact the family would be willing to put the firm at risk if this is what it would take to preserve that endowment (Berrone et al., 2012).

The same cannot be said of nonfamily commercial firms where profitmaking may be considered a more important goal than anything else. While nonfamily (for-profit) firms tend to give primary considerations to maximizing profit and performance, the leadership at family for-profit firms behave in distinctive ways seeking primarily to satisfy their affective needs through the preservation of socioemotional wealth. Thus, it is on this decision-making premise that family firms may be differentiated from their nonfamily counterparts (Berrone et al., 2010; DeTienne & Chirico, 2013; Gómez-Mejía et al., 2007).

SEW abound and come in a variety of forms. Governance arrangements by which DFCs maximize their influence in decision-making is one example (Jones, Makri & Gómez-Mejía, 2008). Others take the shape of emotional attachments held among work personnel and directed at the firm; social capital, or firm relationships built on trust, respect, and reciprocity; and governance mechanisms that safeguard the perpetuation of the family dynasty.

Berrone et al. (2012) take stock of these utilities and organize them according to five interrelated dimensions. Each dimension corresponds to the letters in the acronym FIBER. Respectively, they are *family* influence, *identification* of family members with the firm, *binding* social ties, *emotional* attachment of family members, and *renewal* of family bonds through

dynastic succession. These are described below and may be further understood as the set of fundamental traits that inhere in all family firms.

*Family influence.* This dimension refers to the family's ability to exercise influence—also their intent, values and vision—as part of their strong ownership position in organizations. According to several scholars (Berrone et al., 2012; Schulze et al., 2003), this position is derived from the ascribed status of being a family member of the DFC. Typically, family members control most, if not all, of the top management positions (TMPs) within a firm (Tagiuri & Davis, 1996). This includes seats on the board and those at the executive level, e.g., Chief Executive Officer (CEO), vice president, and Chief Financial Officer (CFO). There are also cases where a single family member occupies multiple TMPs.

Within these types of governance arrangements, family influence is cemented and family members are given a positional advantage in the decision-making hierarchy (Ashwin et al., 2015; Davis, 1983; Habbershon & Williams, 1999; Hall et al., 2001; Jones et al., 2008; Kraiczy et al., 2015; Tagiuri & Davis, 1996). Further, the DFC continues to have a strong central position in management through hiring activities favoring family involvement (Bertrand & Schoar, 2006; Cambreleng, 1969; Lansberg, 1983; Deephouse & Jaskiewicz, 2013; Gómez-Mejía et al., 2001; Schulze et al., 2003; Tagiuri & Davis, 1996). According to Bertrand and Schoar (2006), business founders tend to hire and promote from within kinship networks rather than look to more competent and professional nonfamily candidates. A trust issue seems to play a large role in such decisions (Fukuyama, 1995). Simply, the family gives more credibility to family over nonfamily candidates. Also, family firm hiring is sensitive to the pressures that extended family members place on the family. Relatives, brothers, and sisters of the family who do not have formal

positions feel entitled to company profits and positions (Lansberg, 1983), and may not hesitate to make this known.

*Identification with firm.* This SEW dimension refers to the psychological connection established between the DFC and the firm. It also refers to the shared identity between the DFC and the firm. The firm is a reflection of the DFC and vice versa, for good or bad. In this way, the firm is perceived as an extension of the family's reputation (Berrone et al., 2012; Craig & Dibrell, 2006; Dyer & Whetten, 2006; Klein et al., 2005; Vardaman & Gondo, 2014; Westhead et al., 2001). The shared identity compels the DFC to "be more emotionally invested in the firm than non-family members should be at family or non-family firms" (Deephouse & Jaskiewicz, 2013, p. 342). The outcome of such emotional investment is greater loyalty to and involvement in the firm among family members. Further, the integrative identity is reported to have a positive (as well as perhaps negative) impact on firm activities, the social relationships that are external and internal to the firm, and the services and products offered by the firm (Berrone et al., 2012).

*Binding social ties.* The dimension of 'bonding social ties' captures the stock of relational capital at the family firm. Located within and external to the firm, they include relationships among work personnel and those between the firm and the community. Socioemotional wealth theory takes a positive view of these relationships. It likens the family firm culture to what Coleman (1990) refers to as closed networks where relationships operate within a culture of trust, fairness, and reciprocity. Both family and nonfamily members (internal and external to the firm) are integrative to this culture and share in the affective outcomes of trust, loyalty and interpersonal solidarity (Cennamo et al., 2012).

Further, many scholars suggest that family firms pursue the welfare of the community and pay special attention to pressing issues in society, such as “poverty, environmental degradation, and social justice” (Cennamo et al., 2012, p.22), in addition to treating nonfamily personnel with care and fairness. Often, these social investments are made even in the absence of economic gains (e.g., Brickson; 2005; Berrone et al., 2010). For example, family firms may invest in services that minimize toxic emissions at a significant expense to their profit margins (Berrone et al., 2010).

*Emotional attachment.* ‘Emotional attachment’ refers to the emotional profiles that family members in a firm shape in relation to each other (Berrone et al., 2012). These profiles manifest as either positive projections such as pride or love, or in negative forms such as disappointment, frustration, or anger. Negative forms may lead to persistent family-based conflict and may make kin relations dysfunctional. To many scholars (e.g., Benedict, 1968; Berrone & Gomez-Mejia, 2012; Breton-Miller et al., 2004; Davis, 1983; Lansberg, 1983; Tagiuri & Davis, 1996), the intra-familial emotions found in family firms is a distinctive trait of family firms and a product of the intersection of two systems that operate in the same space. On the one hand is the family value system constituting the shared experiences, history, convictions, values, and cultural norms of the family, and on the other hand is the business value system comprising the norms shaping ethical and sound business practices. Typically, in family firms it is difficult to distinguish where family values end and where business values begin. The intra-familial emotions of a firm tend to spill over into the business interactions, practices and dealings, and even come to affect organizational decision-making (Baron, 2008). This creates all sorts of challenges and even opportunities with implications to not just the family but to nonfamily personnel and the overall

performance of the firm. When familial emotions are positive, firm activities may thrive. However, firm activities may suffer at the hands of a dysfunctional family unit that has every intention to maintain emotional dissonance. This means, for example, that family members may not want to reconcile when in a familial dispute even if reconciliation is the only course to ensure the proper functioning of the firm. For example, family members may not attend board meetings because they hold a grudge against other family members. This means that there might not be quorum to pass votes and make decisions that are critical to ensuring the proper functioning of the organization. Thus, the need to preserve emotional dissonance among family members may disrupt business practices and performance.

*Renewal through dynastic succession.* Transgenerational succession corresponds to the last FIBER dimension. It refers to the formal and/or informal mechanisms by which family influence in firm activities and other SEW are passed on to successive generations. It is also the most important and widely discussed SEW dimension in the family firm literature (e.g., Ayres, 1990; Beckhard & Dyer, 1983; Benedict, 1968; Casson, 1999; Churchill & Hatten, 1987; Handler, 1994; Tagiuri & Davis, 1996; Wang et al. 2004; Ward 1987; Zellweger et al., 2012). As mentioned, it is the single defining criteria that makes a family-owned firm *family-owned*.

In sum, DFCs aim to enhance their firm's affective utilities, which may be organized according to the five FIBER dimensions described above. Further, these utilities may be understood to define the family firm. They may be understood as the firm's core characteristics. Family firms are thus organizations possessing a concentration of authority and decision-making power in a family unit; a shared identity with the family controlling the firm; relational capital as

a product of family-based managerial involvement; family-based emotions that may hurt or benefit firm activities; and organizational protocols, informal and/or formal, that facilitate dynastic succession.

The five dimensions of SEW lend to another consideration. It is apparent that some SEW can have a beneficial impact on firm activities and performance. Clear examples are ‘identification with firm’ and ‘binding social ties.’ For example, family members, by having a shared identity with the firm, are understood to work harder than nonfamily members to fashion a positive reputation of their firm, which reflects back on them. This may translate to boosting firm performance, making sure that employees are satisfied, and addressing community issues—all for the sake of building firm and family reputation. Also, relationships built on trust and reciprocity may lead to high company morale, a welcoming work environment, and ultimately higher firm performance in the absence of organizational conflict. Less clear examples are ‘emotional attachment,’ ‘family influence,’ and ‘renewal.’ As mentioned, emotional attachment, when positive, may positively impact firm activities. The positive intra-familial emotions may shape a positive firm culture. Renewal, or transgenerational success, may also have a positive impact. In the case where families value ethical behavior and practice, their firms may benefit in the long run from passing on these values to successive generations.

In contrast, the protection and/or enhancement of some SEW have clear negative implications. The pursuit and concentration of family influence, for example, may be viewed, by employees and external stakeholders, as opportunistic and only satisfying the egos and affective needs of the family system. At some firms, the concentration of family influence may be a threat to sharing management responsibilities and collaborative decision-making. The same logic may also extend to the SEW dimension of ‘renewal through dynastic succession.’ By preserving a

dominant position in the firm, over time, the family may be understood as suppressing employee advancement and creating a culture where nonfamily members may have limited opportunities to become firm leaders and managers. The two dimensions of ‘family influence’ and ‘renewal’ are clear examples of what may be understood as family-centric/opportunistic SEW.

Thus, SEW is not a monolithic group of utilities. They are complicated by the varied nature of their impact on firm activities and performance. There is a variance within FIBER, with some being thought of as family-opportunistic and others family-altruistic. Interestingly, the literature further complicates the understanding of SEW by taking both positive and negative views of SEW even regarding the same dimensions. Provided below is a discussion of the two diverging perspectives.

### **The Positive View of SEW**

One strand of literature maintains a favorable position on all the socioemotional wealth (SEW) dimensions. Many scholars (e.g., Berrone et al., 2010; Berrone et al., 2012; Cennamo et al., 2012; Cruz et al., 2014; Deephouse & Jaskiewicz, 2013; Kellermanns et al., 2012; Miller & Breton-Miller, 2014; Tagiuri & Davis, 1996; Vardaman & Gondo, 2014; Zientara, 2017) view SEW, and its protection and/or enhancement by the family, as ultimately benefitting the firm. This is because the enhancement of SEW is linked to satisfying stakeholders’ expectations through what may be referred to as pro-stakeholder engagement. To families, demonstrating their capabilities as effective firm managers (to society) is essential to remaining in power and protecting other SEW in perpetuity.

This is especially the case for family firms listed publicly on the stock exchange. The families of these firms own their firms by possessing the requisite percentage of shares to influence decision-making (in line with the components-of-involvement definition). However,



they are not the only shareholders with decision-making power. There are also shareholders in nonfamily constituents who may care more about generating profits and returns than meeting the affective needs of the managing family. When firm performance is low, these shareholders may take steps to wrest control of the firm from the family. The possibility of this outcome drives family members to keep shareholders “happy,” by generating high firm profits and shareholder returns. It is a necessary strategy to justify the family’s ability to lead the firm and remain dominant in firm activities.

Shareholders are not the only group that the family takes into account when protecting/enhancing SEW. According to the literature, the family also appeals to the interests of many other groups including lenders, suppliers, firm employees, and the local community (Brickson; 2005; Berrone et al., 2010; Lyman, 1991). Pro-stakeholder engagement with these groups is part of what Cennamo et al. (2012) describe as the “generational investment strategy” of the family firm, referring to the need of the family to cultivate a positive reputation through philanthropic giving (Stavrou et al., 2007), performing goodwill acts in the community, and providing greater job security to employees (Block, 2010; Stavrou et al., 2007). These social and reputational investments are part of a strategic agenda to protecting and enhancing SEW, especially the dimension of family influence and renewal.

Examples of “generational investment strategy” may be found in a number of studies. For example, Deephouse and Jaskiewicz (2013) draw on SEW theory to show differences between family and nonfamily firms with respect to the reputational investments they make. They find that families of family firms seek a “favourable corporate reputation for its contribution to socioemotional wealth” (p.352), among which family influence and generational succession are important goals (Vardaman & Gondo, 2014). Another example of generational investment

strategy comes from Berrone et al. (2010) who compare family and nonfamily firms with respect to their environmental performance. They show that family firms pursue (costly) strategies that minimize environmentally toxic emissions while nonfamily businesses invest less money in similar efforts. This is because the families of family firms, compared with the leadership of nonfamily firms, are more emotionally invested in protecting the firm's image that is perceived by the family to directly reflect back on the family. Even in compliance, family firms are shown to respond with "beyond compliance practices to normative pressures (even if normative institutions don't have strong coercive mechanisms) because the protection of socioemotional capital may be more closely tied to the normative component of institutional forces" (Berrone et al., 2012, p.104). Further examples of the positive implications of SEW on firm activities may be found elsewhere (e.g., Dyer & Whetten, 2006; Vardaman & Gondo, 2014; Westhead et al., 2001).

### **The Negative View of SEW**

Another line of discussion in the literature takes a different perspective. This discourse does not claim that the family engages stakeholders proactively when pursuing socioemotional wealth (e.g., Beckhard & Dyer, 1983; Berrone et al., 2010; Deephouse & Jaskiewicz, 2013; Gómez-Mejía et al., 2007; Gómez-Mejía et al., 2010; Kellermanns et al., 2012; Miller & Breton-Miller, 2014; Stockmans et al., 2010; Taguiri and Davis, 1996; Zientara, 2017). In Stockmans et al. (2010), for example, nonfamily shareholders (in family firms listed on the stock exchange) or lenders are described as stakeholders who perceive SEW protection/enhancement activities as threatening firm performance, and ultimately their financial holdings. They illustrate this with a hypothetical situation. A lender, whose primary interest is in recouping the expense of a loan through interest payments, has to find alternative methods of securing the borrowed amount

outside of conventional repayment strategies. This is because the borrower is a family firm that prioritizes the preservation of SEW over realizing high firm profits that in part would be used toward paying back the loan.

Gomez-Mejia et al. (2010) discuss another example of how families augment SEW at the expense of firm performance. According to them, families are unwilling to invest in growth and diversification opportunities that may boost firm performance in the long run. This is because growth and diversification, which may require the sharing of decision-making with other firms, is perceived as threatening the socioemotional wealth dimension of family influence.


SEW protection activities are a source of concern and conflict for the nonfamily employees of the firm as well. According to Zientara (2017), nonfamily employees are on the receiving end of what are referred to as “business practice contradictions,” or normative contradictions as accorded by Lansberg (1983). This concept refers to the conflict between the family’s need to preserve SEW, especially family influence over day-to-day operations (Chrisman et al., 2012; Vardaman & Gondo, 2014), and the fair practices that typically (or rather ought to) inhere in the business system. In other words, normative contradictions describe the violation of fair business practices by unprofessional familial expectations and entitlement behaviors (Athanassiou et al., 2002; Lansberg, 1983; Zientara, 2017). In such a context, a family may circumvent formal hiring policies, if any even exist, and honor blood ties in hiring decisions. Hiring family members over outside members is more important to increasing family influence.

The following are additional examples of normative contradictions that have an adversarial impact on employees: preferential family treatment in training, hiring, and promotion activities (Berrone et al., 2010; Burkart et al. 2003; Debicki et al., 2016; Gersick et al., 1997;

Jaskiewicz et al., 2013; Miller & Breton-Miller, 2014; Ward, 1987; Zientara, 2017); the scapegoating of nonfamily members in order to divert negative public attention from families who have a poor reputation (Gomez-Mejia et al., 2001); ad hoc human resources policies and an organizational culture that resists professionalization (De Kok et al., 2006; Vardaman & Gondo, 2014); incompetence in management (Mehrotra et al., 2011; Miller & Breton-Miller, 2014); a higher pay scale for family members (Zientara, 2017); undemocratic decision-making mechanisms and processes (Zientara, 2017); and an environment that stifles creativity and innovation (Gómez-Mejía et al., 2007; Miller & Breton-Miller, 2014; Zientara, 2017).

In sum, there are both positive and negative views of SEW (Figure 1.0). Depending on the view, the protection and enhancement of SEW either becomes opportunistic for the family (family-centric) or altruistic for nonfamily stakeholders.

Figure 1.0 Dual Nature/Continuum of Socioemotional Wealth Outcomes

| Altruistic (for stakeholders) |   | Opportunistic (for family) |
|-------------------------------|---|----------------------------|
| Family influence              |   | Family influence           |
| Identity with firm            |  | Identity with firm         |
| Binding social ties           |   | Binding social ties        |
| Emotional attachment          |   | Emotional attachment       |
| Renewal                       |   | Renewal                    |

Despite being contentiously situated in the family firm literature, socioemotional theory has broad support from many scholars in the family firm literature. It is an appropriate theoretical lens to describe dominant family coalition decision-making behaviors in many industries, e.g.,

manufacturing, trade and service (Berrone et al., 2010; Gómez-Mejía et al., 2007; Stockmans et al., 2010). Its effectiveness as a theory mainly comes from its applicability to differentiate the decision-making intent and behaviors between family-based and nonfamily managers (those at nonfamily businesses). In other words, SEW theory is effective in uniquely situating the family-owned venture as an organization worth studying separately (Berrone et al., 2012).

### **Private Higher Education and Family Ownership**

The concept and practice of family-ownership extends to the industry of higher education. The emergence of family-owned higher education institutions on the world stage is not considerably unique. Their growth in numbers is part of a broader trend discussed by several leading scholars in the field of higher education. This trend concerns the explosive growth of private sectors globally at the turn of the twenty-first century. According to Altbach (1999) and Levy (2018), a combination of factors led to this growth, but namely two interrelated factors: the rising demand for higher education and the limited capacity, financially and physically, of public higher education sectors around the world to meet this demand. Private actors in higher education delivery were increasingly called on to expand higher education capacity where governments were financially encumbered. Notably, explosive private sector growth has been witnessed in Korea, India, Brazil, Mexico, Colombia, Peru, Venezuela, and many other countries in Central and Eastern Europe, Latin America, Africa, and Asia. As Levy notes, historically these regions left no room for private interests including those related to higher education delivery with private higher education existing nominally. That, however, has changed.

According to Levy (2018), private higher education rose to 28 percent of the global enrollment by 2000, with no indication of stopping. By 2010, enrollment in the private sector globally has been recorded to be around 56 million, accounting for 32.9 percent of total global

enrollment. The rise in private enrollment has led to higher education systems around the world dominated by private institutions in some of the aforementioned countries and regions (e.g., parts of Latin America and Korea, Japan, Philippines, Indonesia, and India). And even in countries with historically strong public sectors, such as in China and Vietnam and countries in sub-Saharan Africa, private growth has been substantial (Altbach, 2016; Levy, 2018).

Many types of private institutions have come to constitute the present global higher education landscape. These include faith-based institutions founded and operated by religious organizations and groups, for-profit institutions, and nonprofit institutions. Within the latter two of these categories, family-ownership is possible. Families or individuals have established universities and colleges around the world within favorable economic and political circumstances and where governments allow for their involvement in higher education delivery. Family-owned or -managed higher education institutions, while distinctive, may be understood as just another type of institution as those operated by religious groups, powerful boards of trustees, or large companies (as in the case of Korea). Thus, the emergence of family-owned institutions, as mentioned earlier, is part of the explosive global growth of private institutions that are of several types. They are inevitably part of the private sector of institutions and may be considered a subset of the general landscape.

In this way, family-owned institutions typify many of the major characteristics defining the private sector. These characteristics relate to funding mechanisms, relationship with the government, role in society, mission, and academic focus and research, to name a few (Altbach et al., 2020; Levy, 2018). For example, family-owned or -managed higher education institutions, like other private types, do not rely on government funding to sustain operations. Rather, they rely on tuition payments as a significant source of revenue. Of course, other revenue streams

exist in the forms of research grants, donations, and direct government assistance. However, these revenue streams for the most part are marginal globally. The exception is philanthropic giving and market-based investing in the US and UK where private institutions amass significant wealth through these avenues.

Also, both FOMHEIs and nonfamily institutions operate under the same system of government controls (distinctions are more along the public-private divide). In some countries, government controls in the private sector are as strict as in the public sector. According to Altbach (2016), most notable examples are Korea and Japan and government agencies in these countries have the power to impose limits on enrolments, tuition, numbers of teaching staff, salaries and the like. Another area where family-owned higher education institutions resemble nonfamily counterparts is academic offerings. The private sector landscape globally and in general focus on offering programs and courses that have market relevance. Most private institutions (excluding perhaps the US) act as gatekeepers to skills-based careers in the market, the most popular being IT, medicine, engineering, and law. FOMHEIs are no exception and in general follow the same pattern of targeting the same population of students and offering programs with a professional focus.

### **Prototypical Higher Education Characteristics**

FOMHEIs may also share characteristics with the entire higher education landscape including both public and private institutions. This is because private institutions share “common roots” with public counterparts as explained by Levy (2018). Common roots may include governance structures, organizational culture, academic mission, and position in society as organizations performing a public good. These characteristics, among others, present FOMHEIs as being inevitably part of the post-secondary education systems in which they may be found.

FOMHEIs by identity are higher education institutions possessing both unique private sector characteristics as well as what we may refer to as prototypical academic characteristics found across public and private sectors.

Such characteristics have long been identified and established by higher education literature. Further, many of these properties sufficiently situate higher education institutions (including FOMHEIs) as unique organizations relative to those in other industries. The uniqueness of higher education is discussed by many scholars (e.g., Birnbaum, 1988; Cohen & March, 1986; Clark, 1984; Kerr, 2001; Teferra, 2014) and include an ambiguity in missional objectives; a politically-charged decision-making climate, in part shaped by the plurality of competing interests held by different stakeholders; and the imperative of shared governance, the presence (or pressures to employ) democratic/consultive approaches to decision-making. A discussion of each of these is provided below.

### **Missional Ambiguity, Competing Interests, and Stakeholder Diversity**

According to Cohen and March (1986), two of the foremost scholars on organizational theory, the university does not know what it is doing. The university is what they refer to as an “organized anarchy” within which members have confusion about the nature and mission of the enterprise. In large part, this confusion is connected to the duality of the university’s mission. On the one hand, a university is a business with the utilitarian agendas of profit-making and enhancing reputational wealth. The business aspect of a university is certainly very important. A university is able to remain financially viable through long-term strategic financial planning. And a university uses profits to enhance its reputation, nationally and internationally, by building new facilities, hiring in-demand faculty, and recruiting top students. All of these activities require funding.



On the other hand, a university fulfills a cultural purpose. It is a marketplace of ideas where knowledge creation and transmission go hand-in-hand with an academic mission to serve society (Newman et al., 1996; Tierney, 1994). Birnbaum (2004) states: “academic institutions are those that give priority to education as an end in itself and are deeply rooted in a culture that prizes academic freedom, critical discourse, creativity, and liberal learning” (p.8). Gutmann (1999) furthers this understanding by linking the university and its services to benefitting society through what she refers to as “conscious social reproduction.” This concept refers to educational goals that drive critical thinking and moral considerations in society, meaning the examination of unethical practices in society through the lens of critical teaching, discourse, dialogue and research.

This duality—utilitarian and cultural—has been long discussed in the literature, from Cohen and March (1974) to Corson (1996), and in more recent works (e.g., Slaughter & Rhoades, 2011). Across all of these contributions, a major throughline is that the missional ambiguity of higher education leads to operational inconsistencies and uncertainty. Foregrounded is the question of who is in control of university affairs with different stakeholders each having different missional orientations. Some may care more about the bottom dollar while others prioritize transforming society. The answer, of course, is not clear.

Two stakeholder groups, as actors with strong influence over the direction of the university, are foregrounded in literature. On the one hand, university authority rests in the hands of the administration. Administrative staff possess what Corson (1996) refers to as ‘administrative authority,’ or decision-making power or influence connected to occupying higher positions in the organizational hierarchy (Bolman & Deal, 2017). Members of the administration, and their decision-making chain, represent the utilitarian (business) dimension of higher

education. They are concerned primarily with strategic organizational planning leading to long-range financial and operational viability, not to mention higher rankings nationally and globally.

Institutional authority, however, is not entirely concentrated in the administration. Administrative staff must consider their institutional authority or influence in relation to the authority of another group. According to Corson (1996), the faculty also wield decision-making power and possess what is referred to as ‘professional authority,’ or the authority tied to safeguarding and advancing the academic mission. Unlike the administration, the faculty are concerned with an entirely different set of institutional priorities with implications to driving knowledge creation and dissemination. The uniqueness of higher education is that this professional authority exists in large concentrations in the university, more so than any other business. According to Julius et al. (1999), this is the “first [differentiating] characteristic of academic organizations” (p.114) relative to those in other industries.

Often these two decision-making chains—one possessing administrative authority and the other, professional authority—intersect at decision-making crossroads related to various university matters, circumstances, and policies. The collision of these two authoritative bodies are especially pronounced in times of financial exigency, institutional budget planning, allocating resources to support different programs and initiatives, setting faculty and staff salaries, and creating academic programs, just to name a few. Rarely do faculty and administrative staff “see eye to eye” in these areas and especially within a context of scarce resources.

Some scholars (e.g., Corson, 1996) even explain that the administrative and professional spheres of authority in higher education operate in constant tension. This is because they are driven by “enduring differences in values, beliefs, information, interests, and perceptions of

reality” (Bolman & Deal, 2017, p.188). In fact, Morey and Piderit (2006) argue that the divergence of interests and priorities between faculty and staff is widening. They claim that faculty are more autonomous than ever and operate from individualistic belief systems that oftentimes work against institutionally espoused convictions that are typically defined by the administration. The increasing autonomy of faculty may also be explained by what Zemsky (2013) refers to as “academic ratcheting,” describing the increasing discretionary time used by faculty to pursue professional and personal goals. These goals are academic in nature (e.g., producing scholarship), and often unrelated to institutional priorities established by management who may be more concerned about using institutional resources to support capital campaigns and the building of visually appealing, costly facilities. Thus, the faculty and the administration may clash around diverging priorities and the resources required to support these priorities.

Inter-stakeholder conflict is not limited to the two groups of the faculty and administration. Universities have many moving parts as Kerr (2001) explains and attracts different stakeholders who, driven by varying expectations and needs, may exert pressures related to the significance they attach to different organizational objectives. In part, this is because universities, regardless of their private or public status, are regarded as a public trust that performs a public good, which is interpreted differently by different stakeholders. Having such a societal role has signaled many different types of stakeholders including the public to claim a right on the university’s direction. In addition to faculty and the administration, other key stakeholder groups include students, and their parents, as consumers who pay a premium for educational quality; alumni whose donations symbolize their philanthropic legacy and come with narrowly-defined restrictions related to how they want their money spent; and accreditation agencies and government bodies whose standards and regulations restrict what the university and

its constituting members can and cannot do (Altbach, 2016; Altbach et al., 2017; Austin & Jones, 2015; Cohen, 1998; Hazelkorn, 2015). For public universities globally, government controls around how and for what purpose they can spend money may be stricter on the basis of receiving public funding. However, governments controls in many countries including Korea and Japan are equally strict in the private sector and reach into nearly all facets of institutional affairs. Both public and private universities and colleges are controlled by statist and rational planning.

All the stakeholder groups discussed above politicize decision-making and pull higher education in different directions based on the investments they make and the returns they seek. Indeed, as Eckel (2000) argues, universities are best understood as “arenas for dissent and debate” (p.16) and through what he refers to as the ‘interest-group struggle’ framework, a lens capturing the conflict, posturing and negotiations of stakeholders during organizational decision-making. Interests and priorities are pitted against one another creating confusion and disorder about missional goals. While all stakeholder groups are perhaps equally frustrated, the political climate of organizational decision-making in higher education has been especially trying for university leadership. Presidents of universities are typically described as feeling helpless and not having clarity on any single institutional direction (Baliles, 1997).

### **Complexity of Organizational Structure and Culture**

Many scholars (e.g., Altbach, 2016; Birnbaum, 1988; Keenan, 2015) make a point of the growing complexity and size of the university in recent decades. Universities are continuously expanding programs and creating new courses, departments and schools, not to mention hiring new staff and faculty. According to Altbach (2016), these changes coincide and are a result of the rising demand for higher education and the emergence of new fields, the most popular being informatics, management, international trade, biomedical sciences, and computer science. This

demand has signaled the need for higher education institutions to build out their programs and hire staff and secure resources to support the programs. The logic of mass higher education has introduced significant structural changes in the university (Altbach, 2016).

These changes have several implications to the decision-making culture. The accretion of new programs, courses, departments, centers, institutes, and schools have disrupted centralized decision-making structures and modalities. Within the modern university there may be found multiple loci of power wielded by the different stakeholders (i.e., faculty, staff, and accreditation agencies) siloed within and regulating the growing number of services and academic and administrative units.

Unfortunately, it is more typical than not that different stakeholder groups rarely coordinate. Rather, they operate autonomously according to localized (unit-specific) specialized rules, responsibilities and approaches, as well as values, perspectives, and customs that conflict with the dominant university culture. This phenomenon has been referred to as “loose-coupling,” meaning that organizations operate less as a rational whole and more as an assemblage of loosely-coupled units that have their own organizational cultures (Cohen et al., 1972; Weick, 1976). Weick (1976) even compares the university to an octopus whose arms behave as autonomous units in the absence of solidarity, rational planning, and a coordinated direction.

The phenomenon of loose-coupling is not limited to describing the configuration of and interaction among different stakeholder groups. It is also applied to describing the fragmented culture within the same stakeholder group. For example, Hill (1996) explains that the members of the faculty body share little in common with each other because of having different disciplinary foci and attaching different levels of significance to the scholarship of peers in other departments and schools. Faculty are siloed within their own fields of study, and typically not

interested in the research of peer faculty. Thus, coordination across disciplines is an elusive concept. The administration has also been described as having little uniformity. According to Zemsky and Massy's (1990) concept of 'administrative lattice,' the administration has grown to "incorporate ever more elaborate and intricate linkages within itself," –further fragmenting and bureaucratizing the organizational environment.

Ultimately, loose-coupling across and within academic and administrative units, across and within stakeholder groups, preclude institutional coherence (Deal & Celotti, 1980), referring to the convergence of goals among university stakeholders. Dean and Celotti (1980) further suggest that the disjointed organizational culture frustrates authority and the decisions they make. They claim that loose-coupling undercuts the centrality of leadership. This perspective is shared by Weick (1976) who argues that centralized authority is an incredible challenge in education.

### **Shared Governance and a Legacy of Faculty Empowerment**

Finally, universities compared with other organizations may be distinguished by their (stronger) espousal of shared governance in decision-making. Shared governance refers to the set of practices guiding the culture of collaborative decision-making among key stakeholders (American Federation of Teachers, n.d.). First catching on in the nursing industry, it is a collegial model of governance centralizing the principles of partnership, equity, accountability, and ownership (Swihart, 2006).

In the context of higher education, shared governance has become synonymous with faculty empowerment and representation in organizational decision-making (Nadler et al., 2010). Further, it is regarded as an antecedent to upholding the academic mission, as argued by leading scholars in the field (Gutmann, 1999; Kerr, 1970; Newman et al., 1996; Rhoades, 2005; Tierney,

1994). They discuss shared governance as an essential and inherent factor to promoting faculty decision-making involvement that in turn is generative to the free exercise of knowledge production and dissemination.

Faculty are thus important and necessary actors who facilitate the academic mission. Given this reputed and professional status, their input is constantly sought by administrative decision-makers in higher education. In fact, many scholars in higher education argue that higher education institutions effectively function on the basis of faculty input (e.g., Birnbaum, 1988; Bloom & Rosovsky, 2001; Burgan, 1988; Minor, 2004; Teferra, 2014). In other words, institutional success, which can be defined as the ability to advance organizational goals related to the academic mandate, depends on leadership decisions supported (and driven) by non-leadership constituencies such as faculty.

The American case is notably exemplary for embodying the spirit of faculty empowerment in decision-making. Shaping American higher education governance is a variety of safeguards and modalities that “protect the interest of faculty in university decision making” (Minor, 2004). These include task-force groups, town-hall meetings, academic senates, unions, and committees, to name a few (Minor, 2004). A deeply embedded democratic consciousness manifests in a system of “checks and balances” that recognizes faculty input, among those of other constituencies including students, lay boards, etc. And as mentioned earlier, broad representation in decision-making is integral and generative to not only organizational decision-making, but also institutional effectiveness (Birnbaum, 1988; Brubacher & Rudy, 1997; Heaney, 2010; Hirsch & Weber, 2001; Kerr, 2001). In this way, the American system of higher education has come to represent the gold standard of upholding the merits of academic freedom and research (Brubacher & Rudy, 1997; Ehrenberg, 2004; Hirsch & Weber, 2001; Shattock, 2014).

The American system of faculty-centered or shared governance, which has its roots in Europe (notably the Humboldtian model), has become widely accepted globally (Anderson, 2004; Dobbins and Knill, 2009; Scott, 2002). American higher education (and European) governance has become referential systems and is emulated by many countries in Asia, Latin America, and Africa. Shared governance (and in its absence faculty-driven pressures related to employing it) has become the (global) norm in higher education (Legon et al., 2013). Faculty globally have become familiar with the need for shared governance.

However, faculty autonomy may be absent or suppressed in some parts of the world. The sharing of governance may be found to lesser degrees in some regions, many of which are developing and have yet to transition to mass/universal student enrollment, not to mention have exposure to the academic demands of global competition and knowledge exchange. Sociocultural values and customs too may play a part in suppressing shared governance. And, of course, we must not ignore the threat to faculty power and autonomy coming from the emergence of new realities. According to Altbach (2016) and Hirsch and Weber (2001), new circumstances threaten traditional patterns of faculty autonomy and decision-making power, to some degree even in the research university. These include the massification of higher education, bureaucratization of universities, the strengthening of accountability measures and government controls, the hiring of nontraditional faculty (e.g., part-time, clinical), and the global wave of new managerialism principles favoring top-down, centralized approaches to governance and management.

However, these realities, while threatening faculty autonomy, do not mean the absence of faculty voice. In many institutional settings where faculty autonomy is suppressed, faculty are known to defend their right to fair representation, especially when it comes to decision-making matters of academic import. Faculty are not afraid to express their disapproval of top-down



approaches that marginalize academic agency and/or decision-making influence. In this way, the university is different from the corporate world because conformity to authority is not mandatory (Teferra (2014). Faculty “should fear neither intimidation nor harassment, nor, even worse, firing, by their institutions for their non-conformist ideals, values, perspectives, positions, beliefs, and statements. The requisite prerogative—academic freedom—is not that compatible with the principles of business and corporate regimes” (Teferra, 2014, p.2).

### **Problematizing Socioemotional Wealth Theory**

The characteristics outlined above contribute to differentiating the higher education organizational/governance context from other business settings. Understandably, some of the characteristics like ‘competing interests’ and ‘fragmented decision-making’ may be found shaping the governance culture in other industries. However, the organizational context of higher education may be understood as presenting these characteristics to a stronger degree.

The consideration of these characteristics in FOMHEIs is quite intriguing. This is because FOMHEIs seemingly possess other governance-related traits that may impact and interact with the academic culture. As discussed earlier, these traits relate to the familiness character of the institution and are derived from the family’s managerial involvement. Thus, as Altbach et al. (2020) explain, FOMHEIs are sites possessing both governance processes and modalities that are universal to academia as well as family-based decision-making behaviors explained by socioemotional theory. The clashing of these two governance systems is what undergirds key questions raised in this study. Do families in higher education management, like their counterparts in commercial business settings, make organizational decisions by primarily referencing SEW criteria? Do they pursue SEW as a primary/ultimate goal when making organizational decisions? Or, do the demands of the academic culture result in other decision-

making behaviors? More pointedly, to what extent do families involved in higher education management satisfy the assumptions of socioemotional theory?

As mentioned, socioemotional theory states that families owning businesses make organizational decisions primarily based on the prospect of losing or gaining socioemotional wealth. The pursuit of SEW is prioritized relative to all other business-related interests—even those including making a profit. However, the proposition of this study is that family leaders may behave differently in higher education whose organizational context is shaped by unique governance factors not found (or found to a lesser degree) in nonacademic organizational settings.

Thus, the family-owned or -managed higher education institution is a good match for what some scholars (e.g., Cavaye, 1996; Crabtree & Miller, 1999; Løkke & Sørensen, 2014) refer to as *theory testing*. Theory testing may be understood as a “theoretical research path” in which the findings derived from the application of a particular theory to a non-tested case study “becomes instrumental to the theoretical contribution” (Crabtree & Miller, 1999, p.66). Theory testing is generative to producing new findings that diverge from those catalogued in the existing literature. Is the original theory correct? Does the original theory fit other circumstances? Are there additional categories or relationships to be observed? These are some of the questions that theory testing can address according to Crabtree and Miller (1999). Thus, not only does *theory testing* identify gaps in the set of logical arguments advanced by a particular theoretical framework, but also it is a methodological approach employed to generate new knowledge from the application of theory under unexplored conditions. There is a need to “test explanatory theory by evaluating it in different contexts” (Crabtree & Miller, 1999, p.7), with the aim of modifying,

challenging, or confirming the theoretical premises vis-à-vis new realities (Cavaye, 1996; Løkke & Sørensen, 2014).

In this study, there is a need for testing the assumptions of socioemotional wealth theory in the never-explored context of higher education where family-ownership abounds. There is a need to examine how the family system operates in the organizational context of higher education, within the realities of fragmented decision-making; interests plurality; and the presence (or pressures to employ) democratic governance structures and modalities. The expectation is that the demands of these realities, representing the academic culture, lie in tension with the pursuit of family-opportunistic socioemotional wealth. As mentioned earlier, this type of SEW refers mainly to those that ignore the needs of other stakeholder groups, concentrate too much power in the family unit, and satisfy the affective needs of the family unit. In the context of higher education, the enhancement of such opportunistic SEW may have a suppressing effect on optimal levels of academic functioning by restricting the autonomy and decision-making power of nonfamily stakeholder groups (especially the faculty) that support the academic mission. Further, such SEW may shape an organizational culture inconsistent with the values, convictions and vision of the academic community. For example, the enhancement of family influence in the form of centralized governance structures favoring family managerial involvement may be challenged by faculty who espouse democratic and inclusive governance structures and modalities.

Thus, the family unit of a FOMHEI, in recognition of the negative implications of SEW on academic performance, may not act in selfish ways, but make organizational decisions with sensitivity to the needs and demands of the academic culture. Said differently, the organizational culture of traditional higher education settings may possess unique conditions that induce a

universal set of behaviors among all leadership, family-based or not and regardless of sector. The families of FOMHEIs and nonfamily-based higher education leadership in both the public and (nonprofit) private sectors may behave similarly with respect to organizational decision-making—driven by the same goal of appealing to the needs of the academic mission and the academic community.

At the heart of the assumption that families in higher education management act similarly to the leadership in nonfamily universities and colleges is that no single group in higher education, including the leadership, controls the decision-making process. Power is not affixed to one group. This inference is much in line with Foucault (1975) who discusses power as a relational construct that may be exercised by all members in society. The power or influence to affect the actions, thoughts and feelings of others, not to mention the outcomes of organizational objectives, circulates among multiple stakeholders and across loosely-coupled departments and schools. In higher education, the circulation and exercise of power by multiple stakeholder groups is in part facilitated by legitimized avenues of democratic participation. As mentioned, these include academic senates, committees, unions, townhall meetings, and other types of representative decision-making or consultive bodies. They allow varying university constituents to come together and flex their decision-making power or influence in relation to one another.

Not accounting for these power relations is a major limitation of socioemotional wealth theory. SEW theory assumes that the family unit protects and enhances SEW from a position of significant, if not absolute, power (Gomez-Mejia et al., 2007). In other words, SEW theory describes family decision-making behaviors and purposes without sufficient theorizing on how decisions are made in relation to the power of other groups.

This is evident in the negative view of SEW. As explained, this view of SEW links the family-based activities of protecting and enhancing SEW to the outcomes of significant firm costs. These costs mostly relate to normative contradictions (the violation of fair business practices by familial expectations and activities) that have an adversarial impact on the organizational culture, nonfamily employees, firm performance, nonfamily shareholders, and other external stakeholder groups (e.g., vendors and banks). Such outcomes are discussed as a matter of fact—without consideration and theorizing of the power-based tension that may exist between family and nonfamily stakeholders.

In the corporate world, which is the focus of the family firm literature, perhaps such theorizing is not needed. Teferra (2014) explains that employee conformity to authority is a matter of culture in the business world. Such conformity certainly suggests the absence of power-based tension and conflict between families and nonfamily personnel. However, this logic is not well suited to explain the contentious relationships that may exist between leadership and non-leadership in the higher education governance culture. As explained earlier, all stakeholder groups, especially the faculty, operate from personal convictions and according to local customs (within various academic and administrative units) that may work against the dominant university culture established by the leadership. Thus, relationships in higher education (more than in the corporate sector) are contentious by nature and families may have to consider their decision-making power in relation to those of nonfamily groups.

The logic of SEW is also problematized in higher education according to the positive view of SEW, but for a different reason. This reason has little to do with the absence of theorizing the power-based conflict that may exist between family and nonfamily stakeholders. In fact, while not explicit, the positive view of SEW assumes that power-based conflict affects family

decision-making behaviors. This is evident in the primary thrust of the positive view: Families are understood to satisfy their affective needs by first satisfying the expectations of other stakeholders who have the power to wrest control of the firm from the family and/or damage the reputation of the firm. As explained earlier, the continued leadership of the family firm by family members is predicated on keeping nonfamily stakeholders happy. This is because unhappy stakeholders in the form of shareholders, employees, lenders, and the community will question the motives and ability of families to lead their firms. The further understanding is that such skepticism damages the reputation of the firm, which has implications to firm survival. For families, firm survival is crucially important because it allows them to remain in a position of power and accumulate SEW in perpetuity.

In the business setting, this reasoning makes sense. This is because the accumulation of SEW, regardless of type, by the family does not create organizational challenges as long as the firm is turning a profit. It is not too unreasonable to argue that stakeholders in business organizations mostly care about the “bottom line.” High profits translate into higher salaries and returns, potentially leaving employees, shareholders, and vendors happy. Nonfamily stakeholders may not question the leadership, and its capability to lead the firm, as long as the firm continues to perform financially. In fact, nonfamily constituents may commend the leadership regardless of how they manage the firm. They may not care about the decision-making process or how many family members occupy key leadership positions.

However, the above reasoning may fall apart in the organizational context of higher education. This is mainly because the accumulation of SEW by the family is not mutually exclusive to what nonfamily stakeholders may desire. In other words, satisfying both the family’s affective needs, which include centralizing governance and monopolizing the decision-

making process, and the demands of the academic culture, which include opening decision-making to all constituents, is an illogical task. In higher education, university constituents, especially the faculty, may care more about the *process* of decision-making and management than any outcome such as the university turning a profit. They may care more about what is called “procedural justice,” or “the perceived fairness of the processes through which organizational decisions are made” (Birnbaum, 2004, p.12). Thus, the pursuit of family-opportunistic SEW, such as family influence through centralized governance structures, becomes an inherent contradiction. In other words, there is little rationality to theorizing that families in higher education enhance family influence when this very SEW dimension may marginalize faculty agency who may retaliate. Increasing family influence may mean the violation of fair and democratic decision-making practices.

The limitations discussed above leave a couple of central questions unanswered. How do families, with their ascribed power and espousal of centralized systems of governance, navigate an institutional field defined by competing interest coalitions, the loose-coupling of units, and pressures to open up decision-making? Further, how do families in higher education management, specifically in the nonprofit sector where the academic mandate is strong, make decisions where local governance conditions place limits on their ascribed authority?

To address these questions, this study turns to consider another theoretical framework alongside SEW theory. This framework is stakeholder theory and its application to the organizational context of FOMHEIs may reconcile the limitations of SEW theory discussed above. My understanding is that stakeholder theory, together with SEW theory, may be used to better understand how families make organizational decisions with sensitivity to the academic operating environment—which may be considerably different from the business setting. As

discussed, the major differences relate to the relationships among stakeholders, competing interests, pressures to democratize decision-making, and the organizational configuration of and interaction among different units.

### **Stakeholder Theory—A Better Fit?**

According to Freeman (1984), the concept of ‘stakeholder’ first appeared in the management literature as a proxy for individuals buying, selling, and holding stocks in a company. Stakeholders are powerful actors whose involvement in and support of management were essential for the long-term survival of a company. Since this early appearance, the concept of stakeholder evolved into a comprehensive theoretical framework incorporating key themes and principles from a number of subfields: corporate planning, systems theory, corporate social responsibility, and organizational theory (Freeman, 1984; Freeman & McVea, 2001).

Within this expansive framework, ‘stakeholder’ has become a more inclusive construct. It has come to mean “all the groups and individuals that can affect, or are affected by, the accomplishments of [an] organization’s objectives” (Freeman, 1984, p.25). Further, stakeholder theory espouses the idea that the actual success of firms depends on valuing the legitimacy of different stakeholder groups and the interests and goals they represent (Freeman, 1984), which can be in conflict (Donaldson & Preston, 1995; Freeman & McVea, 2001). Having support from a broad stakeholder base and satisfying the varying expectations of different groups simultaneously is part of an integrated strategic approach to organizational decision-making. In other words, stakeholder theory espouses a model of governance where “successful strategies integrate the perspectives of all stakeholders rather than offsetting one against another” (Freeman & McVea, 2001, p.15). These understandings relate the general idea of stakeholder theory. Together, they conceive organizations as a “constellation of cooperative and competitive



interests” (Donaldson & Preston, 1995, p.66) that succeed and survive on the support of their constitutive units and actors.

The above understandings give credence to stakeholder theory as an appropriate framework to explain patterns of organizational decision-making in higher education, for several reasons. Foremost is the precedent set by existing literature. While much of the literature on stakeholder theory has centered on the commercial context (Chapleo & Simms, 2010), there is a small and perhaps growing body of scholarship applying stakeholder theory to understand management strategies and processes, and identify the most salient stakeholders, in the context of higher education (e.g., Alves et al., 2010; Avci et al., 2015; Chapleo & Simms, 2010; Jongbloed et al., 2008; Marić, 2013; Wagner et al., 2008). This strand of literature identifies several stakeholder groups including board members, administrators, non-leadership staff, faculty, students, and oversight bodies such as the government and accreditation agencies. Albeit having different research foci and modalities (e.g. case studies, e-learning platforms, and the university-environment relationship), all of the studies in this subfield agree that various stakeholders within and around universities come to influence organizational processes and institution-wide initiatives. Further, they underscore the importance of broad stakeholder involvement in decision-making if institutional projects and strategies are to succeed. Finally, these stakeholder groups are understood to perform a critical role by holding higher education accountable to its mission of knowledge production and serving the public.

While having precedence in research justifies the use of stakeholder theory in higher education, the more convincing reason is, as discussed earlier, the theory’s capacity to reconcile the limitations of SEW theory in the FOMHEI governance context. Stakeholder theory fills a conceptual gap created by SEW theory’s failure to fully account for the demands of the unique

governance culture of higher education. The specifics of how stakeholder theory fills this gap are discussed below.

### **Power, Competition, and Conflict**

Unlike SEW theory, stakeholder theorists discuss power as an intrinsic feature of organizational conflict and decision-making. According to Freeman (1984) organizational issues arise frequently in corporations. They also give way to rife political posturing (Brummer, 1991; Freeman, 1984) where economic and political stakes, not to mention power bases, must be addressed in an integrated fashion by leadership (p.197). Further, these power-based conflicts among organizational members increase at critical junctures of crisis that threaten firm survival. A crisis may take many forms: financial exigency; disagreements among employees in pursuit of private career goals; and traditional proxy fights among shareholders where control over corporate affairs becomes a major preoccupation. For this latter situation, “wresting control of the business to alter managerial policies and change managerial personnel” (Freeman, 1984, p.206) are classic examples of corporate conflict. Even non-shareholder constituents such as directors are described to stake a claim to control the organizations they work for (Freeman, 1984).

Power is also discussed in connection with the resources organizational actors possess. In this view, stakeholders are understood to have power when they have at their disposal resources “to make an event actually happen” (Freeman, 1984, p.60). Resources can be anything that gives stakeholders a positional advantage including knowledge or financial wealth. Freeman’s argument is that the possession of these resources gives stakeholders power to control other stakeholders who are resource-dependent. According to stakeholder theory, the type of resource matters and has implications to what kind of power stakeholders can possess. Forms of power

include voting power, economic power, and political power. For example, the customers of one firm may come to have 'economic power' as decision-making agents in the market. Their decision to substitute one product with another in the purchases they make can affect service providers and the strategies they develop to sell their products. Simply, customers are regarded as having power because they signal changes to the market strategies of firms. However, the balance of power does not always favor one group. There may be situations where the power base of costumers contracts, especially when demand for a service outstrips supply. In this scenario, service providers have some influence in terms of product placement, supply and branding.

The shrinking and expansion of power among stakeholders suggests that power, or the ability to make an event happen, is dynamic and moves among organizational actors depending on the type and level of resources they possess. In this way, the managers or leadership of a firm "are not the only rightful locus of corporate control and governance" (Donaldson & Preston, 1995, p.67). Managers must act with sensitivity to other firm constituents who can also exercise power that in turn influence firm activities and objectives.

The decision-making power of stakeholders can be understood in an alternative way, as more relationally and through the decision-making approaches of the management. On the one hand, management is understood to have power when other stakeholder groups are amenable to leadership direction and can work well with the management. Stakeholder that are open to direction are labeled by Freeman (1984) as having "cooperative potential." For firms with high levels of cooperative potential, stakeholder theorists encourage the leadership to take an aggressive position with respect to changing firm directions, making organizational decisions, and changing firm values. In other words, they have the power to use top-down approaches to

induce desired behaviors in firm constituents. Making decisions unilaterally becomes an easy endeavor because the management of a firm may be understood as having more power than other stakeholder groups.

On the other hand, however, the power base of leadership shrinks when the firm has stakeholders that threaten/challenge dominant organizational values and practices. These stakeholders are understood to have what is referred to as “competitive threat” (Freeman, 1984). When a firm has significant competitive threat, or many stakeholders with different aspirations and expectations, stakeholder theory argues that the best possible action by leadership is taking a defensive position. This means that managers are encouraged to grant these stakeholder groups more autonomy in driving firm governance transactions and processes (Freeman, 1984). The leadership essentially act as facilitators of and take a back seat in decision-making.

There are also cases where stakeholder groups have both cooperative potential and competitive threat. According to Freeman (1984), these groups “[have] a strong[er] ability to influence the outcome of a particular situation” (Freeman, 1984, p.142). This is likely because the leadership does not know exactly how these stakeholder groups will react in different situations. Leadership is thus encouraged to break down “adversarial barriers” and create enabling structures that allow for open discussion and consultation, as a way to pinpoint issues and take stock of how other stakeholders feel. Management is encouraged to promote a culture of autonomy, self-respect, and actualization (Brummer, 1991), as well as illuminate marginal voices that increasingly seek representation (Freeman, 1984).

All of the above understandings of power resonate with the expectation of how power may manifest relationally in higher education. As mentioned, no single group in higher education, including the leadership, is understood by the higher education literature to control the

decision-making process. Rather, the power to affect the actions, thoughts and feelings of others, not to mention the outcomes of organizational objectives, circulates among multiple stakeholders. Among which, faculty perhaps have the greatest potential to challenge, and support, leadership with respect to achieving organizational objectives. The expectation is that family leaders in FOMHEIs may find themselves adopting collegial-based management strategies because of stakeholders like faculty who may possess high levels of both cooperative potential and competitive threat.

### **Complexity and Disjointedness in Decision-Making**

Different from SEW theory, stakeholder theory also accounts for organizational complexity. Freeman (1984) describes the modern-day organization as a complex assemblage constitutive of myriad groups, sectors, and divisions that operate within their own microcosms of differentiated work, values, ethics, and practices. Further, governance/management responsibility and decision-making are understood by stakeholder theorists to be fragmented, decentralized, and compartmentalized across these cultural subsets. This view of the modern-day corporation is strikingly similar to how the literature portrays the higher education organizational/governance culture. Both are discussed as a fragmented landscape of loosely-coupled units and actors operating within their own specialized and professionalized work/academic domains.

### **Constituent Participation in Governance**

As mentioned earlier, a stakeholder management approach calls for an integrated approach to strategic decision-making promoting broad stakeholder engagement (Freeman & McVea, 2001). Successful strategies integrate the perspectives of all stakeholders rather than offsetting one against another (Freeman & McVea, 2001). This proposition does not naively suggest that all stakeholder voices should be surfaced or that all stakeholders will benefit from

the outcome of a collaborative decision-making process (Donaldson & Preston, 1995; Freeman & McVea, 2001). Rather, the point being made here is that stakeholder interests convergence as part of organizational decision-making shares common roots with the concept of shared governance.

According to some stakeholder theorists (e.g., Brummer, 1991; Freeman, 1984; Freeman & McVea, 2001), the idea of corporate governance has come to mean employee participation in governance. This is because collective decision-making is increasingly viewed as a prerequisite to achieve organizational objectives, whether this means entry into new markets, product development, the implementation of new programs, or in general firm survival. In other words, top management must garner the support of internal constituents, from all levels of the firm (Freeman, 1984), if the firm is to succeed. Internal constituents must be convinced of firm objectives and approaches through governance practices that “routinely surface their concerns” (Freeman, 1984, p.73). And only in this way, with the support of internal members, may any organizational (leadership) decision have the legitimacy needed to move the firm forward without significant organizational conflict.

An integrated approach to governance is also espoused by stakeholder theorists because the inclusion of other groups in decision-making leads to better accountability. Brummer (1991) is clear on this matter. He talks about accountability (by top management to its stakeholders) as part of a “collegial model” where responsibilities are shared and entrusted to other stakeholder groups. Further, the sharing of responsibilities, and the act of trusting others to carry them out, becomes generative and essential to moving the firm in a singular strategic direction. Relationships built on trust and over time have a positive effect on keeping members accountable to organizational objectives.

Indeed, Freeman (1984), Freeman and McVea (2001), and Brummer (1991), in their espousal of a collegial approach to management, resonate with the higher education literature on its position on shared governance. Both emphasize broad stakeholder representation in decision-making and support the idea that organizational success depends on the support of internal stakeholders. As mentioned earlier, broad stakeholder engagement in decision-making has significant implications to institutional effectiveness in higher education (Birnbaum, 1988; Brubacher & Rudy, 1997; Heaney, 2010; Hirsch & Weber, 2001; Kerr, 2001).

### **Social Obligation and Environmental Cognizance**

Finally, stakeholder theory makes sense to investigate the FOMHEI organization context because it accounts for environmental pressures and changes common in higher education. According to Freeman and McVea (2001), the stakeholder approach to management gives consideration to “unprecedented levels of environmental turbulence and change” (p.3). Having to manage environmental instability, as an inherent operational challenge for leadership, is a major assumption of the theory. In part grounded in systems theory (Ackoff & Churchman, 1947; Katz & Kahn, 1966), stakeholder theory views corporations as operating within and interacting with a complex open system where change is immanent and where outside influences have an effect on corporations and the constituents of the corporation. ‘Change’ may take any shape or form: the emergence of new stakeholders, the development of new technologies, shifts in market demand, increases in interest and inflation rates, the introduction of new government sanctions and standards, and the emergence of new clientele (Freeman, 1984). All of these factors define and contribute to the idea that firms deal with change and external turbulence.

Likewise, higher education institutions are understood to frequently deal with environmental turbulence and outside pressures. The landscape of higher education is constantly

evolving in step with and pressured by myriad shifting environmental circumstances: intensifying government accountability, new accreditation standards, market trends, decreasing public funding (nearly everywhere in the world), and stiff competition, to name a few. Increasingly, colleges and universities must negotiate these disruptive forces as they engage in what Hazelkorn (2015) refers to as the ‘reputation race’, where attracting students, achieving success, and surviving also means receiving positive marks in ranking tables. Reputation and performance have become even more critical in the new accountability regime (Altbach, 2016; Austin & Jones, 2015; Cohen, 1998; Hazelkorn, 2015; Hines, McGuinness, 2005) where government monitoring and steering of higher education activities have increased. The government and other external oversight bodies are mainly concerned with improving education quality and aligning institutional priorities with the needs and demands of the economy and society. Such is the case even in the UK where historical patterns of allowing institutional autonomy are abandoned to keep higher education more accountable. The UK faces the prospect of increasing state intervention (Austin & Jones, 2015; Shattock, 2008). Many countries in Asia too—such as China, the Philippines and Korea—face similar circumstances. As Marić (2013) claims, “universities everywhere are being forced to carefully reconsider their role in the society and to evaluate the relationships with their various constitutions, stakeholder, communities” (p.220). Also insightful is Jongbloed et al. (2008) who contends that “new forms of market-based, customer accountability” bear on higher education and demand that universities and colleges act in socially acceptable ways.

In sum, stakeholder theory—and its capacity to account for power-based relations, fragmented decision-making, shared governance, and external pressures—is well suited to understand the complexities of the higher education organizational environment. Importantly, it



may reconcile the limitations of SEW theory when applied to the FOMHEI organizational context. As explained though, stakeholder theory is not being applied to replace SEW theory in describing DFC decision-making behaviors in higher education. The dismissal of SEW theory is neither prudent nor possible. This is because SEW theory is perhaps well suited to identifying the family-based governance characteristics of all family-owned ventures, regardless of industry. In other words, every family-owned venture has family-based characteristics that can only be explained by SEW theory. Thus, the application of stakeholder theory compliments the lens of SEW theory. This study expects to rely on both theoretical frames to explain family decision-making behaviors in higher education. As also mentioned, the novelty of this approach, relative to the theorizing of SEW theory, is two-fold: (1) in the need to consider another theory alongside SEW theory and (2) in the argument that SEW is not the primary criteria that families in higher education management reference with respect to decision-making.

## CHAPTER 3: METHODOLOGY

### Introduction

The purpose of this dissertation is to investigate and profile the decision-making behaviors and intent of families involved in higher education ownership or management. The study's thrust comes from the assumption that families involved in nonprofit higher education ownership or management may behave differently from the normative decision-making patterns espoused in the family-owned business literature. They may reference other criteria besides socioemotional wealth when framing problems and making decisions. In other words, decision-making may not be entirely based on whether or not there is a real or perceived risk to losing socioemotional wealth, or the nonfinancial endowments of family firms (Berrone et al., 2012). Rather, families in the nonprofit higher education context may negotiate decision-making with additional sensitivity to the realities of the academic governance culture. My assumption is that these realities, which will be clarified, place expectations and pressures on families to behave in socially acceptable ways—effectively restricting their ability to satisfy their affective needs.

The above assumption prompts the following primary research question: **How does the owner family at one nonprofit FOMHEI negotiate organizational decision-making where inherent governance realities may place limits on the ascribed decision-making authority of the family?** This question is supported by three secondary questions:

- a. What prototypical characteristics of (private nonprofit) higher education may be found at a nonprofit FOMHEI?
- b. What family-based characteristics may be found at a nonprofit FOMHEI?
- c. What are the factors resisting family-centric decision-making behaviors at a nonprofit FOMHEI?

## Research Design

To address these questions, this study employed a case study design in the methodological tradition of Yin (2003). There are several reasons why Yin makes sense. Foremost, he provides sufficient reasoning to pursue a case study in relation to the research question of this study. While experiments, histories and case studies may all address ‘how’ questions (Yin, 2003), the case study method becomes preferred when the phenomenon under investigation is (1) nonhistorical (2) and occurring in real world contexts/situations, (3) and the researcher has little control over the phenomenon being studied. These conditions are met in this study. This study seeks to develop in-depth understandings of family decision-making behaviors, as they are happening in the natural environment of the higher education organizational context. Furthermore, Yin’s case study design is salient to studying processes and events, rather than people, the latter of which is typically associated with other approaches (e.g., Stake, 1995). There is thus a natural alignment between Yin and this study’s focus on the process of organizational decision-making in higher education.

The case study design is well suited for another reason. According to Yin (2003), case studies may be employed when testing established theory in new contexts. Extending theory into new contexts accomplishes what Yin refers to as “analytic generalization” (p.23), or taking previously developed theory as a “template with which to compare the results of [a] case study” (p.33). This reasoning is consistent with the goal of this study, which is to problematize SEW theory, a widely accepted theoretical framework in the family firm literature, in the context of higher education. Higher education is perfectly situated for such an investigation because it possesses unique organizational properties perhaps not found (or found to a lesser extent) in commercial industries. Thus, applying SEW theory in higher education may challenge the family

firm literature and the espoused understanding that families primarily reference SEW when making decisions.

Yin (2003) is further relevant because this study not only aims to test theory in a new research environment, but also offers a rival theoretical explanation. According to Yin, a rival theory may be used, together with the theory being tested, to explain the results of the study more clearly. In this study, the rival theory/explanation is stakeholder theory. It is being applied as a potentially more appropriate (or dominant) framework for investigating decision-making behaviors at family-owned or -managed universities. As mentioned though, the expectation is that family decision-making behaviors will be made clearer by the application of both stakeholder theory and SEW theory. Stakeholder theory is expected to capture the politics and openness of decision-making in higher education while SEW theory is expected to capture the family dimensions of the FOMHEI.

Using Yin (2003) as a guide, this study primarily manifests in its research design “realist” perspectives/assumptions on knowledge (ways of knowing) and the world (reality). This means that the methods of this study manifest the following core assumptions/principles: working from established theory and a priori reasoning to guide research; understanding that an objective reality exists and that research can capture this reality; and emphasizing rigor in data collection (relying on multiple evidentiary sources), analysis, and interpretation.

However, it is unreasonable to aver that these assumptions are the only principles guiding this study. This is because this study is a qualitative inquiry. All forms of qualitative inquiry include opportunities to co-create knowledge. Qualitative researchers, perhaps even some with quantitative leanings, should not “[view] [themselves] as a potential contaminant, something to be separated out, neutralized, minimized, standardized, and controlled” (Fine et al., 2000, p.169).

Whether they like it or not, the mere involvement of researchers in data planning, collection, and analysis shapes the production of findings. This is because researchers, barring random sampling procedures, have some level of control in determining the sample, interview participants, and which areas of the interview transcripts to focus on. Further, researchers make their subjectivities known when interpreting and discussing the findings. In this way the researcher's subjectivity is very much a part of the research process.

Researcher subjectivity is especially a part of this study. Being a member of a family that runs a university, I cannot avoid discussing the findings according to my worldview of FOMHEIs. I must, as Fine et al. (2000) speculate, “[interrogate] in [the] writings who [I am] as [I] coproduce[s]” the narrative of findings. Thus, this study also manifests in its methods principles associated with the post-positivist paradigm. This worldview builds on the positivist paradigm, but with caveats. Notably, this worldview espouses the understanding that reality can only be estimated through research—not fully captured. Further, the estimation of reality is based on multiple, inherently biased perspectives of research participants, as well as to some extent shaped by the subjectivities of the researcher (Creswell, 1998). In other words, the subjectivity of the researcher is not discounted when interpreting reality according to the post-positivist paradigm.

While this study has post-positivist leanings, and allows for the critical interpretation of reality, there is a clear reason why it does not commit to more constructivist/interpretive worldviews. Indeed, understanding reality through multiple, inherently biased perspectives reflects the qualities of the constructivist paradigm. According to Creswell (2009), a constructivist approach to inquiry attempts to understand reality as peoples' lived experiences, as they construct them through their subjective lens. This is consistent with qualitative inquiry,

especially when involving data collection through interviews. Essentially, the researcher is basing his/her interpretation of reality on the socially-constructed experiences of interview participants. However, the alignment between constructivism and this study stops here. There is clear reason why Yin's (2003) realist approach makes sense as opposed to other case study approaches advanced by scholars with constructivist leanings (e.g., Stake, 2000). This reason has already been explicated earlier. There is a natural alignment between Yin's methodological work and this study with respect to the objective of theory testing and beginning research from a priori reasoning. However, Stake's (2000) approach to case study design is less about approaching inquiry on the basis of theory than about relying on the "intuition and impression" of the researcher, and *emerging* new theoretical understandings in relation to the data. Stake's approach to inquiry for the most part represents all constructivist/interpretivist research. Constructivists seem to agree with Stake who contends that research "cannot be charted in advance" (cited in Stake, 1998, p. 22). This is inconsistent with this study. This is also inconsistent with Yin who places considerable emphasis on preparing a "detailed design at the outset of the research" (Yin, 2003), with of course room to make small adjustments to the plan as needed.

The remainder of this chapter focuses on the more technical aspects of this study's research design. Design choices were made to ensure "methodological congruence" (Morse & Richards, 2002) with the assumptions just discussed, the theoretical premises outlined in the literature review, and this study's research question. There was a specific focus on making sure that all of the central components of Yin's (2003) case study design—a study's questions; its (theoretical) propositions, if any; its unit(s) of analysis; the logic linking the data to the propositions; and the criteria for interpreting the findings—are cohesively integrated.

## Methods

### Sampling Procedure

According to Yin (2003), a critical case sampling approach may be combined with a single case study design when the purpose of the study lies in testing a well-formulated theory. The underlying assumption is that a single case should meet all of the conditions for testing a theory and its propositions. This is consistent with Patton (1990) who explains that single critical cases are useful to render “logical generalizations,” or generalizations to (established) theory. These critical cases can stand on their own given the “weight of evidence produced.”

Indeed, Yin (2003) and Patton (1990) justify the selection of a single case vis-à-vis the aim of this study: to problematize the theory of SEW in the context of higher education. Importantly, the selection of a single institution is expected to meet all the conditions for testing SEW theory. These conditions are two-fold. The institution should first be shown to typify the family-based traits of family-owned businesses. Also, the institution should satisfy the definitional articulation of being a family-owned or -managed institution. This definition was proposed earlier in the literature review: A family-owned higher education institution is one that is governed and/or managed by a dominant family coalition whose intention is to shape the university according to a distinct family vision in a manner that is potentially sustainable across successive familial generations. The second condition to meet concerns the prototypical organizational characteristics of higher education also outlined in the literature review. These mainly include missional ambiguity, power relations, organizational complexity, loose-coupling, an emphasis on the academic mission, and faculty empowerment in decision-making. Ensuring that these characteristics, as well those defining a family firm, exist in the single case is crucially important to the purpose of theory testing. In other words, SEW theory must be problematized in

an institutional environment where the propositions of SEW theory are placed in tension with the unique governance properties of higher education.

The identification of such an institution (a family university possessing higher education governance characteristics) provides little incentive to look at additional case examples. This assumption is justified whether they are similar or different. While investigating similar institutions becomes repetitive, and prone to produce findings in saturation, the latter is irrelevant with the understanding that theory testing makes sense only when all of the conditions needed to test theory are preserved in a research site. The application of such criteria excludes all nonfamily institutions and FOMHEIs where the academic mandate is weak. For-profit FOMHEIs therefore may not be eligible. This is because they may lack some of the unique governance traits associated with supporting the academic mission. Further, looking at multiple cases is unneeded because of the study's focus on analytical generalization, not statistical generalization that emphasizes discerning and accounting for differences across multiple research sites (Yin, 2003).

One other reason for choosing a single case study design bears mentioning. According to Patton (1990), looking for a critical case is appropriate where “resources may limit evaluation to the study of only a single site. Since this study is self-funded, with the site of data collection overseas (most FOMHEIs are found outside of the U.S.), there are indeed resource constraints. These constraints must be balanced with the consideration of conducting a robust study. Spending three weeks at a single site and interviewing ten participants, not to mention spending some time observing organizational cultural norms, struck this balance for me.



## Sampling Criteria

Listed below are the criteria defining the target population (list of eligible institutions), used to identify this study's individual case. These criteria are separated out by national and institutional levels.

### National Level.

1. Fully accredited
2. "Good" reputation (demonstrated by media artifacts and/or national and/or international ranking[s])
3. Nonprofit status
4. Four-year university

### Institutional level.

#### *Academic characteristics*

1. Large size (based on size of staff and student enrollment)
2. Presence of an academic senate or similar faculty body that is not just advisory in capacity, but functional
3. Governance mechanisms providing opportunities for shared decision-making among multiple university constituents
4. Comprehensive programming offering bachelor, master and doctoral level studies spread across multiple schools
5. A mission statement aligned with academic goals (teaching, producing research, transforming society, etc.)

#### *Familial characteristics*

6. Members of family directly and managerially involved in operations and organizational decision-making
7. Family members at a minimum either occupy the board chair position and/or president position
8. Multiple family members employed in key positions
9. Must be open to or have a family-based succession plan

In addition to these criteria, the target population was further narrowed by several other conditions related to the researcher. The researcher was limited to investigating FOMHEIs located in Anglophone countries. This includes countries where English is spoken co-officially. Conducting interviews in languages other than English would be a major obstacle for the researcher who has fluency only in English. Also, the individual case was selected from a

shortlist of institutions identified through the researcher's professional network at Boston College. The researcher has some knowledge, on the basis of anecdotal evidence (Altbach et al. 2020), on each of the institutions in the list.

The anecdotal evidence suggested a clear candidate. The institution chosen for this study is based in India, which hereafter is referred to as Grand Hall University (GHU). Importantly, this institution satisfies all of the above sampling criteria including those related to the researcher. It is a large FOMHEI located in five different cities and having comprehensive programming (91 programs) spanning multiple schools/disciplines (seven) and departments (over 40). These programs are offered to upwards of 20,000 students and supported by nearly 3000 staff and faculty. This is a significant presence of staff and faculty based in many different programs. Certainly, the large size of the university, and diverse staff and faculty, gives some clue as to the potential presence of conflicting and competing interests with respect to organizational goals. Answering the secondary research questions of this study will prove whether GHU indeed has this characteristic.

Further, GHU has a good reputation, proxied in this study by rankings, both domestic and international. In 2018, the National Institutional Ranking Framework of India's Ministry of Human Resource Development (MHRD) places GHU in the top 50 universities in India. This is quite exceptional considering that India has upwards of 700 universities. Also, GHU is ranked in the top ten among India's private universities established after 2000. Several of GHU's programs are also nationally ranked as top-tier programs by various magazines, e.g., Business Today and Outlook India. Further, GHU received recognition as performing among the list of top 250 universities in Asia and the top 110 in BRICS (acronym for the association of five major emerging national economies: Brazil, Russia, India, China and South Africa) by QS World

University rankings in 2018. Finally, GHU commands the status of “deemed university.” This status signifies many things. The understanding most salient to the focus of this study concerns educational quality and academic priority. According to the University Grants Commission (UGC), the status of deemed university is granted to select institutions that demonstrate excellence in educational quality and high standards relating to the academic mission.

With an emphasis on academic quality and a commitment to advancing the academic mission, GHU may place a premium on faculty representation in organizational decision-making. This reasoning is consistent with the literature that describes faculty input as a cornerstone of knowledge production and institutional success (Birnbaum, 1988). Further, anecdotal evidence (Altbach et al., 2020) suggests that GHU is a site where decision-making is transparent, inclusive, and mediated by a system of checks and balances. Later chapters in this dissertation will make clearer GHU’s governance culture; but a quick glance at the website reveals the presence of multiple committees and councils, at leadership levels, with strong representation of faculty as well as working professionals from society.

Finally, GHU meets the definition of a family-owned or -managed higher education institution. It is family-managed with members of the DFC directly involved in managing university affairs. Dr. Prem (pseudonym), the founder of GHU, occupies the chair/president position of the parent organization/Trust controlling GHU and other educational organizations. His role at GHU is Chancellor. As Chancellor, he may not be directly involved in managing the day-to-day operations of the university; however, he likely oversees (indirectly) many aspects by university affairs given his dominant position in the parent organization.

Second generation family members are also involved professionally and across all of the institutions of the Trust. At GHU, the title of Pro-chancellor is held by the eldest daughter, Dr.

Aabha (pseudonym). As Pro-chancellor, she perhaps has more direct involvement in managing GHU than her father. It is unclear whether the younger daughter, Dr. Nishita (pseudonym), has a role at GHU. However, she is the Pro-chancellor at another institution affiliated to the Grand Hall Trust. Both daughters have positions on the Managing Committee of the Trust and seem to provide broad support for all of the affiliated educational organizations. One of these daughters, likely the eldest, may succeed Dr. Prem as the president of the parent organization.

As a FOMHEI, GHU also employs other family members including those through marriage. Such is the case for the husband of Dr. Aabha. He is the Dean of one of the Faculties at GHU, as well as director of one of the institutes. Other family members sit on the Managing Committee of the Trust. There are five family members in the committee of eleven.

In sum, the characteristics of GHU cut across both family and higher education dimensions. Importantly, their intersection should provide a space for novel research in line with this study's focus. GHU, as a critical single case, preserves all of the conditions for theory testing.

### **Interview Participants**

The higher education literature identifies many university stakeholders including the government, faculty, students, the board, alumni and other donors, the administration (leadership and non-leadership), and accreditation agencies. This is not an exhaustive list. Among these stakeholder groups, four are a focus of this study: the board or Managing Committee (where there is a concentration of family members); administration (family and nonfamily); faculty (family and nonfamily); and the government/accreditation agencies/society. To note, interview participants were not recruited from the last group. This was because of time constraints and not knowing how to connect to government or accreditation agency officials in India. However, I

investigated how this stakeholder group impacts organizational decision-making indirectly, by asking interview participants questions related to the influence that external actors have on decision-making. Also, interview participants were not recruited from the population of students at Grand Hall University. While the higher education literature identifies them as a stakeholder group who can impact decision-making, I found that at GHU students are not members of key decision-making bodies and thus do not have direct representation in organizational decision-making. Rather, they participate in decision-making through providing their feedback at the departmental level mostly related to courses, programs, and internships.

In this study, I selected interview participants who have direct participation in decision-making through their membership on key decision-making bodies, such as the Academic Council or Board of Management (these bodies will be described in later chapters). The interview participants selected for this study, and their membership to key decision-making bodies (referred to as governing authorities), are shown in Table 1.0 below. There are four family members and six nonfamily members, as also shown.

Table 1.0 Interview Participants

| Name      | Title   | Stakeholder Group | Family Status         | Governing Authorities* | Degree(s)  | Years at GHU |
|-----------|---|-------------------|-----------------------|------------------------|--|--------------|
| Dr. Prem  | President of Trust, Chancellor of GHU   | Family            | Founder               | Chair, MC              | PhD  | >40 yrs      |
| Dr. Aabha | Principal Director of Trust, Pro-Chancellor of GHU, Executive Director of the Center for International Higher Education | Family            | Daughter of founder   | MC, BoM, PmB, BoUD, FC | Postgraduate degree in medicine, law degree, PhD | >20 yrs      |
| Dr. Aarav | Dean of a faculty   | Family            | Son-in-law of founder | MC, BoM, AC, BoUD, PmB | Postgraduate degree in                           | >20 yrs      |

|               |  |                          |  |                                |               |         |
|---------------|--|--------------------------|--|--------------------------------|---------------|---------|
|               |  |                          | and husband of Dr. Aabha                 |                                | medicine, PhD |         |
| Dr. Vihaan    | Head of an administrative office and oversees other service-oriented areas | Family                   | Grandson of founder and son of Dr. Aabha | UsB                            | MBA<br>PhD    | >1 yr   |
| Dr. Aditi     | Vice-chancellor  | Nonfamily administration | nonfamily                                | Chair, BoM, BoUD, PmB, BoE, AC | PhD           | >20 yrs |
| Dr. Kalinda   | Senior administrator   | Nonfamily administration | nonfamily                                | BoM, PmB, BoUD                 | PhD           | >20 yrs |
| Dr. Keya      | Director of an institute; Deputy Director of a center                      | Faculty                  | nonfamily                                | AC, PmB, Bos                   | PhD           | >30 yrs |
| Dr. Prisha    | Dean of a faculty  | Faculty                  | nonfamily                                | BoM, AC, PmB, BoS              | PhD           | >10 yrs |
| Dr. Kiaan     | Professor, Head of a department in one of GHU's institutes                 | Faculty                  | nonfamily                                | AC, BoS                        | PhD           | >10 yrs |
| Dr. Danielle* | Professor  | N/A                      | nonfamily                                | N/A                            | PhD           | N/A     |

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\*MC: Managing Committee, BoM: Board of Management, AC: Academic Council, PmB: Planning and Monitoring Board, BoUD: Board of University Development, FC: Finance Committee, UsB: University Sports Board, BoE: Board of Examination, BoS: Board of Studies  
 \*\*This interview participant does not work at GHU

Source: Author

It is important to point out that one of the interview participants (in this study, referred to as Dr. Danielle) does not work at Grand Hall University. Dr. Danielle's involvement was serendipitous and secured by suggestion of a member of my dissertation committee. Dr. Danielle

spent significant time at Grand Hall University as a visiting scholar and was able to offer some insights into GHU's governance structure as an outside informant.

The following criteria was used to define the target population from which the interview participants shown in Table 1.0 were chosen (not applicable to Dr. Danielle). As shown, each interview participant has met the particular selection criteria specific to his or her stakeholder group. To note, I was only able to recruit board members with a family status (ascribed to them either at birth or through marriage). I believe that this does not pose a significant problem as the board, referred to as the Managing Committee, may be considered a family-based stakeholder group. I explain why this is in later chapters.

*Board.*

- (1) Participants must be a member of the family, either by birth or through marriage; and
- (2) Participants must have direct involvement in managing or working in GHU for more than one year. Here, length, arbitrarily defined, may control for inexperienced members who may not have a sufficient level of familiarity with the organizational culture of the university. Thus, their responses may diverge from and be less-informed by reality.

*Faculty (family and nonfamily).*

- (1) Primarily members of leadership-level committees and councils are pursued as interview participants. These include the Academic Council, Board of Management, and other influential bodies identified through university documents and interviewing; and
- (2) Interview participants will have worked at GHU for more than a year.

*The administration (family and nonfamily).*

- (1) Any administrative staff working in managerial/leadership roles. These units concern, but are not limited to, finance, student affairs, and compliance; and
- (2) Interview participants will have worked for more than a year.

With these criteria, I selected interview participants using the approaches of purposive, criterion-based sampling and snowball sampling. Purposive sampling refers to a nonprobability sampling method where interview participants are selected based on specified characteristics and with consideration to the objective of a study (Patton, 1990). In this study, the sampling procedure is criterion-based because of the need to select interview participants having a direct role in organizational decision-making. This strategy is consistent with Patton (1990) who discusses purposive sampling as a way to produce “information-rich cases from which one can learn a great deal about issues of central importance to the purpose of the inquiry” (p.230).

Complimenting this sampling strategy was snowball sampling. Interview participants were asked to identify further candidates based on “hunches, working hypotheses, and educated guesses [that] direct the investigator’s attention to certain data and then to refining and/or verifying one’s hunches” (Meriam, 1988, p.123). This strategy was expected to maximize the likelihood of identifying interview participants with expert and tacit knowledge on organizational decision-making, and participating stakeholders, within GHU.

### **Data Collection**

According to Yin (2003), data collection should follow a detailed and carefully formulated plan. Yin refers to this plan as the case study protocol, a roadmap of preparatory steps outlining conditions that researchers need to meet when collecting data. The case study protocol includes field procedures, guidelines for gaining access to research participants, an estimate of resources required for travel and lodging, and documents such as the interview protocol—all



details to ensure a smooth data collection process. Importantly, having a case study protocol increases the reliability of the study, by keeping the researcher accountable to measuring the phenomenon he/she intends to measure (Yin, 2003).

The protocol is also useful as a planning tool to think about several principles that researchers ought to follow when collecting data for case studies. At the forefront is the principle of addressing possible gaps in validity. According to Yin (2003), some concerns about validity may be addressed by relying on multiple sources of data to measure the same phenomenon. These include documentation, archival records, interviews, direct observation, participant observation, and physical artifacts. Having multiple evidentiary sources is essential to compare and cross-check perspectives. Also, the multi-modal approach to data collection increases the chance to develop converging lines of inquiry regarding a single phenomenon. Data convergence across multiple sources is otherwise known as ‘triangulation’ of data (or structural corroboration) and contributes to a more convincing (and valid) argument when discussing findings (Patton, 1999). Consistent with Yin and Patton (1990), I planned to use three evidentiary sources to collect data. These are explained further below.

Developing the protocol also opened up the opportunity to think of ways to honor Yin (2003) who espouses the strategy of using theory and literature to guide data collection. This alignment contributes to the overall methodological congruence of the study. Some key strategies used in this study are developing interview questions based on the theoretical assumptions underpinning the study and interviewing individuals who meet predetermined criteria developed from theory. These approaches are further explained below together with more details about the planning that went into developing the case study protocol.

## **Gaining Access**

As mentioned, GHU was chosen among a shortlist of eligible institutions. I became familiar with these institutions through my professional network at Boston College and on the basis of anecdotal evidence (i.e., Altbach et al., 2020). With the help of faculty at Boston College, I made contact with Dr. Aabha, Pro-Chancellor of GHU, and inquired about the possibility of conducting research at her university. She accepted the proposition and, together with another member of GHU, worked with me to arrange the initial interviews.

## **Interviews**

Rich and descriptive data were collected from interviews with ten participants. This includes prearranged interviews and interviews secured on an ad-hoc basis through snowball sampling. All interview participants were asked the same core set of questions developed as part of the case study protocol. The questions were formulated on the basis of the two theoretical frameworks of this study. In this way, the interviews follow what Merton et al. (1990) describe as a focused interview format where questions are predetermined (typically by theory) and consistent with the focus of a study. Some of the questions changed according to stakeholder group. For example, faculty were asked specific question related to the academic culture while staff administrative leadership were asked questions concerning, for example, finance and human resources. Further, there were a number of occasions across all the interviews where I asked conversational or probing questions. These questions were aimed at clarifying and expanding on points of particular interest that were brought up during the course of the interviews. Follow-up questions were also asked via email once I analyzed the data and found that several portions of the transcripts needed further clarification.

Focused interviews typically last an hour in length (Yin, 2003). However, some interviews of this study extended past the hour mark because of additional Q & A. Each interview was summarized, along with researcher observations, comments and notes, into interview memos. Miles and Huberman (1994) refer to these memos as a contact summary form. This form is a one-page document that provides researchers with a space to “pause and ponder” about the “main concepts, themes, issues, and questions” as they relate to “larger theoretical, methodological and substantive issues” (p.124) emerging from each interview. According to Merriam (1988), “data that have been analyzed while being collected are both parsimonious and [illuminative]” (p.124). Merriam further explains that contact summary forms allow the researcher to go beyond the role of mechanistic data collection and into the territory of critical thinking. Further, this step is crucial to remain focused and avoid getting lost in the details (Miles & Huberman, 1994). They provide a means to process the data during the data collection phase, which has benefits to organizing what may be an overwhelming influx of data. Finally, contact summary sheets may be useful when revisiting the protocol to revise questions when necessary and approaching new interview participants. Each interview was tape recorded (with participant consent) and prepared for coding by transcribing to text.

### **Documentation**

Yin (2003) contends that documentation has a crucial role to play in conducting case studies. Documents are used to corroborate (or offer different perspectives in relation to) data collected and highlighted from other sources. They also provide general background information on the research context and interview participants. For this study, several types of documents were used: written material by the founder of Grand Hall University, university documents,

anonymous online reviews of Grand Hall University from an established career website, and media from news outlets, to name a few.

Consistent with Yin (2003), specific times were allotted to collecting these documents. In a first phase, publicly available documents were collected in advance of the research site visit. These documents may be found on GHU's website and via a Google search. A focus was on sourcing such documents as news articles, organizational charts, and other university documents pertinent to this dissertation. In a second phase, I was able to obtain additional university documents, some of which are private and containing sensitive information, from interview participants.

### **Direct Observation**

I originally planned to collect data through direct observation by assuming the role of what Creswell (2009) refers to as "complete observer-researcher." This designation refers to investigating a phenomenon strictly as an observer (Creswell, 2009). This means attending decision-making meetings and other on-campus events without participating. However, I was not able to attend any campus events or meetings, because of the timing of my visit. For example, I was invited by the Pro-chancellor to observe a meeting involving GHU's institute directors, but I could not go because the meeting took place on the day I was scheduled to fly back to the US. This is unfortunate as I planned on using observation data to corroborate data from interviews and documentation. However, I was able to take some field notes as I walked the campus grounds. These notes were useful especially as I wrote chapter 5 of this dissertation, the background chapter for GHU.

In sum, this study used interviews and documentation as a way to develop converging lines of inquiry on the topic of organizational decision-making at GHU. Each of these methods

of data collection have their weaknesses and strengths. For example, retrieving data through documentation may be efficient (less time-consuming), but less insightful. The researcher is unable to draw data beyond the contents provided in these documents. On the other hand, interviews give researchers a chance to draw richer data that may be further fleshed out through probing questions and looked at from varying perspectives. Interviews however suffer from bias. Bias may creep in as a result of many factors: poorly constructed questions, the researcher's presence and potential influence on responses, and interviewee subjectivities (Creswell, 2009; Yin, 2003). Yin (2003) observes, however, that this form of bias may be minimized by triangulating data. Therefore, the two evidentiary sources used in this study is expected to complement and reconcile the limitations of each other.

### **Case Study Database**

All of the data collected across the two evidentiary sources were organized into a "case study database" (Yin, 2003). This means that interview transcripts, recordings, and field notes were organized into easily retrievable units of storage (on the computer). This database also includes contact summary forms, other types of reflective memos, and what are referred to precontact summary sheets. These summary sheets include background information on each interview participant. They were instrumental in the early stages of preparing for interviews and figuring out the best possible approach to connect with interview participants.

In addition to being able to efficiently retrieve, manage, and organize documents, there are other benefits in having the case study database. According to Yin (2003), it is the foundation for maintaining a clear chain of evidence (p.105). The database bridges the gap created between what a researcher professes to do and what findings are produced. In other words, having a database should help clarify how the researcher moved from point A (methodology) to point B

(findings). Thus, other researchers will be able to reference the database, especially the reflective memos, to understand the process and thinking behind the production of findings. In this way, replicating the study becomes easier. The database allows other researchers to, as Yin puts it, “[trace] the evidentiary process backwards” (p.105). The database therefore addresses some concerns related to the reliability of the study.

Having a database also ensured the confidentiality of data. The database is a one-stop digital resource to which access is secured with encryption and granted solely to the researcher. This minimized any potential risk of exposure of data associated with having disorganized files scattered across and stored in different storage mediums.

### **Data Analysis**

Inductive data analysis, referring to “bottom-up” strategies used to establish patterns, categories and themes, is the typical domain of qualitative inquiry (Creswell, 1998). This study used such a grounded approach to coding and analysis as a way of “working through multiple levels of abstraction” (Creswell, 1998, p.43) that may only emerge when working with the data first. However, a deductive approach to analysis was also used in this study.

The deductive approach used is ‘Directed Content Analysis.’ According to Hsieh and Shannon (2005), “the goal of a directed approach to content analysis is to validate or extend conceptually a theoretical framework or theory” (p.1281) to a dataset. Zhang and Wildemuth (2016) agree and explain that Directed Content Analysis is appropriate when the purpose of a study is about confirming or testing theory. Importantly, this approach provides a way to focus the early stages of analysis on the aim of making predictions about the phenomena under investigation consistent with or against the theoretical propositions of the study. This is

consistent with Yin (2003) who discusses guiding analysis with the theoretical assumptions that began the study.

Directed Content Analysis encourages the determination of an initial coding scheme based on theory (Hsieh & Shannon, 2005). Thus, a provisional start list of thematic codes was created. Yin (2003) refers to this process as “making a matrix of categories.” Consistent with Yin, many methodological scholars discuss this step (e.g., Meriam, 1988; Miles & Huberman, 1994) as forming the basis of a framework through which data will be tested against the theoretical propositions of the study. As Meriam (1988) states, these categories “should reflect the purpose of the research” (p.136). More specifically, such an approach is useful for coding and analysis without straying from the research focus (Saldaña, 2009) (in this case theory testing), and maintaining “methodological congruence” (Morse & Richards, 2002) between the theory guiding the research and the analysis that takes shape. Further, such an approach forces researchers “not to pursue everything” and “wind up with data too diffuse and inappropriate” (Merriam, 1988, p.). In other words, researchers may use these categories as a way of identifying data most relevant to the objective of theory testing.

For this study, the initial thematic codes were generated as two separate sets, one according to SEW theory and the other according to stakeholder theory. The thematic codes related to SEW theory, for example, correspond to each of the SEW dimensions of Berrone et al. (2012): family influence, identification of family members with the firm, binding social ties, emotional attachment of family members, and renewal of family bonds through dynastic succession. Codes were also developed within these categories as data were analyzed. For example, under ‘renewal’, I organized data into several subcategories such as ‘process’, ‘benefits and need’, and ‘challenges’, to name a few.

Another set of codes was also developed based on the higher education literature. Codes in this set correspond to the prototypical governance characteristics of higher education outlined in the literature review: power, competition and conflict; complexity and disjointedness in decision-making; constituent participation in governance; and social obligation and environmental cognizance. Further codes were developed within categories.

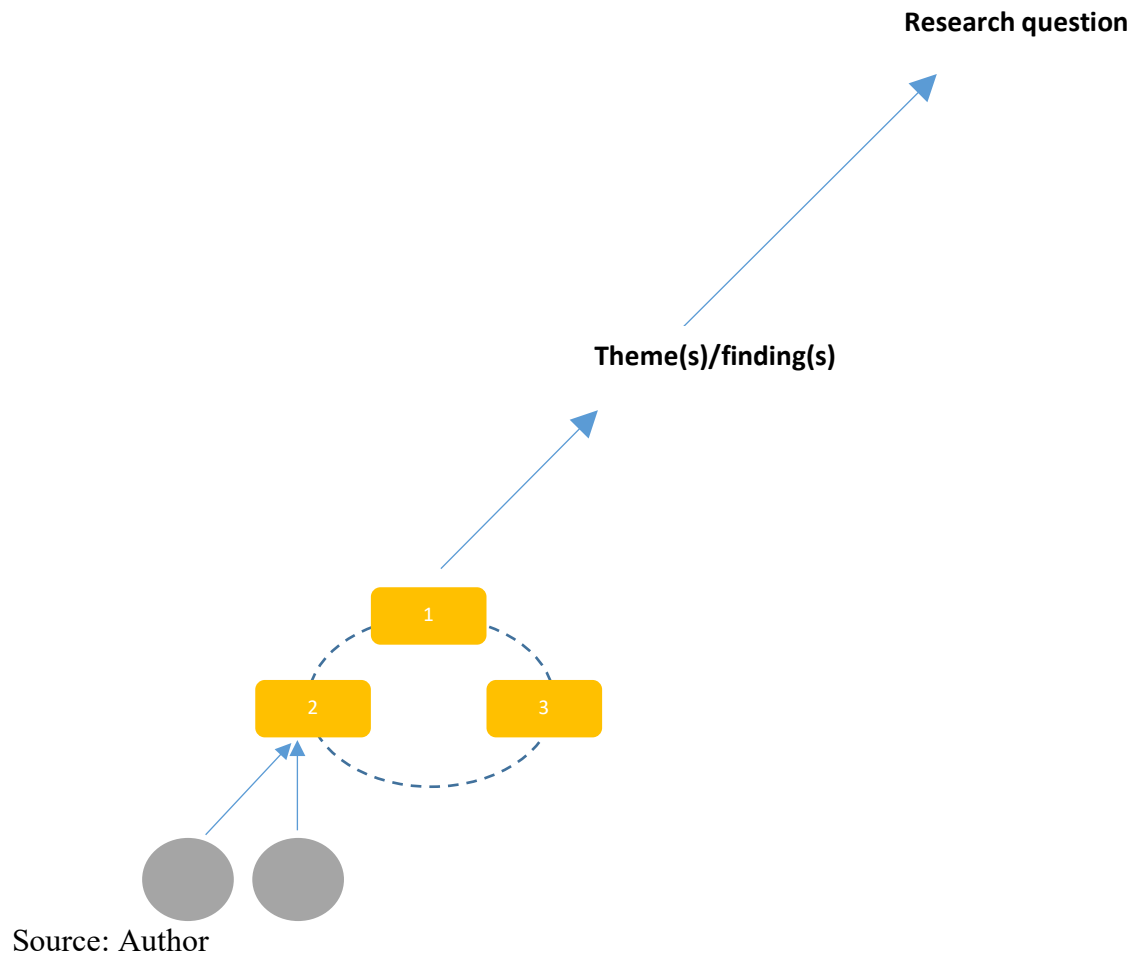
The three sets of codes were applied in a first reading of all the data including those from interview logs and documents. Codes were applied using Nvivo, a qualitative data analysis computer program. As expected, most of the data were captured by these initial coding schemes. However, some data did not neatly fit into the initial coding schemes, such as those related to India's culture and its impact on university affairs. For these data, new codes were created using a more conventional approach to content analysis involving inductive coding. This second step alleviated any concerns about the deterministic nature of Directed Content Analysis. These concerns are about force-fitting all the data into predetermined theoretical categories (Glaser & Strauss, 1967; Miles & Huberman, 1994). Importantly, emphasis is placed on "mining the data" to understand what they suggest or reveal (Smagorinsky, 2008). This step involved being open to the emergence of context-based codes as they relate to phenomena associated with the research site.

With this in mind, the unbracketed data (data with no initial coding) were read again. A particular focus was on "jotting down notes, comments, and inquiries" (Meriam, 1988) in reflective memos that inform new codes. These new codes were then organized either under the initial coding schemes as subcategory codes or as entirely new codes. Interestingly, I did not find the need to develop many new codes.



Once coding saturation was reached (or when new codes stopped emerging), the analysis moved into a higher-level orientation to data processing. Codes in this phase were reviewed, revised, connected, and categorized into more meaningful representations of information according to Miles and Huberman's (1994) pattern coding scheme. The aim will be on discerning recurring regularities (patterns) in the data. This process may also be referred to as meta-coding (Miles & Huberman, 1994) and refers to chunking the data into smaller conceptual units (categories) cutting across all data sources. It was also in this step that data sources were assessed for internal consistency (the absence or presence of contradictory perspectives within one source) and as corroborating or contradicting other data sources. The connecting and chunking of data led to deeper understandings, and the emergence of themes, that were used to discuss the findings. Figure 1.1 below illustrates the process of connecting codes and emerging themes. It is an adaptation of Saldaña's (2009) code-to-theme model. As shown, findings or themes are suggested by connections (dotted lines) made among related codes (e.g., codes related to shared governance). Codes are denoted by the orange rounded rectangles with each rectangle representing a single code. The two grey circles at the very bottom represent the different data sources used in this study: interviews and documents.

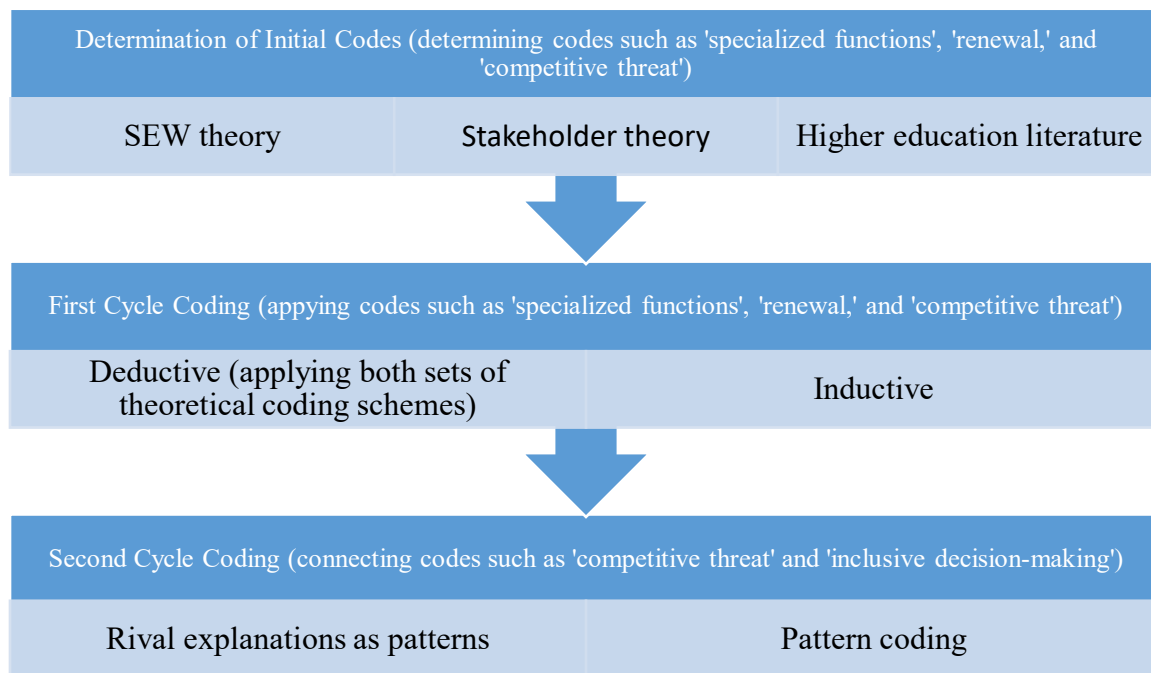
Figure 1.1 Code-to-theme Model



While Miles and Huberman (1994) and Saldaña (2009) supply the strategy for parsing data and emerging themes, Yin (2003) provides the overall framework within which theory testing occurred. Specifically, Yin’s approach, what is referred to as “rival explanations as patterns,” structures the discernment of patterns to address and reconcile two theoretical frameworks. This approach provides a way to test one theory in relation to another (rival explanation) and ask the question of which theory has more salience to explaining the phenomenon under study. In another way of putting it, the rival explanations as patterns approach involves understanding the data in light of what is theoretically expected while

considering multiple theories. In this study's case, the expectation is that owner families in higher education do not conform to normative decision-making patterns found in the family firm literature. The expectation is that SEW theory is challenged in the higher education governance culture. The further expectation is that family decision-making behaviors may be better understood through the application of a rival explanation, which in this study is stakeholder theory. The understanding is that all leadership in higher education, whether family-based or not, must make decisions with *primary* sensitivity to the needs and demands of the academic mission and those stakeholders supporting the mission. Further, the goal of protecting certain SEW, such as family influence, does not make sense in an environment where stakeholders, especially faculty, are skeptical of concentrated power/authority/influence in any single group. According to Yin (2003), the matching of data to any of the theoretical propositions, rival or not, would be evidence for concluding that one of the theories is appropriate to explaining the phenomenon. Figure 1.2 below depicts the overall process of the proposed analysis.

Figure 1.2 Analysis Process



Source: Author

### **Confidentiality and Risk**

Some comments on confidentiality (and risk) associated with this study are warranted.

Data collection proceeded in full accordance with the ethical and legal obligations widely accepted by the scientific research community. Specifically, I aimed to safeguard the privacy and confidentiality of all research participants according to Boston College's Institutional Review Board (IRB) protocols. Every effort was made to gather information on the basis of reciprocity and trust, beginning with the mutual signing of a consent form. Further, every effort was made to represent interview participants, and the data they provided, as accurately as possible in the presentation and discussion of findings. Also, interview participants had an opportunity to review their interview transcripts before data were analyzed.

The findings were anonymized to the fullest extent possible. Unique identifiers (pseudonyms) were used to protect the identities of research site and interview participants.

However, not all aspects of this study are completely anonymized. There are certain types of information that warrant presenting. This information includes those related to leadership position titles and job descriptions. The presentation of this information is necessary to discuss organizational decision-making at GHU in detail. Also, complete anonymity with respect to position titles may limit the analysis. Of course, there is some risk associated with presenting such information. Having familiarity with GHU's organizational structure, GHU employees could in principle easily match position titles with the names of interview participants. This risk has been explained to and acknowledged by interview participants when they signed consent forms. For the most part though, this risk only pertains to top management positions (i.e., Chancellor, Pro-chancellor, and Vice-chancellor). The titles of interview participants at lower levels of the organizational hierarchy have been fully anonymized (e.g., using Dean instead of Dean of Law).

It is also important to point out that there is a small possibility that people outside of GHU would be able to identify the identity of GHU based on the presentation of certain interview data such as those related to the history of GHU and the personal experiences of interview participants, some who are public figures. This risk, however, may only pertain to the readers of this dissertation based in India who may have more familiarity with Indian institutions, and the story of GHU, than readers in other parts of the world. Furthermore, even in the case where someone would be able to identify the identity of GHU, the risk is minimum because this dissertation does not present findings of a highly sensitive nature. The findings illuminate what may already be known by the Indian community.

## CHAPTER 4: INDIA'S HIGHER EDUCATION SYSTEM

### Introduction

An overview of India's higher education system is provided in this chapter. Importantly, this chapter contextualizes India's universities as ultimately conforming to the regulatory patterns and pressures of India's higher education system.

### Overview of Higher Education in India

In India, there are upwards of 50,000 institutions (799 universities, 38,498 colleges and 11,923 stand-alone institutions) as of 2015 (Ministry of Human Resources Development, 2016b). These institutions capture an estimated total enrollment of 34.6 million students, about 24.5 percent of the college-age group (18-23 years).

A significant share of universities and colleges are privately managed. Shah (2015) estimates that around 300 universities and two-thirds of colleges are private, constituting two-thirds of India's entire higher education system and capturing the majority of enrollment in the country. India's large (and growing) private sector is a result of several factors including improvements at lower levels of education, rising living standards, a public sector that does not adequately provide the skills demanded by the market, and shortages in public sector seats. Among these, the combination of growing higher education demand, limited public sector capacity, and constrained public spending has tipped the balance in favor of policy focusing on cost recovery solutions in higher education delivery. Thus, policy beginning in the 1980s called for greater private sector involvement (Agarwal, 2009). This shifting political stance, which espouses the private financing of higher education (financial investments from the private sector, namely household contributions), may be understood as the primary driver of private sector

growth, and the growth of India's higher education system overall. This growth has culminated in the proliferation of self-financing institutions.

It is important to note that while private sector growth has been on the rise, the number of private self-financing, degree-granting institutions is still relatively low compared to degree-granting public institutions and private colleges with an affiliated (or dependent) status.

Affiliated status is designated for colleges that award degrees and provide programming under the regulatory supervision of India's public universities (private universities are barred from affiliating colleges). These colleges cannot offer degrees independently, but through their parent university, and must determine tuition fees, admission standards, and hiring policies in accordance with the policies and regulations established by their parent university. As Agarwal (2009) notes, private colleges affiliated to public universities have been the main source of private sector growth up until self-financing institutions appeared on the scene.

### **Institution Types and Numbers**

There are different types of public and private institutions in India. Public institutions are mainly three types. Central universities are established by an act of parliament whereas state universities are established by state legislature. There are also public colleges, which like private colleges, are affiliated to either state or central universities. Including both public and private types, there were 18,064 affiliated colleges operating as of 2006. Also, within the public sector there are institutions known as Institutions of National Importance (INIs). Simply, INIs are elite public institutions that have a special government status for their significant contribution toward developing highly-skilled graduates within a specified state or region. As of 2017, 91 INIs may be found operating in India and they include the Indian Institutes of Technology and the National Institutes of Technology (Trines, 2018).

Private institutions are mainly two types. There are private universities established under the state mechanism (state legislature) and private colleges. As mentioned, the latter, are affiliated to public universities. At the university level, there are 282 private institutions as of 2017 constituting diverse types including comprehensive research universities and specialized schools (Trines, 2018). Also, within the private sector, there are institutions designated as grant-in-aid private institutions, mostly colleges and some universities set up by the government (Agarwal, 2009). These institutions have a precarious identity given their private-public financing mechanism (further explained later). Prior to the 1980s, when the government assumed primary responsibility for financing higher education, their numbers rose quickly (Agarwal, 2009). Nearly one-third of all colleges were private aided colleges (Agarwal, 2009).

Across the main institutional categories describe above further institutional types may be discerned. There is a special category of institutions called deemed-to-be-universities, which may be privately or publicly controlled. According to Shah (2015), deemed status confers recognition on an institution for its academic excellence and vital role in the higher education sector. The University Grants Commission (UGC), which is the apex statutory body regulating and monitoring higher education in India, grants these institutions significant procedural autonomy to self-determine courses, syllabi, admission policies, and fees. However, this does not mean that deemed-to-be institutions have complete freedom to do as they please. They are held accountable to stringent operating and academic standards (Shah, 2015). Their strict monitoring is explained further below. Both public and private institutions may be conferred the deemed status, but the majority of deemed universities are private and deliver programs at the undergraduate level. Currently, there are 124 deemed universities (University Grants Commission, n.d.). As mentioned, the case example of this study is a deemed-to-be institution.



There are also stand-alone institutions (SAIs) across both public and private sectors. These institutions are considered universities but unlike deemed universities cannot grant degrees. However, they may grant their own diplomas. Diplomas denote basic knowledge in key technical and professional areas and usually are awarded to students who complete shorter duration programs. Currently, there are upwards of 11,000 SAIs operating in India constituting a diverse group including polytechnics, nursing schools, and business schools.

There are also autonomous colleges, also public and private. Unlike affiliated colleges, these institutions have autonomy to self-determine institutional policies, tuition fees, and admission criteria. They also can issue their own academic transcripts and provisional degree certificates. However, they are similar to affiliated colleges in that they cannot offer final degrees on their own. The status of autonomous college is conferred by the UGC and, as of 2019, there were 708 autonomous colleges operating in India (University Grants Commission, 2019a).

### **Admissions, Access, and Equity**

It is difficult to generalize the admissions system found in India's higher education system. As explained by Trines (2018), admission requirements not only vary from institution to institution, but also depends on the jurisdiction, program of study, and relevant statutory body. Generally, though, students are required to take an entrance exam or multiple entrance exams. Entrance exams are either national, state, or specific to the institution depending on type of institution and where the institution is located. Students are also generally required to have a Higher Secondary Certificate (HSC) (or an equivalent credential) which they receive upon passing state board exams. It is also typical that universities require a minimum grade point average. Admission requirements can be relaxed, and even open as in the case of open universities, or highly selective and competitive in the case of prestigious institutions such as the

Indian Institutes of Technology (IITs). Candidates applying to IITs must sit for multiple exams. Students who score high markings on the initial Joint Entrance Examination (JEE) Main, a nationwide test conducted by the Central Board of Secondary Education (CBSE), must also take the JEE Advanced.

On account of stringent admission requirements, student access is understandably more restricted at IITs and other prestigious institutions than those with more relaxed or open enrollment policies. This is not a unique phenomenon of Indian higher education, but circumstances that may be found globally. Access is also uneven with respect to other factors. Regional disparities (where universities are densely populated in urban areas), gender differences, inter-religious group disparities, income-level disparities, and inter-caste disparities (female students are less represented in higher education in India) all factor into the uneven distribution of student access in India's higher education system (Agarwal, 2009).

There have been gradual efforts by the government to address these disparities as they relate to student access for some time now, since the Ninth Plan (1997-2002) as noted by Agarwal (2009). The Ninth Plan is the ninth economic development Five-Year Plan (FYPs). FYPs have been developed and implemented since 1951 to coordinate India's economic growth. Currently, India is in its Thirteenth Plan (2018-2023).

A focus of these plans has been promoting equity in access for India's underrepresented groups, namely Scheduled Castes (SC)/Schedules Tribes (ST) candidates, female students, and candidates with disabilities and/or coming from minority groups. Among these groups, there is a special focus on promoting equity in access for SC and ST candidates (and Other Backward Classes [OBCs]) as a means to correct systemic historic injustices enacted on these groups hitherto 1950. These groups, as historically disadvantaged groups, thus are eligible for a variety

financial aid schemes (Planning Commission, 2013) and are admitted to institutions based on India's reservation system, India's version of affirmative action. Quotas have been established for these groups and many universities, both public and private, have been admitting students from these groups in accordance with nationally-determined percentages (15 percent for SCs and 7.5 percent for STs, and for universities located in certain jurisdictions, 27 percent for OBCs) (Agarwal, 2009). Deemed-to-be institutions, such as Grand Hall University, must comply with these government prescriptions.

### **Funding**

Different funding mechanisms may be found across the varied institution types in India. A key difference in financing may be discerned between government-funded institutions and self-financing institutions. The latter group, as explained earlier, is growing in numbers, and now the majority.

#### **Government-Funded**

The category of government-funded institutions includes public universities (central universities, state universities, and institutions of national importance), public SAIs, public colleges, and grant-in-aid private institutions. As mentioned, grant-in-aid institutions are special institutions. While their identity may be obscured by their categorical designation as a private type, they operate mostly on the largess of public resources.

Depending on type, the above institutions are established and funded by different government bodies. For example, central universities are founded and funded by the federal or central government, mostly with University Grants Commission grants. According to (Trines, 2018), tuition fees at most central universities are nominal and do not constitute a significant revenue source. State universities, on the other hand, receive funding from their states (and

sometimes the central government, also with UGC monies) (Shah, 2015). The vast majority of institutions is funded at the state level.

Public financing may also be found at grant-in-aid or government-aided private institutions. These institutions are considered *publicized* with their operating budget, mostly recurrent costs such as teachers' salaries, covered by government funding. In some cases, grant-in-aid institutions receive funding for capital expenses. The only major difference between grant-in-aid institutions and public institutions is related to upfront costs used to establish these institutions (Agarwal, 2009). While the government (either federal or state) assumes responsibility for financing initial funding for public institutions, the costs related to founding grant-in-aid institutions are covered by private investors.

Funding mechanisms may be further differentiated within the public/grant-in-aid categories by education field. Depending on the type of educational offering and institution, funding may be traced to different government agencies. For example, central technical institutions are funded by the Department of Higher Education, Ministry of Human Resources Development. However, state technical universities and colleges are funded by the department of technical education at the state level (and the All India Council for Technical Education [AICTE], a statutory body providing accreditation for institutions focusing on technical education). Likewise, central medical universities are funded by the Ministry of Health whereas their state counterparts are funded by the Department of Health. Table 1.1 provides an overview of some of the funding agencies in India and their institutional targets.

Table 1.1 Funding by Institution Type

| <b>Type of Institution</b>   | <b>Funding Agency (source of funding)</b>                                  |
|--|--|
| Central technical institutions including IITs, IIMs, NITs, IITs, USER and Others | Department of Higher education, Ministry of Human Resource and Development |

|   |   |
|---|---|
| Central Universities, majority of colleges affiliated to Delhi University, colleges affiliated to Allahabad University and Banaras Hindu University | UGC   |
| Central medical institutions including AIIMS  | Ministry of Health                                |
| Central agriculture universities  | Indian Council of Agricultural Research (ICAR)    |
| Deemed universities (publicly controlled)   | UGC, plan assistance, or concerned government     |
| State universities  | Department of Higher Education (state government) |

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Source: Agarwal, 2009

### **Self-Financing**

The category of self-financing institutions refers to financially independent universities and colleges (independent from both state and central government funding sources). These institutions include private colleges, private SAIs, private universities founded as nonprofit entities (i.e., operated by philanthropic societies, religious groups), and within this category private universities with a deemed status such as Grand Hall University. These institutions are not eligible for public funding and are expected to self-generate revenue to cover all institutional expenses.

### **Trends in Funding**

As mentioned, India's gross enrollment ratio (GER) hovers around 24.5 percent, meaning a vast majority of the college-age population (18-24) are not attending college. Increasing access to this population is a high priority and a focus of India's Five-Year Plans and more specifically new initiatives called draft National Education Policy (NEP) and EQUIP (Education Quality Upgradation and Inclusion Programme). For example, the Twelfth Plan (2012-2017), outlines strategies (e.g., financial aid schemes, establishment of Model Colleges in areas with low

enrollment, and academic reforms) aimed to increase enrollment by about 30 percent of the total student enrollment (34.6 million students) (Mohmad & Ali, 2018), and EQUIP and NEP aim to increase enrollment by nearly 50% (by 2035 according to NEP and by 2024 according to EQUIP).

While historically the government has tackled the problem of student access head on and at times increased funding at both the central and state levels (Agarwal, 2009), public budget constraints, as well as uneven funding across the higher education system, has prompted India to reconsider their financing strategy. Agarwal (2009) states that higher education in India is severely underfunded and focused on only two-thirds of the entire higher education system with central universities receiving 65 percent of UGC funding as of the late 2000s. This is despite modest increases to higher education in the areas of medicine, agriculture and technical education, funding according to economic growth strategies (e.g., the 11<sup>th</sup> Five Year Plan).

Public funding constraints has prompted India to embrace a financing framework espousing the increased involvement of private actors in the delivery of higher education. Thus, higher education growth post-1980s has been largely a result of private sector investments. Private sector investments namely refer to the implementation of cost recovery solutions (e.g., charging high tuition at private institutions and offering more and more self-financing courses at both private and public institutions) and the founding of self-financing institutions by private actors.

Interestingly, as Altbach et al. (2020) note, the increase of private actors involved in higher education delivery in India is a result of individuals and families founding and running their own institutions. With such players on the rise and private institutions absorbing demand, Agarwal (2009) notes that the level of household contributions to covering higher education

costs has become equal to public funding as of the mid-2000s. Today, cost-recovery as a financing strategy has become the funding norm.

### **External Governance**

The foremost regulatory body in India is the University Grants Commission (UGC). It was established in 1956 and modelled on the UGC of the United Kingdom. Acting with the Ministry of Human Resources Development and on behalf of the central government, its role is to determine and enforce system-wide standards across India's higher education system, though establishing central universities and conferring "deemed status" on institutions of repute constitute its primary focus. These standards relate to a broad spectrum of areas in higher education including institutional status and recognition, lecture hours, degree conferment, teacher salaries, minimum qualifications for faculty, pay scales, admission, tuition and fees, and academic quality. Related to its monitoring function, the UGC also disburses funds to universities (with some colleges receiving development grants) on behalf of the central government. Those institutions in compliance are eligible to receive additional grants from the UGC.

Supporting and some even acting as statutory equals to the UGC in enforcing standards (and providing funding) are a long list of other federal level ministries, state departments, and professional councils (both at the state and national levels). These statutory bodies enforce discipline-specific standards and provide accreditation/recognition for different types of institutions (state and private institutions, and one-fifth of affiliated colleges) across both the public and private sectors. Specifically, they are responsible for the recognition of courses, promotion of professional institutions, regulation of course syllabi, and provision of grants and other awards to various fields of education. Each council/ministry/state department has its own

set of rules and mandates for the concerned category of institutions (Shah, 2015). Some of these statutory bodies along with their primary role are listed in Table 1.2 below.

Table 1.2 India's Statutory Bodies and their Functions

| Name  | Main role  | Overlaps with the role of:  |
|---|--|---|
| UGC   | Funding, recognition of institutions and degree titles, maintaining overall standards                      | Other professional councils and the Distance Education Council        |
| Distance Education Council                        | Funding, maintaining standards of open education   | Other professional councils and the UGC                               |
| All India Council for Technical Education (AICTE) | Approval for technical institutions and limited funding role for quality improvement                       | UGC, Distance Education Council, and various other bodies             |
| Council of Architects                             | Registration of architects and recognition of institutions for education in architecture and town planning | AICTE   |
| Dental Council of India                           | Recommend to the central government for approval of dental colleges  | Ministry of Health  |
| Indian Nursing Council                            | Accepts qualifications awarded by universities within and outside India                                    | 22 state nursing councils with different Acts have registering powers |

Source: Agarwal, 2009

The statutory bodies listed in Table 1.2 mostly operate within areas falling outside of the scope of direct UGC monitoring and steering, but overlap may also be found. For example, the All India Council for Technical Education (AICTE) scope of operations (e.g., approving technical institutions and funding for quality improvement) may overlap with the UGC, Distance Education Council (DEC), Pharmacy Council of India (PCI), and state councils for technical education. This overlap results in confusion. Pressures to conform to different and often



overlapping standards enforced by multiple oversight mechanisms have created compliance-related stress for all institution types in India.

Adding to this stress is another layer of regulation coming in the form of accreditation relating to academic quality of programs, research, and teaching. In India, the UGC requires all institution types, barring technical institutions, to seek and receive an accredited status.

Depending on institution type and program offerings, institutions seek accreditation from either the National Assessment and Accreditation Council (NAAC), National Board of Accreditation (NBA), or Accreditation Board (AB). While the NAAC may be understood as an arm of the UGC and covering the widest remit of institution types (central, state, private, deemed-to-be, INIs, and colleges), the NBA and AB provide recognition for specific disciplines, respectively technical/professional programs (e.g., engineering, architecture, and technology) and agriculture programs.

The above regulatory mechanisms in the form of accreditation and other forms have raised skepticism, if not outright criticism, of government monitoring. According to Agarwal (2009), leaders of all institution types in India believe that excessive standardization, monitoring, and regulation limit their ability to innovate.

### **Private Sector Regulation**

As with public institutions, private universities and colleges are subject to steering and scrutiny enforced by the UGC as well state-level departments and professional councils. Private sector regulation, however, has been somewhat inconsistent and fragmented. In some areas of university affairs, private institutions operate with more restrictions than their public counterparts. For example, the UGC does not allow private universities the power to affiliate colleges or operate beyond designated territorial jurisdictions and outside of state borders

(Trines, 2018). However, governmental prescriptions regulating private higher education is looser in other areas. Private institutions (especially those without a grant-in-aid and affiliated statuses) than their public counterparts enjoy greater freedoms around determining institution-level policies, tuition and fees related to ancillary services (e.g., library, transport, canteen, library, text books, mark sheets, caution deposits, degree certificates, hall tickets, and association fees).

Looser regulatory controls in the private sector has been both advantageous and disadvantageous. On the one hand, loose regulations have led to capacity building by incentivizing the increased involvement of private actors in higher education delivery. Capacity building is essential to meet nationally-determined targets of increasing student access. On the other hand, however, loose regulations have become a factor contributing to a negative reputation of India's private sector. Inadequacies in the regulatory framework has led to the proliferation of suspect institutions involved in profiteering and malpractice (Agarwal, 2009). Corruption has come to characterize much of the private sector of India.

Corruption comes in many forms in Indian higher education (perhaps not so differently as what we find in other parts of the world). For example, private institutions have been known to charge exorbitant fees for various services (e.g., library, transport, canteen), create fictitious salaries for posts that do not exist, collect donations through dummy foundations, and recruit students on the basis of family wealth rather than merit. In general, private actors in India have been known to enter higher education delivery to make a profit.

Corruption has been prevalent despite the government's efforts to curb it. The government has especially focused on regulating fees across the private sector. However, efforts to clamp down on malpractice in this area have been met with opposition at the institutional

level. Agarwal (2009) notes that many private actors do not recognize the UGC as a legitimate authority, and that these institutions claim their independence from government oversight on the basis that they do not receive UGC funding.

### **Deemed-Status Regulation**

The focus of this study is on examining organizational decision-making, and the various governance-related factors that limit family agency, at a private deemed-to-be institution. Therefore, this chapter now focuses on explaining those regulatory requirements and pressures with direct implications to the operations of deemed institutions including Grand Hall University.

Private deemed institutions, like other private types, have autonomy to varying degrees in determining institutional policy, courses, programs, syllabi, and fee levels. In fact, deemed universities of considerable repute retain full autonomy in these areas according to a new graded autonomy system (Trines, 2018). However, having procedural autonomy does not mean that these institutions can do whatever they want. Given their elite status, they are held to higher accountability standards and norms of operation, and are expected to follow these norms as they play a vital role in the higher education sector and for society (Shah, 2015; University Grants Commission, 2019b). They are subject to stricter oversight in key areas including governance, management, and financing and are expected to operate in a manner in accordance with the “ideals of the concept of a University” (University Grants Commission, 2019b). Thus, they must follow strict regulatory protocols and standards, which as explained are fragmented and even absent for the general landscape of private institutions. Private deemed institutions are much more like central universities and fall under the direct jurisdiction of the UGC. The UGC determines and enforces strict eligibility criteria for institutions seeking deemed status and

universities currently operating with a deemed status. For the former group, those seeking deemed status, universities are eligible only after demonstrating (a) 20 years of operating; (b) having at the time of application the highest grade of accreditation by the National Assessment and Accreditation Council (NAAC), and (c) at least a Cumulative Grade Point Average (CGPA) of 3.26 for three consecutive years (University Grants Commission, 2019b). Further, they must figure in the top-50 ranks in the ‘specific category’ or in top-100 ranks in the ‘overall category’ in the National Institute Ranking Framework’s (NIRF) list (University Grants Commission, 2019).

For already established deemed universities, continued conferment of status is dependent on passing yearly assessments conducted by the UGC. These assessments pertain to examining whether the institutions are abiding by the rules, regulations and directives set forth by the UGC. Scrutiny covers many areas including academic infrastructure (deemed institutions should have at a minimum five post-graduate departments with a minimum of six faculty members per department [Shah, 2015]); teacher training requirements; teacher-student ratios; admission standards; and performance through various measures (e.g., a minimum of 50 percent of graduating students must secure access to employment or self-employment or pursue higher education).

Listing and describing all of these rules and regulations goes beyond the scope of this chapter. Two areas pertaining to this study’s focus—decision-making and governance—is further described below.

### ***Governance, Management and Financing***

The UGC is particularly explicit in defining the patterns of governance, management, and financing required of deemed universities. The UGC determines what decision-making/advisory

bodies to form, what responsibilities these bodies should assume, the composition of these bodies, what key positions the university should have, the powers of these key positions, appointment terms, yearly meeting schedules among the various bodies, and how revenue should be managed. Some of these determinations are described in detail below.

For example, the UGC states that deemed universities should have as their highest governing body what is called the Board of Management (BoM), which may be understood as the Indian version of America's board of trustees. The institution's vice-chancellor, who is the executive head of the university (in the US, this would be the president), chairs the Board of Management constituting 10 to 15 members chosen from diverse stakeholder groups. These members include the faculty, key decision-makers such as the pro-chancellor, and ex-officio members from the government and the community of scholars outside of the institution. Further, the UGC requires that BoM meetings be held mandatorily four times a year with every member having one vote regarding decision-making matters of institutional importance. The term for members of the BoM, barring ex-officio members, is three years with eligibility for re-appointment.

The UGC also states that deemed universities have an Academic Council. This is India's version of the America's academic senate. According to UGC regulations, the academic council shall be the apex decision-making body for all matters relating to academic affairs. Similar to the BoM, the UGC mandates broad stakeholder representation on the academic council. Further details about the composition of the academic council is provided in the following chapter. One-third of the total number of members form a quorum and each member has a vote on decision-making matters with majority rule.

Other governing bodies are also required by the UGC. These include the Planning and Monitoring Board, Finance Committee, and the Board of Studies (BoS). While having different responsibilities, these bodies support the BoM and Academic Council regarding the decisions they make. Performing a critical role among these is the BoS. As an advisory body in each of the ‘faculties’ at deemed institutions (a faculty may be understood as what in American university are called ‘schools’), the primary function of the BoS includes making recommendation to the academic council regarding new programs, courses, rules, and regulations regarding minimum qualifications in admissions, and advising on matters referred to by the academic council. More details about the function of the BoS are provided in the following chapter.

Finally, in the area of governance, the UGC provides explicit guidelines regarding the responsibilities, powers, reporting structure, and tenure of key positions including the chancellor, pro-chancellor, vice-chancellor, finance officer, deans, and heads of departments. These positions are described in detail in the following chapter.

The financing of deemed institutions is another university facet monitored and steered by the government. Funds, accounts and properties are closely monitored (on a yearly basis and at the discretion of the UGC) to ensure compliance to established financing practices. These include the strict stewardship of revenue for the purposes of the institution, seeking approval for fee levels, the creation and maintenance of what is referred to as the Corpus Fund (this fund acts as an assurance to the UGC that the management of the institution will fulfil its commitment to provide quality education and research [Shah, 2015] and is a permanent fund kept for the basic expenditures needed for the administration and survival of the organization, sort of like endowment), the separation of funds between the accounts of the institutions and sponsoring body, and protections against embezzlement or other finance-related fraud.

### ***Violations***

As mentioned, the government reviews the operations of deemed universities annually to assess their compliance with regulations. The government may also gather information about institutional activities through other channels. For example, staff or faculty may file complaints directly. Violations of UGC rules are treated with disciplinary action. The UGC has an ascribed right to launch a thorough enquiry into the concerned university (University Grants Commission, 2019).

Disciplinary actions include ordering the institution to withhold admission for a certain period of time, revoking the awarding of grant monies for institutions (Shah, 2015); barring the institution from developing programming and courses; reducing the intake capacity of students; academic retrenchment of courses and programs; removing key leadership (e.g., vice chancellor); and advertising on the UGC website (and other media outlets) the status of sanctioned institutions (Shah, 2015). In extreme cases, the government may even repeal deemed status and/or co-opt the sanctioned institution's buildings, land, and other resources. According to Shah (2015), such intervention methods may result in a tremendous loss to owners.

### **Conclusion**

This chapter situates India's institutions, including deemed institutions, as inevitably conforming to the regulatory environment in where they operate. The regulatory environment is complex and multilayered with numerous government and professional bodies monitoring and steering the activities of institutions. Pressures to conform to different and often overlapping standards enforced by multiple oversight mechanisms have created compliance-related stress for all institution types in India including deemed-to-be universities.

## **CHAPTER 5: GRAND HALL UNIVERSITY**

### **Introduction**

This chapter provides an overview of Grand Hall University (GU). In addition to describing GHU's mission, history, size, and academic offerings, the primary focus of this chapter is on mapping GHU's organizational structure and profiling key decision-making bodies as well as key stakeholders that have been identified by interview participants as influencing major academic and administrative decisions.

### **Vision and Mission Statements**

The Vision of Grand Hall University is the promotion of international understanding through quality education. This vision is broken down into several missional objectives. They include inculcating a spirit of 'Vasudhaiva Kutumbakam' (the world is one family) in students, faculty and staff; contributing towards knowledge generation and dissemination, promoting ethical and value-based learning; fostering the spirit of national development; inculcating cross cultural sensitization; developing global competencies among students; nurturing creativity and encouraging entrepreneurship; enhancing employability and contributing to human resource development; promoting health and wellness amongst students, staff and the community; instilling sensitivity among the youth towards the community and environments; and producing thought-provoking leaders for society.

### **A Brief History**

Grand Hall University began as not a university, but in the early 1970s as a small organization providing intercultural activities to international students struggling to adapt to the unfamiliar environment of studying in a foreign country. The person behind the organization is Dr. Prem, who at that time was professor at a public university in India. His vision for Grand



Hall began when he discerned the sobering reality within which foreign students faced incredible difficulties relating to their capacity to adapt to the foreign circumstances of India. University support services were virtually nonexistent and foreign students were left isolated, defeated, and some in poor health.

These circumstances deeply impacted Dr. Prem and shaped his resolve to help foreign students. Initially, he created opportunities for foreign and domestic students to interact and learn from one another, culturally through activities, eating, and dance. These, however, were not enough. He observed that foreign students, particularly from other parts of Asia and the Gulf countries, still suffered in the course of their studies, particularly in the classroom. They just could not learn at the same pace and level as their domestic counterparts given their diverse and different cultural and speaking backgrounds.

Thus, as a next step, Dr. Prem founded an English language center, the first of its kind in India that would remove the language barrier for foreign students preparing to enroll in college-level programs and courses offered in English. International students would enroll in an English language course to improve their speaking and writing ability in advance of the university courses they would take in their programs.

While humble in scope and scale, these first initiatives gave birth to a multitude of other initiatives demanding greater resources and time. It was not long before Dr. Prem began founding educational institutes, some in higher education and others at lower levels that promoted learning and intercultural inclusiveness. The very first of his institutes in higher education offered programs in law, management, computer studies, and the field of Arts and Commerce. Dr. Prem, at times on the recommendation of senior members of the organization and friends, founded a different institute nearly every year.

Dr. Prem's organization reached a milestone when three of his institutes received the status of deemed university from the UGC in 2002. As mentioned, this status is conferred to institutions meeting stringent requirements around academic quality and research (Kumar, 2018). For Dr. Prem, having this status meant freedom to improve the quality of his institutes, which were previously affiliated to a public university. Many government controls were liberated allowing the newly formed deemed university to take control and ownership of its academic direction and operations. This meant that GHU had autonomy to design programs, courses, and even academic and admission standards.

### **Current picture**

Today, Grand Hall University is a conglomerate of an organization with institutes and campuses located across India. GHU provides a wide and varied range of academic programs housed across nine campuses and more than 30 institutes, many of which are nationally ranked. These institutes offer undergraduate, master, and doctoral degrees and diplomas in such fields as law, management, health and biological science, humanities and social science, information technology, engineering design, media, and telecommunications. In any given year, these programs are offered to over 20,000 students who not only come from across India, but from upwards of 85 foreign countries.

During my site visit, I was provided lodging to stay at one of the campuses and visited a few others in the same city including the main campus. I was impressed by the scale of the campuses, especially the site where I took up residence for the three weeks of my visit. This site, isolated from the downtown district, looks over a valley and a reservoir operated by the university. I enjoyed staying there and walked the grounds daily. There was much to see, from students bustling about to the picturesque backdrop of the hills surrounding the campus grounds.

I also visited the main campus on a number of occasions. Located in the heart of the city, I found the culture there stimulating and vibrant. I even had a chance to talk with some students who shared positive stories about student life and their learning experience.

### **Governing Bodies**

The organizational structure of Grand Hall University (GHU) follows the typical governance/management patterns prescribed by the University Grant Commission (UGC) (see University Grants Commission, 2019b). This means that decision-making is expected to be facilitated on and by different decision-making bodies required by the UGC. These governing bodies are referred to as ‘governing authorities’ by the UGC and include several different types having varying responsibilities across academic and administrative areas. Importantly, these authorities act as enabling structures for different stakeholders to participate in organizational decision-making.

Key among these governing bodies, as identified by interview participants, include the Managing Committee, the Board of Management, the Academic Council, and the Board of Studies. These authorities may be understood as influencing and facilitating key organizational decisions at GHU. At GHU, there are a host of other governing bodies, some consultive in nature such as advisory or standing committees, that also influence organizational decision-making. These include such committees concerned with institutional fees, admissions, examinations, and anti-ragging (bullying and harassment). As needed and where relevant when addressing the research questions of this dissertation, these committees are highlighted as part of organizational decision-making at GHU.

## **The Trust and the Managing Committee**

At the very top of the organizational hierarchy is the Trust or Society that manages Grand Hall University. Simply, a Trust may be understood as the parent body of GHU. In the case of Grand Hall (GH) Trust, GHU is not the only organization under its control. There are a number of other education or education-related organizations affiliated to it. These include nursery, primary, and secondary schools; museums; and centers such as those focusing on health and sports.

The members of the Trust sit on a governing decision-making body referred to as the Managing Committee. The Managing Committee performs high-level functions such as framing and approving institutional policy for the various organizations under its purview; ensuring the compliance of all organizational activities to institutional and government regulations and goals; establishing the vision of the organization; reviewing, and at times approving, the decisions of governing bodies under it; approving budgets and the fee structure; and approving the appointments for senior officers and faculty. According to Angom (2015), the Managing Committee “takes important decisions in terms of policymaking and executive functions of the university” (p.47). These executive functions encompass administrative services centralized by the Trust. Administrative services include the Human Resources and Legal Department, Finance Department, IT Department, Projects Department, Estates Department, and Purchase Department.

At GHU, the managing committee is chaired by Dr. Prem who is the President of GH Trust and Chancellor of GHU. There are ten other members, some appointed from within the GH organization and others from outside the organization. While members appointed from within Grand Hall are all related to the founder, members recruited from society are nonfamily and

include luminaries in industry, education, law, and finance. Provided below in Table 1.3 is a list of all Managing Committee members, as of 2018-19. Also noted are their professional designations where information is available and for family members their familial relation to the founder.

Table 1.3 Managing Committee, as of 2018-19, Total Members 11

| <b>Name</b> | <b>Title</b>   | <b>Family Status</b>                           |
|-------------|--|--|
| Dr. Prem    | Chair and President and founder of GHU   | Founding family member                         |
| Dr. Aabha   | Principal Director of GH Trust, Pro-Chancellor of GHU  | Daughter of founder                            |
| Mrs. Prem   | Member   | Wife of founder                                |
| Dr. Nishita | Member, Pro-Chancellor of another educational organization belonging to the family but outside of GH Trust | Daughter of the founder                        |
| Dr. Aarav   | Member, Dean   | Son-in-law of founder and husband of Dr. Aabha |
| Dr.         | Vice President of GH Trust   | Nonfamily member                               |
| Dr.         | Member   | Nonfamily member                               |
| Mrs.        | Member   | Nonfamily member                               |
| Dr.         | Member   | Nonfamily member                               |
| Mr.         | Member   | Nonfamily member                               |
| Mr.         | Member   | Nonfamily member                               |

Source: Author

### **Board of Management (BoM)**

The Board of Management (BoM) is the highest executive authority of Grand Hall University and oversees and supervises all university activities while ensuring their alignment to the institutional vision and mission (Angom, 2015). According to the University Grants

Commission (UGC), the BoM has full autonomy to exercise academic and administrative responsibilities independent from the influence of the Managing Committee. These responsibilities are broad and include such powers as monitoring and reviewing the annual budgets, giving final approval related to academic decisions, reviewing new appointments, and conferring degrees and diplomas. As outlined in GHU's Human Resources manual, some of these responsibilities are shared with the Managing Committee such as filling new positions.

The UGC also stipulates that organizational decisions made by the BoM (mostly related to academics), while final, should not infringe upon the powers of the respective authorities within the university. Thus, many university matters of importance are to be discussed in consideration of the concerns, advice and recommendations of other authoritative bodies including the Academic Council and the numerous advisory/standing committees found at Grand Hall University.

GHU's BoM is chaired by Dr. Aditi, the Vice-chancellor of the university, and includes ten other members (plus nonmember secretary), as of 2018-19. The composition of representation on the BoM is predetermined by the UGC. Provided below in Table 1.4 is a list of the members, as of 2018-19. Also listed are their professional designations where information is available and for family members their familial relation to the founder (denoted by \*\*).

Table 1.4 Board of Management, as of 2018-19, Total Members 12

| <b>UGC Categories</b>                  | <b>BoM Members</b>  |
|--|---|
| Vice-Chancellor                        | Dr. Aditi, Chair  |
| Pro Vice-Chancellor (where applicable) | Vacant  |
| Two Deans of Faculty                   | Dr. Prisha, Dean<br>Dr. R., Dean  |
| Three eminent academics                | Professor<br>Dr. Kalinda, Senior administrator<br>Former Vice Chancellor of another |

|  |  |
|--|--|
|  | university   |
| One representative of the central government or state government, where applicable   | Vacant   |
| Two teachers of the Institution Deemed to be University, one each from among the cadres of Professors and Associate Professors | Assistant Professor  |
| Nominees of the Sponsoring body, not exceeding Four in number  | Dr. Aabha**, Principal Director & Pro-Chancellor<br>Dr. Aarav**, Dean<br>Dr. Nishita, Pro-Chancellor of other university*<br>Mr. B, Industrial Engineering |
| The Registrar, who shall be ex officio Secretary of the Board of Management  | Registrar  |

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\*This university is outside of GH Trust and is managed by another Trust managed by the family.

\*\*Family member

Source: Author

### **Academic Council**

According to the University Grants Commission (UGC), the Academic Council in deemed universities is responsible for the maintenance, coordination, and execution of standards of teaching, research and training; approval of syllabi; coordination and promotion of research activities; hiring of academic personnel; program and course development; evaluation and improvement of standards; and evaluation of departments and their offerings. In sum, the Academic Council focuses on overseeing, managing, and approving all academic activities of the university (Angom, 2015). The Academic Council has autonomy to make many decisions on its own; however, it typically works in consultation with the BoM on deciding on academic matters (University Grants Commission, 2019).





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|   |  |
|---|--|
| Two Associate Professors from the Departments, other than the Heads of the Departments  | Associate Professor<br>Associate Professor   |
| Two Assistant Professors from the Departments   | Assistant Professor<br>Assistant Professor   |
| Three persons from amongst educationists of repute or persons from any other field related to the activities of the Institution Deemed to be University | Professor Emeritus<br>Dean<br>Professor & Dean   |
| Three persons who are not teachers, co-opted by the Academic Council for their specialized knowledge  | Chairman, engineering company<br>Executive Vice President, recruiting & talent management firm |
| The Registrar, who shall be ex officio the Secretary of the Academic Council  | Registrar  |

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\*Family member

Source: Author

### **Board of Studies**

The Board of Studies is an advisory body operating within each faculty. The primary objective of the Board of Studies is to formulate and examine course content, curricula and syllabi, and make modifications and improvements in consideration of institutional needs, academic trends, and government regulations.

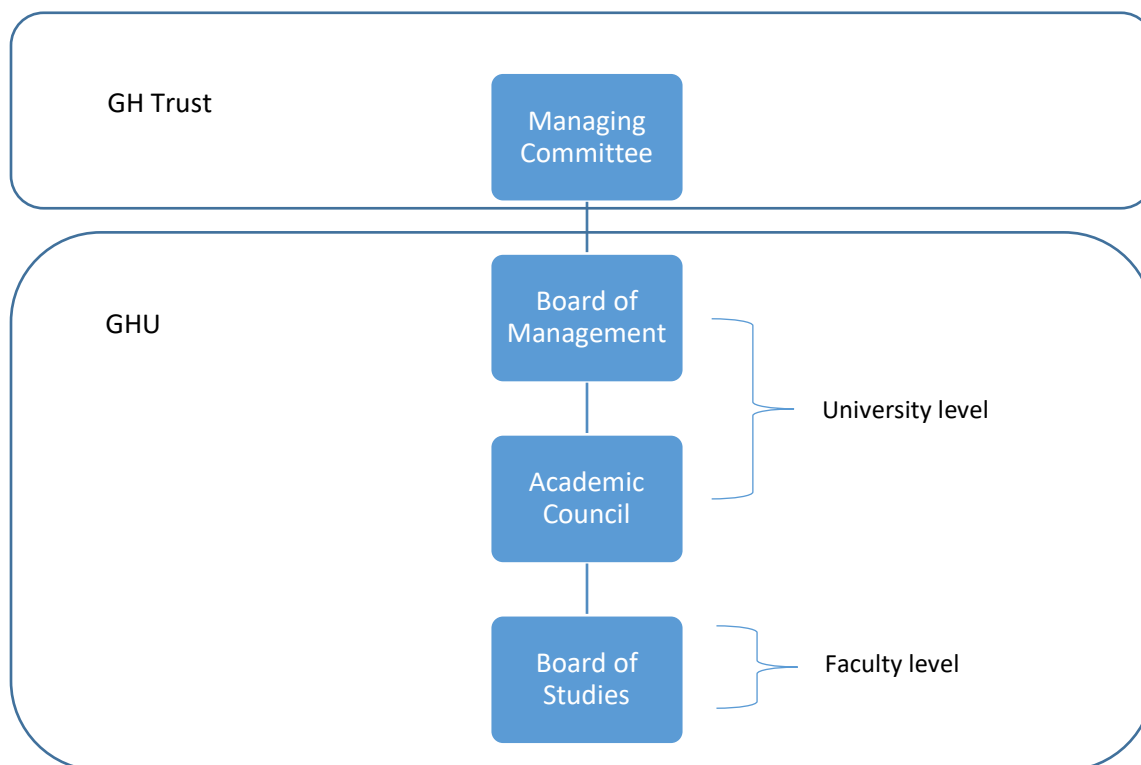
Each board of studies is chaired by a dean of the faculty and includes all of the professors of the faculty, two associate professors of the faculty, two assistant professors of the faculty, and two persons external to Grand Hall University recruited for their subject matter expertise. External members could be from higher education or industry.

### **Hierarchy of Governing Authorities**

The governing bodies described above have been identified across interviews as key actors in organizational decision-making at GHU. Figure 1.3 below provides a simplified overview of the official reporting hierarchy of these bodies. As shown, there is a very clear

hierarchy with the Managing Committee occupying the top-most level. While not discussed in this chapter, there are other deliberative bodies. One of these is the Program Review Committee. Its purpose and function, and how it contributes to decision-making at GHU, will be discussed in later chapters.

Figure 1.3 Organizational Structure of Governing Authorities



Source: Author

### Profiles of Key Positions

To understand the governance of GHU, it is also important to profile the key positions who are members of the above governing authorities and involved in decision-making. Key positions include the Chancellor, Pro-chancellor, Vice-chancellor, deans of faculty, department directors, and department heads. These positions may be understood to represent the different stakeholder groups within the university. For example, the Chancellor and Pro-chancellor, as members of the Managing Committee, represent what in US higher education is called the board

of trustees. In the case of most family-owned or managed universities, boards are controlled by the family (Altbach et al., 2020). Thus, the Chancellor and Pro-chancellor also represent the interests of the family. There is also the administration of the university, which is another stakeholder group highlighted by the higher education literature. At GHU, this group is represented by the Vice-chancellor together with her staff. Finally, the deans of faculty, department directors, and department heads, who may have administrative responsibilities in addition to academic responsibilities, primarily represent the interests of the faculty stakeholder group. All these positions, from the Chancellor at the very top level to the department head, have a role in the governance and decision-making of GHU. While some of these actors have authority to make decisions without seeking approval, most of these actors convene on the various governing authorities of the university to discuss and decide on important institutional affairs together. As university stakeholders, they implement decisions of and are accountable to the governing authorities. These positions are further profiled below.

**Chancellor.** In India, the Chancellor is a term used to call a non-executive head of the university with ascribed duties that rarely crossover into the day-to-day operations of the university. In public universities, this would be the governor. In private universities, the Chancellor is typically the president of the parent organization managing the university. According to UGC regulations, the Chancellor of deemed universities (and perhaps all types of universities in India) is entrusted with several responsibilities ranging from more ceremonial duties such as presiding over university convocations to matters that indirectly impact organizational functioning, such as nominating senior officers. The Chancellor also has power to convene the Managing Committee. The Chancellor is appointed by the sponsoring body (Trust or Society) and is limited to holding the office for a term of 5 years with eligibility for reappointment for one more term.

**Pro-chancellor.** The UGC clarifies that the role of Pro-chancellor is limited “to carrying out the tasks assigned to the Chancellor” when not available. The Pro-chancellor, if so appointed, shall hold office for a period co-terminus with that of the Chancellor. As in the case of the Chancellor, this positions too is a nonexecutive position of the university.

**Principal Director.** The Principal Director is the executive head as well as principal administrative officer of the Trust or Society. According to the Constitution of Grand Hall Trust, the duties of the Principal Director are broadly defined as those performed on behalf of the

Managing Committee and in consultation with the President. In the case of Grand Hall Trust, the Principal Director is also the Pro-chancellor. It is unclear whether this is common across all universities in India.

**Vice-Chancellor.** The Vice-chancellor is the chief executive officer of the university. In the US, this would be the president of a university. The responsibilities related to this position encompass the development of academic programs and general administration for the entire operations of the university. By virtue of the appointment, the Vice-chancellor chairs, and has power to convene, the governing bodies of the university including the Board of Management, the Board of University Development, Planning and Monitoring Board, the Board of Examination, and Academic Council. The Vice-chancellor is also responsible for the overall compliance of the university to state and federal statutes and ordinances. According to Angom (2015), the vice-chancellor acts as a bridge between the academic and administrative functions of the university with academic function typically centralized by the sponsoring body (the Trust or Society). The UGC states that the Vice-chancellor is appointed by the Chancellor and serves for five years with eligibility for reappointment for one more term.

**Dean of Academics and Administration.** The Dean of Academics and Administration is a senior level administrator primarily focused on ensuring a robust academic environment and responsible for framing, overseeing, coordinating, and improving the academic processes of the university. Part of her role is to ensure quality assurance of academic deliverables and coordinate necessary levels of resources to support sustained and efficient academic processes. To this end, the Dean of Academics and Administration assists the Principal Director in the management of the service providing departments of the university (e.g., human resources, purchasing, finance). These departments, as mentioned earlier, may be understood as part of the Trust and centralizing operational, legal, financial and human resources processes for GHU. While the Dean of Academics and Administration reports to the Principal Director, interview data suggests that she also reports to the Vice-chancellor. In this way, she occupies a somewhat interesting position that on the one hand is part of the Trust (her profile is featured as part of the leadership of the Trust) and on the other hand part of GHU (interviews reveal that she reports to the Vice-chancellor in addition the Pro-chancellor).

**Dean of Faculty.** The dean of faculty is responsible for the overall supervision, management, accountability, and coordination of all the institutes under him or her. Specific responsibilities may include academic planning and auditing programs, recruitment and development of faculty, implementation of academic policies, enforcement of academic standards in undergraduate and graduate programs, and preparation of budgets. Deans of faculty are typically ex-officio members of several top-level governing bodies in the university (e.g., Academic Council, Board of Examination, etc.). Deans typically report to both the Vice-chancellor and the Pro-chancellor.

**Director.** The director at Grand Hall University oversees and directs academics and operations at the institute, college, or center level. Responsibilities include setting up and running the various programs and services offered by the school or center and designing strategic goals consistent with institutional objectives. Directors report to deans of faculty.

**Head of Academic Department.** Each academic department has a head managing administrative and academic affairs. The head of department is appointed by the Vice-chancellor from among respective department faculty. According to the UGC, the term of department heads are three years with eligibility for reappointment for one more term, but not for two consecutive terms.

**Head/Director of Centers.** GHU has various centers, some at the institution level and others within faculties, that support institutional activities or provide non-academic services to the university community.

### Interview Participants

All interview participants of this study (except for one who does not work at GHU) hold a minimum of one of the positions outlined above and are members of one or more of the ‘governing authorities’ described in this chapter. The list of Interview participants is shown again here, in Table 1.6.

Table 1.6 Interview Participants

| Name       | Title   | Stakeholder Group | Family Status                                  | Governing Authorities* | Degree(s)  | Years at GHU |
|------------|---|-------------------|--|------------------------|--|--------------|
| Dr. Prem   | President of Trust, Chancellor of GHU   | Family            | Founder  | Chair, MC              | PhD  | >40 yrs      |
| Dr. Aabha  | Principal Director of Trust, Pro-Chancellor of GHU, Executive Director of the Center for International Higher Education | Family            | Daughter of founder                            | MC, BoM, PmB, BoUD, FC | Postgraduate degree in medicine, law degree, PhD | >20 yrs      |
| Dr. Aarav  | Dean of a faculty   | Family            | Son-in-law of founder and husband of Dr. Aabha | MC, BoM, AC, BoUD, PmB | Postgraduate degree in medicine, PhD             | >20 yrs      |
| Dr. Vihaan | Head of an administrative office and oversees other   | Family            | Grandson of founder and son of Dr. Aabha       | UsB                    | MBA<br>PhD                                       | >1 yr        |

|               | service-oriented areas                                     |                          |           |                                |     |         |
|---------------|--|--------------------------|-----------|--------------------------------|-----|---------|
| Dr. Aditi     | Vice-chancellor  | Nonfamily administration | nonfamily | Chair, BoM, BoUD, PmB, BoE, AC | PhD | >20 yrs |
| Dr. Kalinda   | Senior administrator                                       | Nonfamily administration | nonfamily | BoM, PmB, BoUD                 | PhD | >20 yrs |
| Dr. Keya      | Director of an institute; Deputy Director of a center      | Faculty                  | nonfamily | AC, PmB, Bos                   | PhD | >30 yrs |
| Dr. Prisha    | Dean of a faculty  | Faculty                  | nonfamily | BoM, AC, PmB, BoS              | PhD | >10 yrs |
| Dr. Kiaan     | Professor, Head of a department in one of GHU's institutes | Faculty                  | nonfamily | AC, BoS                        | PhD | >10 yrs |
| Dr. Danielle* | Professor  | N/A                      | nonfamily | N/A                            | PhD | N/A     |

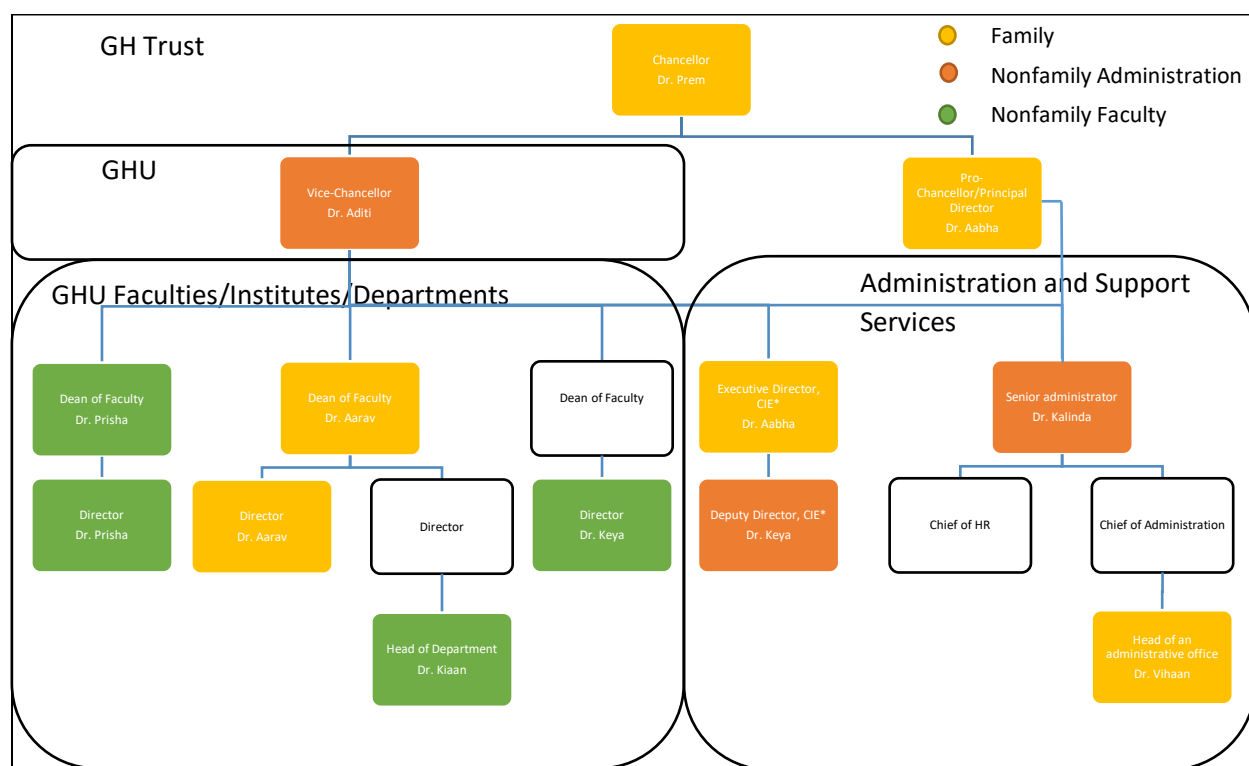
\*MC: Managing Committee, BoM: Board of Management, AC: Academic Council, PmB: Planning and Monitoring Board, BoUD: Board of University Development, FC: Finance Committee, UsB: University Sports Board, BoE: Board of Examination, BoS: Board of Studies  
 \*\*This interview participant does not work at GHU

Source: Author

It is important to understand where these interview participants are situated in the organizational hierarchy. Such an understanding sets the proper stage to investigate the formal (and where possible informal) relational dimensions of the interview participants, and where power (influence to affect decisions) is concentrated—or how power circulates within the organizational structure. Figure 1.4 below provides a simplified overview of the official reporting/organizational structure at GHU with a focus on illuminating the positional hierarchy of interview participants and the stakeholder groups to which they belong. As shown, the figure

is divided into four sections (GH Trust, GHU, GHU Faculties/Institutes/Departments, and Administration and Support Services) and positions are color-coded to denote type of stakeholder group. All of GHU's family members are coded 'yellow' and occupy positions spread throughout the organizational structure and at all levels of the reporting hierarchy. Dr. Aarav, for example, is coded yellow, but he represents the faculty stakeholder group as shown. On the other hand, several of the interview participants may be found concentrated within the organizational space of GHU Faculties/Institutes/Department. This group is coded 'green' and represents the faculty body of GHU. Finally, there are interview participants representing the Nonfamily Administration stakeholder group. They are coded 'orange'.

Figure 1.4 Simplified Organizational Chart



\* CIE, Center for International Higher Education

Source: Author

## **Conclusion**

This chapter presented information in four important areas: the history of Grand Hall University (GHU); the key governing authorities influencing decision-making at GHU; the key positions representing and accountable to these authorities (clarified in findings chapter); and background information about the interview participants. Importantly, the interview participants, by virtue of the organizational positions they occupy and the governing authorities they sit on, were presented as representing different stakeholder groups at GHU. Further, the governing bodies of Managing Committee, Board of the Management, Academic Council, and Board of Studies are understood as enabling structures for broad stakeholder engagement in decision-making. Another important point is that the governing bodies themselves have a relational component and facilitate decision-making cooperatively and according to a formal reporting hierarchy and process. The relational dimension of GHU's governing authorities will be further explored when addressing the research questions of this study.



## **CHAPTER 6: THE HIGHER EDUCATION DIMENSION OF GRAND HALL UNIVERSITY**

### **Introduction**

As explained, the purpose of this dissertation is theory testing. I also explained that it is crucially important to ensure that certain criteria be met for the purpose of theory testing. These criteria pertain to two sets of characteristics that were assumed to exist at GHU. In other words, Grand Hall University was chosen as a research site because it perceivably typifies certain characteristics. One set of characteristics relate to the prototypical higher education characteristics I identified using the higher education literature (i.e., Birnbaum, 2004; Cohen & March, 1986; Gutmann, 1999; Newman et al., 1996). According to these scholars, traditional (nonprofit) universities have the following characteristics: complexity of organizational structure and culture; the presence of multiple stakeholders with competing interests and needs; missional ambiguity; organizational conflict; strong accountability to the government and society; and the need for and practice of shared governance.

However, I made a few assumptions about the presence of these characteristics at GHU. For example, I inferred that GHU may be a site where different stakeholders have a diversity of needs and interests based on the size of the university that employs up to 3000 staff and faculty. I also assumed that shared governance exists based on anecdotal evidence (i.e., Altbach et al., 2020). These assumptions need to be substantiated. Thus, this chapter answers one of the secondary research questions to confirm that GHU typifies prototypical higher education governance characteristics. I first begin with presenting quotes from interviews and documents that suggest GHU to have organizational complexity. It is important to keep in mind that the quotes from these sources should not be treated as evidence. This is especially true for interviews where interview participants may be understood as sharing their opinions and thoughts according

to their subjective interpretation of reality. Thus, regarding the data presented in this chapter (as well as the remaining findings chapters), we must keep an open mind that what is being presented is a reality according to what the interview participants either want to share or come to believe in. I will discuss the limitation of this in further detail in the discussions chapter.

### **Organizational Complexity**

In this dissertation, I defined organizational complexity as encompassing several characteristics. Universities are complex because they are large in size and have a disjointed governance culture in which diverse units do not operate as a rationale whole, but as an assemblage of subcultures. Interviews and documents suggest that Grand Hall University has a complex organizational structure. This finding is supported by data organized into three codes: 'large size,' 'diversity of units,' and 'specialized functions.' To note, I discuss 'large size' and 'diversity of units' as related themes under one section.

#### **Large Size and Diversity**

Universities are continuously expanding programs and creating new courses, departments and schools, not to mention hiring new staff and faculty. GHU is no different. It is a large organization with over 30 institutes spread across 11 different physical locations. In the following quote from written information provided by Dr. Prem, Dr. Prem recounts the story of GHU's evolution and growth by the accretion of new institutes and centers.

The nineties saw the establishment of no fewer than 14 institutions: Institute of Mass Communication (1990), [the first museum] (1990), the secondary school (1991), Institute of International Business (1992), Institute of Management Studies for Defense Personnel (1993), Centre for Management and Human Resource Development (1993), [the sports center] (1994), Institute of Telecom Management (1996), Centre of Health Care (1997), the high school (1997)... (written information by Dr. Prem)

Grand Hall University added an institute or center, sometimes two, every year. Growth was the mode by which GHU evolved. Furthermore, the accretion of institutes and centers required the

creation of support units that would perform the administrative function of maintaining infrastructure and coordinating resources. Thus, administrative departments, too, were created as

Dr. Kalinda (senior administrator) and Dr. Vihaan (head of an administrative office) explains:

Dr. Kalinda: For example, we need to hire people. So there is an HR department. There is a finance department. We need to procure equipment, there is a purchase department. We need to maintain our infrastructure. There is an estates department. So they're all service providing departments of the university.

Dr. Vihaan: We just had campuses outside [of our city], but there was no central office for them to send their concerns to. And that's when [Dr. Aabha] thought it apt to start off-campus department so that each and every director from the five campuses, which I mentioned is outside [of our city], can shoot their mails or complaints or concerns to my office and then we can give them interest.

The accretion of new institutes, centers, and departments has led to a diversity of institutes, centers, and departments found at GHU.

### **Specialized Functions**

Different academic and administrative units at universities do not operate as a rational whole, but according to local customs, policies, and pressures found within the units. This phenomenon has been referred to as “loose-coupling” (Cohen et al., 1972; Weick, 1976). Data suggests that GHU is no exception to having units with organizational differences with respect to customs, policies, and pressures, as Dr. Prisha (Dean) explains in her interview. She states:

Each institute and other faculty [have] its own history and later it was brought under the university...[Grand Hall University's] institutes have their own unique code of adhering to policies and standards which are laid down with the consensus by the university, but they also have a periphery and certain qualities, certain characteristics and persona, personality, which is very unique to each institute...You would see the law institute being very formal, students being dressed in uniform, and students being highly visible everywhere. Management Institute being a post graduate institute, having more of a serious character, so each one has its own way of doing it...When it comes to people management, day-to-day activities, the way we organize our student bodies, the way we organize our day-to-day academic delivery, each institute has its own unique way of doing it...For example, liberal arts has no annual examination or semester examination. It's all short assessments or no assessment in some cases, whereas the design institute has a different way of examining. The board of examination rules have laid down the

framework within the university of objectivity, transparency, fairness and adherence to procedures.

Dr. Kiaan (Professor) and Dr. Aabha (Pro-chancellor) echo Dr. Prisha's observation.

They say the following when responding to a question about uniformity across GHU.

Dr. Kiaan: They [institutes] are all different. Because there is some reason, because we all say, "No, there is a government and there is accreditation bodies." Their [other institutes] accreditation bodies might be different than my accreditation bodies. Their protocol might be different. Their policies might be different. Everybody's discipline is different. Everybody's accreditation bodies are different.

Dr. Aabha: Because they, for example, the law school may be governed by their statutory body which is the bar council of India and their expectations... Oh I'll give you another example. The school of liberal arts. The school of liberal arts has a totally different pedagogy. They have a very small class size. They teach differently and their evaluation system is totally different from what a conventional business school [might look like]. They want continuous evaluation and so on... As I said we [family and other top leadership] have given academic autonomy, but certainly the university lays down policies, which then get percolated down. The broader framework is construed by the university, but at an institution yes, they do frame their own policies of operational governance.

The key takeaway from these quotes is that organizational differences among units (in this case GHU's institutes) may be found along several dimensions: history, influences from stakeholders such as the government and accreditation bodies, and according to the needs and requirements of academic offerings. These needs and requirements may be internal and related to class size or teaching pedagogy as Dr. Aabha explains, or external and related to government and accreditation pressures as Dr. Kiaan suggests. Further, Dr. Aabha points out policies established by the university become modified or as she puts it "construed" at the institute level. On this point, Dr. Prem says the same.

Each of [Grand Hall] units is given complete autonomy... Directors are free to evolve micro policies, appoint faculty and staff and take all the appropriate decision to ensure that the unit functions efficiently. (written information by Dr. Prem)

We may thus infer that there are considerable differences across the 40 plus institutes at GHU with respect to the policies they have and enforce. These differences give each institute a unique organizational character where no two institutes are likely the same. I wrap this section up with another quote from written information provided by Dr. Prem. Dr. Prem insightfully captures the reality of loose-coupling at GHU and the complexity of the university's organizational structure.

I would propose that [Grand Hall] University's response to developments in the field of management was an almost inevitable outcome of the natural process of progressive differentiation. As Spencer suggested, organisms must grow and become progressively more complex. The differentiation is accompanied by changes in the function of the original organism, with specialist functions being performed by unique structures. In diversifying into different units, [GHU] was merely acknowledging the fact that functions were changing and that new structures were necessary to address these hitherto non-existent functions. (written information by Dr. Prem)

Indeed, GHU's growth into a progressively complex organization conforms to our understanding of the organizational reality found at the prototypical nonprofit university. Both GHU and the prototypical university, as described by the literature, are complex organizations with loosely-coupled units operating according to localized norms.

### **Missional Ambiguity, Competing Interests, Organizational Conflict, and Stakeholder Diversity**

According to literature, universities are pulled in different directions by stakeholder groups having different ideas and views on a variety of matters relating to academics, administration, and organizational success (Bolman & Deal, 2017). These differences are understood to animate lively discussions among stakeholders and even cause agency conflict (Eckel, 2000). Grand Hall University is no exception to having stakeholder groups with different views and interests. Further, these differences are reported by interview participants to often result in disagreements among faculty, staff, and top management. These findings are supported by data organized into three codes: 'stakeholder diversity,' 'competing interests,' and

‘organizational dissent.’ To note, I discuss ‘competing interests’ and ‘organizational dissent’ as related themes under one section.

### **Stakeholder Diversity**

As discussed in the literature review, stakeholder groups are defined as such because they have a stake in the direction of the university. They exert pressures related to the significance they attach to different organizational objectives. For example, the government enforces rules and regulations because it has an interest in ensuring educational quality at universities that are perceived as providing societal externalities. Similarly, students demand a quality education because of the perceived private benefits that they receive, in the form of job security and higher wages after graduating.

Grand Hall University is no exception to having different stakeholder groups that presumably have differing needs, opinions, and interests. Interview participants have identified several stakeholder groups, of which one is the government. In chapter 4, we learned that deemed universities, such as GHU, are held to higher academic standards and norms of operation, and are expected to follow these norms as they play a vital role in the higher education sector and for society (Shah, 2015; University Grants Commission, 2019b). All of the interview participants corroborate this and share further that the government takes steps to ensure that rules are followed. The following are several quotes from Dr. Aabha (Pro-chancellor), Dr. Vihaan (head of an administrative office), and Dr. Prisha (Dean) who all confirm this to be the case.

Dr. Aabha: Like for example, faculty to student ratio is decided by them [government], or the kind of salaries that [at Grand Hall University]...So, University Grants Commission does lay policies, as I said what kind of faculty-student ratio every program should have or make up policies, and the universities are expected to follow them.

Dr. Vihaan: By government obviously the university grants commission, that's what I mean by government. The Ministry of Human Resource Development, MHRD, UGC [University Grants Commission], then we have AICTE [All India Council for Technical

Education], so these three or four also influence our decision-making progress, because we finally, even if out of [the institution], we have to definitely keep them [rules and regulations]...We have to obviously follow their standards...So NAAC [National Assessment and Accreditation Council], UGC, they actually send people here to check. We have visits once in three years, if I'm not wrong, to check whether everything is going on well...

Dr. Prisha. In Managing Committee, we have people from the government, we have people from [professionalized] and specialized bodies...yea, either nominated by the ministry or we once had a secretary-level person also on the Board of Management.

Dr. Vihaan and Dr Aabha suggest that government entities such as the All India Council for Technical Education (AICTE), the University Grants Commission (UGC), and the Ministry of Human Resources Development (MHRD), through the policies and standards they enforce, steer the university. Dr. Vihaan says “we have to obviously follow their standards” and Dr. Aabha agrees. This means that decisions made at GHU must lead to organizational outcomes that have consistence with the expectations of and standards laid down by the government. As suggested by Dr. Prisha, government officials also can influence decisions internally, and more directly, by having representation on governing bodies, or governing authorities as the UGC defines them. The representation of government officials on these bodies may be understood as a way the government holds the university accountable to socially determined goals.

There are also stakeholders at GHU in the faculty body whose needs and interests are more about student formation, career development, research, and teaching. Below, Dr. Kiaan (Professor) shares what he believes to be important.

I [want] to be a good researcher first. Then a good teacher...As for their [students] needs, they should be given some different component of the teaching, maybe mentoring, maybe helping them to go ahead in the career orientation program. We have to be...Though we are taking the students, teaching for the four years, and we are not leaving like this. We have to give them a proper roadmap, where you will go depending upon their attributes, depending upon their behavior, depending upon their personality.

Similarly, Dr. Aarav (Dean) who also represents the faculty talks a good portion about student formation and career development during his interview.

My objective, my vision for the university is to be the seat of trained manpower...Be it a doctor, be it a nurse, be it a clinical researcher, be it a healthcare manager, be it a technologist, a simple thing that you want to train...Today's technologists that we are training understands the background. He's [student] provided sound clinical foundation course, which explains to him his role in the entire supply chain management...He realizes his importance.

Ultimately, Dr. Kiaan and Dr. Aarav's role as faculty is linked to what Gutmann (1999) refers to as the cultural purpose of higher education, which relates to furthering the mission of serving society and teaching students to be effective and responsible members of the workforce. Dr. Kiaan and Dr. Aarav's interest is rooted in the dissemination of knowledge for the purposes of student development and training. Therefore, they may pursue activities and resources that support and further their academic work, while exerting pressures on other stakeholder groups to remove barriers restricting their agency. We may further speculate that they represent academic interests when participating in decision-making on governing authorities.

The interests and motives of faculty may be compared with those of the administration. According to Corson (1996), the administration is a stakeholder group whose interests diverge from those of the faculty and align to a utilitarian purpose. Administrative members are more concerned with strategic organizational planning that leads to reputational enhancements and financial wellbeing. The administration of Grand Hall University is no exception to having such a focus. In the following quotes, Dr. Aditi (Vice-chancellor) and Dr. Vihaan (head of an administrative office) share their interests and vision for the university.

Dr. Aditi: Yea, I would love to see it recognized as one of the best academic institutions across India. Today we have something called a National Institutional Ranking Framework. We are in the top 50. I hope we will remain in the top 25, in years to come. And it's tough competition because we have more than 910 universities in the country.



Dr. Vihaan: In terms of vision, obviously much like my family members...I would love to see this university lined up in the rankings in terms of being one of the best in Asia, if not one of the best in the world. We are doing that. We are ranked very highly in the QS World Rankings recently...

It is important to note that Dr. Vihaan and Dr. Aditi do not have a singular focus on rankings.

There are many instances during their interviews where the importance of teaching, research, and student formation was discussed as university goals. However, it becomes interesting to compare their interviews with those of faculty. As expected (based on literature), whereas faculty leaned toward talking about academics and working with students, the administration had a greater focus on talking about institutional reputation and the university's position on ranking league tables.

Students are identified as another stakeholder group. According to several interview participants, they are stakeholders because they care and have opinions about the services they receive and the faculty they interact with. They provide feedback on a wide range of institutional matters. Dr. Aarav (Dean), Dr. Aditi (Vice-chancellor), and Dr. Kiaan (Professor) relate the following when asked to identify the stakeholders of GHU.

Dr. Aarav: Internal stakeholders are the students, most important. Because students would like to participate in what healthcare decisions which we take, whether to set up a health center, whether to provide these facilities, whether to have this staff, whether to have these policies. Simple things like, as a health-promoting university, I wanted to have brown bread sandwiches. So students said, yes sir, brown bread sandwiches are good, but brown bread sandwiches cost a lot. We cannot afford it...Likewise, the faculty who teach, their [student] feedback is also taken regarding the content, the delivery mechanism, the teaching aids that they use, the way the difficulties are resolved. Depending on the feedback of the students, the continuity of the faculty is also decided.

Dr. Aditi: Students often come and tell us, "Ma'am, but we heard that this is important for us to know, and it's not there in our curriculum. Can we introduce it?"...So I think we do have a very strong feedback mechanism which helps us improve our curriculum, year after year.

Dr. Kiaan: Because certain decisions taken in the university. Students raise the question. For example, suppose the examination...Now we are conducting the two internal examinations, one final examination. If suppose the internal examination instead of two

we put three...And if students take objection? We don't give that option...because in [Grand Hall] overall, it is a student-centered, and any education should be student centered. What student needs we have to provide. It is not because I like to teach one subject, so I'm teaching. It should be the student-centric.

In the above quotes, we learn that students at GHU have specific needs, which they make known to the administration and faculty (in this case, to Dr. Kiaan, Dr. Aditi, and Dr. Aarav) by providing feedback on programs, courses, and even cafeteria food.

The final group that interview participants identify as a stakeholder group is the Managing Committee.

Dr. Prisha: And here, the most powerful panel or team is the Managing Committee...In the Managing Committee there was a time when [Dr. Prem's] family had three members. Today they are almost four or five. [Dr. Prem], then [Mrs. Prem], then [Dr. Aabha], then [Dr. Nishita], then [Dr. Aarav]...Five are from family.

Dr. Vihaan: And then you also have a managing committee...because various projects have to pass through these committees.

Dr. Danielle: The key stakeholders are the governing board [managing committee], the academic leaders and managers, the senate and the faculty members, the senior leaders from department heads and research center heads to the deans, to the Pro-chancellor and Vice-chancellor...

Dr. Aabha: So today [Grand Hall] is known for certain values, known for certain things. That should continue, not just continue but it should be strengthened...So I think it's the board of trustees which holds the university, upholds the values and the vision

Three key points may be discerned from these quotes. First, the Managing Committee is involved in decision-making at Grand Hall University as Dr. Vihaan points out. He says that various projects have to pass through the Managing Committee. Based on chapter 5, we may infer that these projects are related to those functions that the Managing Committee centralizes, which include human resources, legal, finance, and purchasing. Second, we learn from Dr. Prisha that the Managing Committee has five family members. This number represents a minority group on a committee of 11 members of which six are nonfamily. However, for the purposes of this

study, we may understand the family to have considerable influence on this committee—in part because a family member controls the chair position (i.e., Dr. Prem), in part because family members constitute nearly half of all members, and in part because of anecdotal evidence found in Altbach et al. (2020). In the volume they edited, several authors (Lamagna et al., 2020) share that family-owned universities in Bangladesh have boards where non-family members are typically designated by the family and come to have little decision-making power. Further, Choi (2020) explains in the same volume that in Korea nonfamily top leadership positions including those in the board are filled by nonfamily candidates who buy into the vision of the family. Thus, we may infer that there is little opposition coming from nonfamily members. Based on these understandings, we may understand the Managing Committee as a family-based stakeholder group with nonfamily members who may be more supportive than adversarial. Finally, we learn that the Managing Committee is a stakeholder group that sets the vision for the institution. In principle, members of the institution are expected to follow this vision.

In sum, there are a number of stakeholder groups at Grand Hall University. These include the government, Managing Committee, faculty, administration, and students. Interviews suggest that all of these groups have different roles and different needs, and based on their needs may want different things.

### **Competing Interests and Organizational Dissent**

Having different roles, needs, and views does not necessarily mean that stakeholders at GHU are at variance with one another. Indeed, this point was emphasized by several interview participants who recoiled at the word ‘organizational conflict.’ According to them, organizational conflict may not be found at GHU. However, interview data suggest that differences in opinions, views, and needs lead to lively discussion and in some cases dissent

among stakeholders. Grand Hall University is not immune from having stakeholder groups opposing the views and opinions of other stakeholder groups, as Dr. Kalinda (senior administrator) shares:

I don't want to say most disagreements. Whenever we've had this disagreement, or differences in opinion is a better term, we've been able to tell whether it is a leadership or staff or faculty. And then, as in my role as Dean [of] Academics and Administration, if it is faculty, I have been able to tell them that, "This is where I disagree with you and this is the vision of the university." And unfortunately, whether you like it or not, this is how it is...

In the context of this discussion, Dr. Kalinda shares an example of when faculty raised concerns regarding a new system for evaluating faculty performance. In her example, the administration would award points to faculty based on, for example, research output and attendance to compulsory faculty development workshops/programs. Dr. Kalinda further relates the story below.

As Dean Academics, I went to explain this structure to all the faculty members. Many of them said, "We don't agree. It's very unfair that you're giving us negative marking. I said, "Why is it unfair? Because we are paying for it. The university is paying for it. The university is not charging you a rupee for that. The university is investing in building capability in you, then why aren't you attending?" So they said, "It's not relevant to us."...So somewhere we have to show that we don't appreciate that. So we've had some disagreements where we stuck to our guns and we said, "No, you will get negative marking for that." And that's not only for you, it's across the university."

The faculty is noted with not agreeing with Dr. Kalinda and saying that the new system is not relevant to them. Such a response is consistent with what we learn of the organizational culture in higher education. The faculty and staff are understood as two groups with diverging priorities, needs, and interests (Morey & Piderit, 2006). It is thus not surprising that faculty at GHU sometimes disagree with the administration. Dr. Aditi (Vice-chancellor) also identifies the faculty as a group that questions the administration. She explains:

My deans, which is their role. The role of my deans is to make sure that they question, so

that it is understood properly, and their concerns, if any are addressed...So yes, the deans do question...They ask us [the administration] if some of the restraints that we are laying down, which are governed by, in turn, the government, whether they are something that can be...whether that is essential for us to follow...So the academic community, led by the dean, would be the people who would ask questions, and I would believe that's their role.

Additional testimony evincing the presence of diverse opinions and views, and organizational dissent, at GHU come from Dr. Vihaan (head of an administrative office), Dr. Keya (Director of an institute), and Dr. Prisha (Dean of a faculty). They share the following in response to a question about organizational conflict.

Dr. Prisha: For example, Design Institute, I remember I was part of the counsel and Design Institute had an argument that the teacher who monitors the project only will assess. I objected. I said an external scrutiny should be mandated. Then at that time we had a chancellor who was through the state university system so he supported that idea and they brought it in.

Dr. Keya: And, then sometimes you need someone to push you aside and say, "Does it really help? Is it really worth it? Is it worth the effort? Do you really need to have a thoughtful classroom size of not more than 15?" And someone in a budget meeting asked me, "but, why not twenty? Are you going to say that your faculty will not be stuck with 20 people? What's the magic about 15? Then why not 12?" And, I said, "Yeah, I actually need to go back and do some research on that as well."

Dr. Vihaan: And second is sometimes I feel that being young and exuberant, I have a lot of ideas and as I said, the vision for the university in terms of different aspects. But then to get the key administrative decision makers on board is sometimes a challenge...on multiple aspects and they don't agree with me. To make them...that's a challenge...I faced a lot of disagreements with the dean of academics or even the key decision makers from the Pro-chancellor [and] Chancellor.

I infer two points from these quotes. One is that Dr. Vihaan confirms that disagreements happen between different stakeholder groups. Dr. Vihaan, who represents the administration in this study, is found to meet resistance from top leadership. Second, we learn that a difference of opinions and disagreements can happen within the same stakeholder base. Dr. Prisha recounts an experience where she came to disagree with other members of the faculty body. This is not surprising since the literature describes faculty as being a fragmented group (Hill, 1996). Based

on all of the examples above, it may be inferred that Grand Hall University is indeed an organization that resembles the prototypical higher education institution in terms of having stakeholders with varying perspectives, needs, and interests, which at times lead to discussion and even dissent.

### **Accountability to the Government**

The landscape of higher education is constantly evolving relative to myriad shifting environmental circumstances: intensifying government accountability (Altbach, 2016; Austin & Jones, 2015; Cohen, 1998; Hazelkorn, 2015), new accreditation standards, changing market and societal trends, decreasing public funding, and stiff competition. Among these circumstances, intensifying government accountability has become common in most parts of the world (Altbach, 2016). Higher education institutions are inevitably part of the external governance systems in which they operate, and must conform to the expectations and norms laid down by these systems.

Grand Hall University is no exception to being a part of a larger educational system. Chapter 4 hopefully made this clear. The University Grants Commission together with the Ministry of Human Resource Development (MHRD), the state departments, and professional councils all determine the behaviors, financial practices, and the organizational structure of India's universities and colleges, in both private and public sectors. Further, for deemed universities, such as GHU, violations of these rules are met with swift and sometimes severe disciplinary action including the withdrawal of grant monies, sanctions that prohibit program development, reduction of enrollment levels, and even the annulment of deemed status.

We also learned earlier in this chapter that GHU presumably follows government and accreditation rules and regulations. The government and accreditation councils were discussed as

a stakeholder group that exerts pressures on GHU to conform to socially-determined agendas, through visits made by government officials and having representation on governing authorities.

In this section, I present quotes from interviews and excerpts from documents suggesting that GHU is like the prototypical university in terms of having accountability pressures from the government. This finding is supported by data organized into three codes: ‘salary controls,’ ‘program controls,’ and ‘facility controls.’

### **Program Controls, Salary Controls, and Facility Controls**

Dr. Prem (Chancellor) shares that educational institutions in India need permissions and approvals from myriad external governing bodies. Dr. Prem explains in written information he provides:

Educational institutions must of necessity turn to various organs of the government. You need permissions and approvals from a veritable jungle of authorities: state government, the Central Government, ministries and departments of education, Ministry of Human Resource Development, University Grants Commission, All India Council of Technical Education, Distance Education Council and so on...During the course of this [written material], I have narrated, often ad nauseum, accounts of my encounters with various authorities. I can only describe those experiences as *agni-divya*, ordeal by fire. (written information by Dr. Prem)

As an educational institution, GHU must seek government approval from the external authorities of India. We learn further from other interview participants exactly what affairs are being controlled or steered by these bodies. Below are quotes from interviews with Dr. Keya (Director of an institute), Dr. Aditi (Vice-chancellor), and Dr. Kian (Professor).

Dr. Keya: Yes, yes, yes, yes, yes. The UGC is the apex body that governs us. So, for example, when I wanted to set up the liberal arts school years ago, I wasn't allowed to set up a BA of liberal arts or a bachelor or liberal, because the UGC doesn't allow it. So, I had to fit it in. So now I have a bachelor of arts into brackets liberal arts...approvals still need to be got. So, my four-year program needed approval from UGC. We couldn't do that on our own. So, anything major, so, for example, setting up of institutions, accreditation for institutions, faculty recruitment criteria—all of these are government-led. So, the government also mandates, for example, how much space you must have, for students. How many books should be there in library. What is the student-teacher ratio.

So, they definitely impact us.

Dr. Aditi: You see, for instance, if it were to be a financial decision, okay, “Do we set up a new campus?”, that's not influenced by a teacher, not influenced by a student. It is influenced by an invitation from the government. So it's influenced by external agencies often. So for instance, if I want to set up an architecture school, I need the approval of the [government]...

Dr. Kiaan: If we wanted to put some program, a new program. Yeah, we have to get the approval from the government. And they take a lot of time. So, today if I go to this office, after six months another desk. So it will go roaming, roaming. That is only that conflicting to us.

According to these quotes, we learn that government controls reach into a broad range of university affairs. Government approval is needed to develop programs and establish institutes, and for any financial-related decision. The government establishes faculty recruitment criteria. The government even determines the requisite number of books the library at GHU should maintain. We also learn that working with the government can be difficult. Dr. Prem describes his encounters with the government as an “ordeal by fire.” Dr. Kiaan shares that it takes a long time for government approvals.

In addition, government prescriptions determine pay bands and scales. Even transport allowance is fixed according to UGC specifications. The following is a quote from a university document.

The designations of the university and administrative posts of [Grand Hall University], their grade pays and qualifications & work experience requirement will be as per UGC regulation... (University document)

In fact, broad standards and regulations established by the UGC and other government entities inform all human resource policies at GHU. The following are additional quotes taken from a university document.

The committee decided to frame policy in consonance with existing policies of state and central government. Since [Grand Hall University] is prominently engaged in delivery of 'Higher Education', the committee incorporated the rules and guidelines framed by UGC



for teachers and statutory posts of the University in totality. (University document)

The Committee referred following documents as guidelines for formulating [this document].

- a. UGC Regulations (Minimum Qualifications for appointment of teachers and Maintenance of Standards in Higher Education.
- b. Guidelines/Directions/Regulations of various statutory councils regulating Higher Education such as AICTE, BCI, MCI, Nursing Council of India, etc.
- c. Constitution (Memorandum of Association and Rules & Regulations) of [Grand Hall' Society].
- d. Existing [Policy] and various Circulars issued from time to time by [Grand Hall] Society and [Grand Hall University].
- e. Civil Services Rules of Government of [this state]. (University document)

In sum, Grand Hall University is no different from other nonfamily private institutions around the world that operate under myriad compliance-related pressures, and conform to government rules and regulations.

### **Shared Governance and Faculty Empowerment**

Shared governance refers to the set of practices undergirding the culture of collaborative decision-making among key stakeholders (American Federation of Teachers, n.d.). It is a collegial model of governance centralizing the principles of partnership, equity, accountability, and ownership among different stakeholders (Swihart, 2006).

In the context of higher education, shared governance has become synonymous with faculty empowerment and representation in organizational decision-making (Nadler et al., 2010). Further, leading scholars in the field (e.g., Gutmann, 1999; Kerr, 1970; Newman et al., 1996; Rhoades, 2005; Tierney, 1994) discuss shared governance as necessary to keeping the university accountable to its academic mission of serving society.

Interviews suggest that Grand Hall University is no exception to having the need for and implementing governance modalities and structures empowering different stakeholders (for advancing the academic mission), especially faculty, in decision-making. This finding is

supported by data organized into four codes: ‘need for shared governance,’ ‘two decision-making chains,’ ‘representation on governing authorities,’ and ‘governing authorities as stakeholders.’

### **The Need for Shared Governance at GHU**

The need for shared governance is apparent at Grand Hall University based on several of the interviews. The following are quotes from interviews with Dr. Prisha (Dean) and Dr. Kalinda (senior administrator).

Dr. Prisha: Every dean of faculty has to have this kind of role where, from their faculty, they draw ideas for new courses, new programs...Being at the direct meeting point of stakeholders such as students, parents and community, directors or deans require that autonomy to bring new influence, knowledge and other resources to the table. They are spearheading the fiercely independent body of faculty who need their autonomy and space to think, guide and motivate. It is an operational need for creating as well as catalyzing output, meeting expectation and to create a conducive ecosystem for learning. Directors are experts in their field, senior professors knowing the latest developments and having good network with important who's who in the field...It is the business of building and enriching human life, building a nation, building people. Hence, one should walk the talk and be careful in following what one claims. This is because, the students watch what one does and follow. Hence the governance team must exude ethical leadership, simplicity, command respect. Hence the decision making needs to be participatory, transparent, systematic and reasoned.

Dr. Kalinda: Courses are required to be taught, revised, dropped, etc, keeping in view the programme objectives, appropriate teaching methods, methods of evaluation to measure attainment of objectives etc. These aspects need to be decided by the Deans, Directors and faculty members so that the programmes offered remain relevant and the students graduate with knowledge and skills required for their professional and personal life.

According to Dr. Kalinda and Dr. Prisha, faculty autonomy and empowerment in decision-making are needed because they are the key contributors of relevant and new knowledge to course and program development, as well as student formation and marketable skills development. Dr. Prisha argues that faculty “need their autonomy and space to think, guide, and motivate” as well as build the reputation of the university. This is because they are experts in their fields and possess esoteric knowledge on pedagogy, educational goals, subject-matter

related to their fields, and creating appropriate educational spaces. Indeed, what Dr. Kalinda and Dr. Prisha share is consistent with what we find in the higher education literature about shared governance. Shared governance is needed to advance the academic mission.

Dr. Keya (director of an institute) and Dr. Aarav (Dean) emphasize the importance of collective decision-making for another reason. Shared governance is needed to alleviate stakeholder concerns.

Dr. Keya: Because I think goals need to be collectively decided, so that all the stakeholders have an equal say and feel that the university is achieving [and] the organization is progressing...

Dr. Aarav: Unless you believe in participatory management, you will never find the favor of the stakeholders. They'll (stakeholders) keep on creating problems. You have to make the heart and the minds meet.

For Dr. Keya, alleviating stakeholder concerns means safeguarding procedural justice, which Birnbaum (2004) defines as fairness in decision-making. It is important that all members feel valued in the decision-making process. For Dr. Aarav, alleviating stakeholder concerns means having stakeholder support. He is afraid of the alternative scenario in which stakeholders left out of decision-making may create problems.

### **Shared Governance via Two Decision-making Chains**

Interviews and documents suggest that democratic governance is promoted at GHU. Before I present data from these sources, it is important to reiterate the point that these data may be an estimation of reality. As mentioned, they may represent one perspective of reality according to either what the interview participants choose to share or what they believe to be the case.

Interviews and documents suggest that there is shared governance at GHU, promoted via three ways. One way in which governance is shared at GHU is through the bifurcation of

decision-making responsibilities between the top leadership and faculty. Consider the following quote from a university document.

As mentioned above [GHU] is one of the main constituents of [Grand Hall] Society. [GHU] being primarily an academic body and with the aim to focus and concentrate on academic activities, desires to exercise certain functions, other than academics through its parent body i.e. [Grand Hall] Society...This [relationship] between [GHU] and [Grand Hall] will enable [GHU] to focus its energy on academic growth of university while leaving certain administrative affairs to be managed by [Grand Hall] Society, thereby creating a harmonious relationship and environment between the two bodies. (University document)

This quote provides clarity on the dual decision-making structure of Grand Hall University. The university (where faculty are concentrated) is to focus on academic activities while the Trust handles nonacademic functions. This structure is similar to what may be found at the prototypical university according to the higher education literature. Based on the literature, we learned that universities have two decision-making chains. One is the domain of the administration who wield what Corson (1996) calls administrative authority. The other is the domain of faculty who wield professional authority.

The distinction of these domains at GHU becomes sharper in the following quotes by Dr. Prem (Chancellor) and Dr. Aabha (Pro-chancellor).

Dr. Prem: Before appointment of director of any institution, we think ten times. We look at where he has served, but once we select the person as director, we give him total academic freedom...not financial...academic...and he is [to] bother only about academics...financial problem he may not bother...we take that responsibility...if some student fight in court against him, we fight on his behalf...because total academic autonomy given to all directors, they think they are custodians of their institutions...they take ownership.

Dr. Aabha: So there are two kinds of decisions that are required to take. One is a purely academic decision, which is starting new programs and new institutions and new courses and so on...Whereas policy decisions on where to establish a campus, new expansion plans, is what I look after. So whether to expand into setting up a campus in New Delhi or Mumbai or whatever, the decision comes from the [Grand Hall] Society office...So whereas the university manages all of the academic functions...the non-academic functions are managed by the Trust, which is human resource, which is the projects,

creating infrastructure, managing the infrastructure. All that is done by the Trust...

These two quotes bring further clarity to GHU's dual decision-making structure. We learn that the Trust handles decisions related to human resources, projects, creating infrastructure, and funding while the university handles decisions related to starting new programs and new courses. Other interview participants besides the leadership confirm this. The following are quotes from Dr. Keya (Director of an institute) and Dr. Prisha (Dean).

Dr Keya: To be honest, the Chancellor and the Pro-chancellor. I don't work with them when it comes to academic stuff on a regular basis. I work with, for example, the dean of academics...They are the ones who I'm discussing, brainstorming.

Dr. Prisha: The moment I'm made the director, I'm the whole and soul of this institute. But two functions are centralized, HR and finance. And I'm very happy that it's centralized...I don't want that headache because I'm more interested in my stakeholders, namely the parents, the students, my staff, my faculty, and my research.

Dr. Keya shares that she doesn't even work with top leadership when making academic decisions. These decisions are discussed with deans who are members of the academic community. As a dean, Dr. Prisha confirms this. She shares that she works with stakeholders at the level of the institute which include the faculty. The faculty thus seemingly have autonomy to make decisions on their own. Decision-making at GHU is shared between two groups: the faculty body and the top leadership. Even our informant, Dr. Danielle, observes this to the case and explains that decision-making is divided between the board (Managing Committee) and the senate (Academic Council). As explained, Dr. Danielle spent a significant amount of time at GHU working with faculty and top leaders. She shares the following in response to a question about decision-making at GHU.

Well, I think the university is acting as a typical university. They are a deemed university in India where they have their decision-making structures divided into a board, which is policy-oriented, the management structure for implementing board policy and a senate [Academic Council] for the setting of academic policy.

## Shared Governance via Representation on Governing Authorities

The second avenue through which the different stakeholders of Grand Hall University seem to share decision-making power is by having representation on GHU's governing authorities. We learned in chapter 5 that governing authorities are representative bodies of different stakeholders including faculty, administrative staff, top leadership (members of the Trust), and government officials.

The diverse membership on governing authorities affords different stakeholders at GHU an equal opportunity to participate in academic-related decision-making. This opportunity is guaranteed by the University Grants Commission, which stipulates that each member has the ascribed right (ascribed as a function of their membership) to cast one vote on decisions deliberated on these bodies. Below is an excerpt from the 2019 UGC Regulations for deemed universities, in this case regarding the Board of Management.

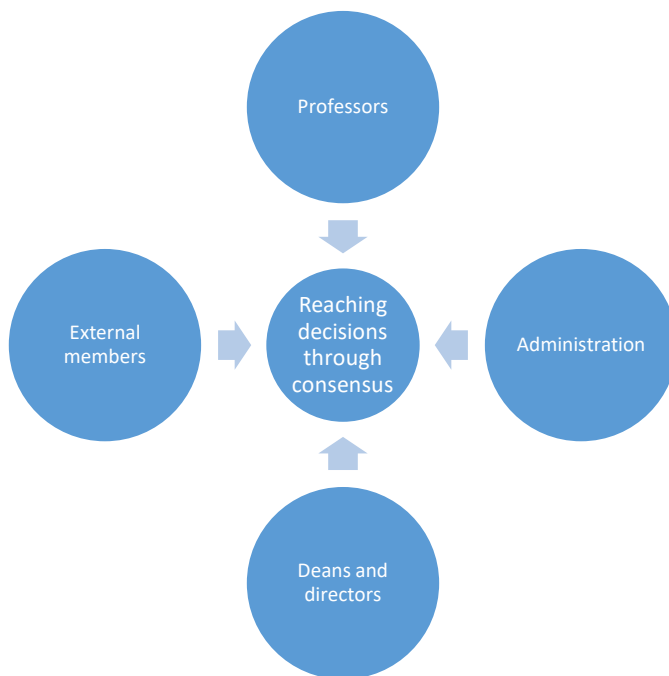
Every member of the Board of Management, including its Chairperson, shall have one vote and decisions at the meetings of the Board shall be taken by simple majority; and in case of a tie, the Chairperson shall have a casting vote. (University Grants Commission, 2019b, p. 28)

The voting system ensures that decision-making proceeds within an open and democratic forum. Votes are cast in a context of shared discussion and consensus on governing authorities that can be quite large. For example, the Academic Council has over 30 members. In principle, all of these members, coming from the administration, faculty, and industry can participate in decision-making. Dr. Kiaan (Professor) explains the decision-making process on the Academic Council.

I want it [new program] to launch in this college...I have put [together] the proposal. I have to get the sanction from the university...through the academic council, yeah. Academic council is a very huge body that has multiple members. They might be more than 30 members. All the members from various disciplines they will come to this. They will discuss all these academic components.

As Dr. Kiaan explains, proposals (in this case related to starting new programs) are submitted to the Academic Council for consideration. As he further shares, all the members of the Academic Council become involved in considering the proposal. They all participate in decision-making. According to Furguson (2009), such a process where people work through consensus and discussion is referred to as ‘horizontal governance’. Horizontal governance replaces hierarchical leadership with collaboration, coordination, shared responsibility for decisions and outcomes, and a willingness to work through consensus (Furguson, 2009, p.2). Figure 1.5 below depicts the horizontal governance modality. As shown, different stakeholders who come from different levels of the organizational hierarchy (professors, deans, and directors) come together to discuss and deliberate as equals, as members of the same governing authority.

Figure 1.5 Horizontal Governance via Representation on Governing Authorities



Source: Author

### **Shared Governance via Different Governing Authorities Working Together**

The process described by Dr. Kiaan earlier, where proposals are submitted to the Academic Council and discussed by its members, is part of a larger decision-making process involving different governing authorities. This larger process represents the third avenue through which decision-making is shared among stakeholders at Grand Hall University. Dr. Aabha (Pro-chancellor) and Dr. Keya (Director of an institute) provide insight into this process below.

Dr. Aabha: So the Academic Council, the Board of Management, Board of Studies, so if a new course or a new program has to be started, it comes from the Board of Studies, and goes to the Academic Council, the Board of Management.

Dr. Keya: So, for example, if I were to... I want to introduce a new program, like I am. I'm introducing a new honors program this June, I had to discuss it within the institute, within my faculty, I had to get student feedback on it, I dealt with a whole lot of other industry, et cetera. Experts, I had to get their feedback on it...I got feedback from my foreign collaborators...Then I had to put in a proposal to the registrar, and then he gave me, in principal, some kind of an approval, and then I ran it through my faculty, so I went to Board of Studies...Then I had to go to the Academic Council, where, again I had to present it, and the Academic Council has deans and directors and faculty members and outsiders, et cetera. And then, ultimately, it went to the Board of Management...

Both Dr. Aabha and Dr. Keya describe a process by which academic decisions are facilitated by sending proposals up the chain of command. Proposals—after horizontally discussed with experts, people from industry, and foreign collaborators as Dr. Keya shares—are presented to governing authorities in a particular order, beginning with the Board of Studies. In other words, different governing authorities, some located at lower levels of the organizational hierarchy and others at higher levels, come to participate in what may be described as a vertical process of decision-making.

There is reason to assume that governing authorities operating at lower levels of the organization have less influence in decision-making than those operating at higher levels. My understanding is that proposals that have been approved at lower levels in principle could be



rejected as they move up the reporting hierarchy. Indeed, in this way, the Board of Management may be understood to have more authority than the Academic Council. However, interviews and documents suggest that the different governing authorities of GHU work democratically to arrive at decisions. Consider the following excerpts, the first from the 2019 UGC Regulations for deemed universities and the second from my interview with Dr. Vihaan (head of an administrative office).

The Board of Management shall not infringe upon the powers of the respective authorities provided under these Regulations; and where any authority has been given advisory/recommendatory powers, the Board of Management shall obtain advice/recommendations from such authority, before deciding on any matter before it. (University Grants Commission, 2019b, p. 27)

Dr. Vihaan: So there's definitely a lot of democratic participation between within each and every committee. And then there obviously are subcommittees...So in terms of only academic concerns, then we have the Academic Council and the Board of Management. They have to work together to ensure that the academics are well met. Academic standards or any new course has to be set up...If there's a need to increase the fees, we have a fee committee also on board, which in conjunction with the finance department, they work together to basically ensure, let us know whether actually we need a change in fees is a simple example I'm giving.

According to the UGC and Dr. Vihaan, the different governing authorities of GHU work together and respect the authority of and recommendations made by other governing authorities when making decisions. The decision-making process is perceivably not autocratic and based on hierarchy, but as Dr. Vihaan suggests is democratic. Interestingly, according to Dr. Aditi (Vice-chancellor), the decision-making process involving different governing authorities is ground-up. She explains:

For different things, it would be different people. For instance, if it's academics, it can be the teacher on the ground, who becomes one of the key decision makers, because our process starts, ground-up. So we have a teacher at the base, who recommends a course that she or he wants to teach...So that's how the teacher will build it up. So it comes from the program review committee, the Board of Studies to the academic council. So there the stakeholder, or the decision maker, is really the teacher.

Dr. Aditi perceives that the real decision-makers (for academic decisions) are the teachers on governing authorities found at lower levels of the organizational hierarchy. This is echoed by Dr. Kalinda (senior administrator). She explains:

Whatever the BOM [Board of Management] says is final. All right. So does it mean that it has most influence?...No...Even faculty members can be very influential, right? Because at the institute level we have something called the Program Review Committee. And it has got a composition which has been notified. So it says at the institute level, you must have all the professors, you must have heads departments who will give you the program to say, "Yes, this program is one which will address the program objectives." All right. Now, then they are the ones who are actually influencing that...And this goes to the Academic Council, the Academic Council ratifies that. When you're talking about influence, it is at the lowest level that influence is highest.

Dr. Kalinda suggests that the Board of Management—while having final authority to ratify academic decisions—is just one stakeholder group among others that also have power to affect the decision-making process. These stakeholder groups include the Academic Council and even those at lower levels of the decision-making process, such as the Program Review Committee. The Program Review Committee is an institute/college/center level body that meets to discuss matters pertaining to the relevancy and goals of academic programs. They ensure that academic programs meet learning objectives and institutional goals. At GHU, Program Review Committees consist of all the professors and the heads of departments. According to Dr. Kalinda above, the faculty on this committee have the most power because they are providing the most valuable input when developing courses. Based on the interviews and documents examined in this section, we may understand the governing authorities themselves as stakeholder groups that can influence each other and the decision-making process.

### **Conclusion**

In this chapter, I addressed the first research question of this study and profiled Grand Hall University as typifying the major characteristics of the prototypical university. These

characteristics are identified in the higher education literature (i.e., Birnbaum, 2004; Cohen & March, 1986; Gutmann, 1999; Newman et al., 1996) and include the dimensions of complexity of organizational structure and culture; the presence of multiple stakeholders with competing interests and needs; missional ambiguity; organizational conflict; strong accountability to the government and society; and the need for and practice of shared governance. Interview and document data suggest that GHU possesses all of these characteristics. GHU operates within a regulatory framework established by India's government and professional bodies. Grand Hall University is also a large organization with a complex organizational structure. Also, there are several stakeholder groups at GHU that have different views, interests, and needs, which at times intersect and cause organizational dissent. Finally, the stakeholders of GHU perceivably share decision-making responsibilities and can participate in decision-making on governing authorities.

In the next chapter, I continue to profile the major characteristics of Grand Hall University, but with a focus on identifying the family-based traits that may be found there. As explained, GHU is a hybrid organizational possessing dual characteristics. The characteristics relating to the higher education dimension have been discussed in this chapter. Confirming their presence at GHU is important. But it also important to confirm the presence of family-based traits at GHU, which I hope to accomplish in the next chapter.

## CHAPTER 7: THE FAMILY-BASED DIMENSION OF GRAND HALL UNIVERSITY

### Introduction

The previous chapter profiled Grand Hall University as resembling the prototypical university in terms of having key higher education characteristics. In this chapter, I highlight quotes from interviews and documents to infer that Grand Hall University also typifies the family-based traits of family-owned businesses. This chapter focuses on answering the second research question—What family-based characteristics may be found at FOMHEIs? As explained, the confirmation of both higher education and family-based traits at GHU satisfies the criteria required for the purpose of theory testing.

Since the socioemotional wealth dimensions of family firms may be understood as constituting the *familiness* characteristics of the family firm, I organize this chapter according to the five dimensions of SEW: family influence, identification with firm, binding social ties, emotional attachments, and renewal. Showing that these dimensions exist at GHU means that GHU typifies the family-based traits of family-owned businesses.

### Family Influence

Interviews and university documents suggest that the managerial family of GHU has a strong influential presence. This finding is based on connections made among several codes: ‘authority to make decisions,’ ‘representation on governing authorities,’ ‘control of key positions,’ and ‘family managerial involvement.’

#### Family Influence as Indicated by Controlling Key Leadership Positions

According to Berrone et al. (2012), the filling of leadership positions by family members is an external indicator of family influence. In other words, Berrone et al. suggest that “the ability to exercise authority vested in family members can emanate from a strong ownership

position” (p.262). The power to control the strategic direction of the firm can be exerted directly from positions of authority. Also, the family can maintain control indirectly via the authority vested in their positions to appoint other leaders.

This type of influence may be found at Grand Hall University. Several leadership positions at GHU are filled by family members. As we learned in chapter 5, these include the positions of President, Chancellor, Pro-chancellor, and Principal Director. While these positions are all nonexecutive positions as Dr. Aabha states in her interview, they are positions of authority nevertheless. The following is a quote from a university document that defines the Chancellor position as an authority.

The authorities of [GHU] are:

- A. Chancellor
- B. Board of Management
- C. Academic Council
- D. Planning and Monitoring Board Finance Committee. (University document)

A member of the family also fills academic leadership posts as dean of one of the faculties and director of an institute within the same faculty. As explained in chapter 5, deans are responsible for the overall supervision, management, accountability, and coordination of all the institutes under him or her, and directors are responsible for his or her institute. Thus, these positions as well may be understood as positions of authority.

Finally, family members at GHU have membership to governing authorities. For example, five family members may be found on GHU’s Managing Committee: Dr. Prem (Chancellor and President), Dr. Aabha (Pro-chancellor and Principal Director), Dr. Aarav (Dean), Dr. Nishita (Pro-Chancellor of another university under Grand Hall Trust), and Mrs. Prem (the founder’s wife). Family members are also found occupying membership positions on other governing authorities. In fact, family members may be found on all of GHU’s top

governing authorities, which according to university documents (i.e., Prospectus 2018-2019 and Grand Hall University Annual Report 2016-2017) are the Board of Management, Academic Council, Board of Studies, Planning and Monitoring Board, Board of University Development, and Finance Committee. Table 1.7 below provides an overview of the top governing authorities of GHU and the number of family members represented on them.

Table 1.7 Family Representation on Governing Authorities

| <b>Governing authority</b>      | <b>Number of family members</b> |
|---------------------------------|---------------------------------|
| Managing Committee              | 5                               |
| Board of Management             | 3                               |
| Academic Council                | 1                               |
| Finance Committee               | 1                               |
| Planning and Monitoring Board   | 2                               |
| Board of University Development | 2                               |
| University Sports Board         | 2                               |

Source: Author

By virtue of filling key leadership positions (within the Trust and university and on governing authorities), the Prem family is in a position of authority to exert influence in organizational affairs. And interviews and data from documents suggest this to be true. For example, we learn from a university document and the 2019 UGC Regulations that Dr. Prem as Chancellor/President has authority to handle several matters related to human resources.

The report of the Selection Committee will be put up for consideration and further appropriate action by the Appointing Authority. If the Appointing Authority is unable to accept the recommendations of the Selection Committee, it shall record its reasons about it and submit the case to the Chancellor/ President whose decision shall be final.  
(University document)

The Vice-chancellor shall be a whole-time salaried officer of Institution Deemed to be University, and shall be appointed by the Chancellor from a panel of three names suggested by a Search-cum-Selection Committee. (University Grants Commission, 2019b, p.32)

Above, we learn that the Chancellor has the power to reconcile issues related to the appointment of staff. We also learn that Dr. Prem can appoint persons of authority such as the Vice-chancellor. He also has authority to appoint the Pro-chancellor as we learn from Dr. Aabha (Pro-Chancellor) who says, “So the Pro-chancellor position is a position that is appointed by the Chancellor, like the Vice-chancellor is appointed by the chancellor.” As mentioned, the authority to appoint other leaders gives the family some form of indirect control.

Finally, the Dr. Prem at GHU can influence university affairs by chairing the Managing Committee. As chair of the committee, it is reasonable to assume that Dr. Prem has significant involvement in determining the outcome of decisions deliberated on the committee, such as those related to campus expansion, funding strategies, and compliance, all functions centralized by the Trust. Interviews suggest this to be true. Below, Dr. Vihaan (head of an administrative office) shares that Dr. Prem is very much involved in making decisions related to funding.

So, obviously, the [Dr. Prem], the founder is very much involved. Even now in terms of the funding decision lies in the hands of him, followed by [Dr. Aabha], who is the Pro-Chancellor.

We may similarly argue that the Pro-chancellor can also influence organizational affairs in the ways described above. Below are quotes from Dr. Aabha (Pro-chancellor) and Dr. Keya (Deputy Director of a center) that support this argument.

Dr. Aabha: Yes, I am involved in the university affairs which is being as a member of the Board of Management or even working with the Vice-chancellor in some policy making work, or policy making and several other things.

Dr. Keya: And, [Dr. Aabha] is the executive director, so together we are responsible for full-time international students, for scholarships for African nation students, for diversity

amongst staff, student, faculty, and for all collaborations and activities that take place...I work very closely with Dr. Aabha.

From these quotes we may infer that Dr. Aabha has involvement (and influence) in organizational affairs because of her membership to the Board of Management and her position as executive director of the Center where Dr. Keya may be found. In these capacities, she is able to work on university policy with the Vice-chancellor and on internationalization with Dr. Keya. As Dr. Keya explains, she works very closely with Dr. Aabha. We may infer that this is because Dr. Aabha is her direct supervisor.

### **Family Influence as Indicated by Family Members Assuming Multiple Roles**

According to Mustakallio, Autio, and Zahra (2002), family member having multiple roles (multiple positions) within an organization is another indicator of family influence. Filling multiple positions effectively concentrates the responsibilities of two or more positions under the purview of a single individual. Such an arrangement, by design or not, broadens the scope of influence that a single family member can exert because of having an expanded set of responsibilities.

This type of family influence may also be found at Grand Hall University. For example, Dr. Aabha (Pro-chancellor) can influence university affairs related to those centralized by the Trust (human resources, purchasing, estates, finance, etc.) and those found in the center where Dr. Keya is deputy director. This is because she is both the Principal Director of the Trust and the Executive Director of the center. She confirms this in her interview. She explains:

...the non-academic functions are managed by the Trust, which is human resource, which is the projects, creating infrastructure, managing the infrastructure, all that is done by the Trust. Therefore, in my capacity of being the Principal Director and the Chief Executive Officer of the Trust, I am involved in the activities of the university in that way...I handle the internationalization also. That's sort of my passion...out of my own passion I look after internationalization—all internationalization activities because I'm very passionate



about it. So [Dr. Keya] kind of reports to me on internationalization, and [my daughter] reports to [Dr. Keya].

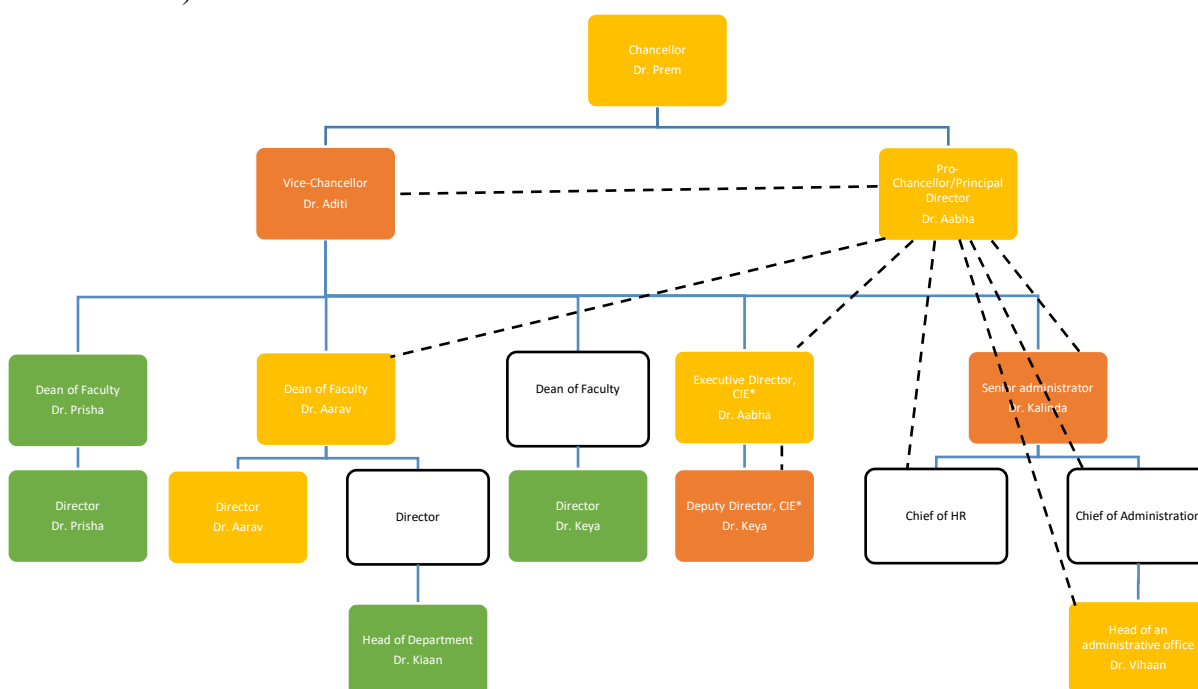
Filling multiple leadership positions also means that Dr. Aabha has many university personnel reporting to and interacting with her, in both formal and informal capacities. Interviews with Dr. Kalinda (senior administrator), Dr. Vihaan (head of an administrative office), Dr. Prisha (Dean), and Dr. Aarav (Dean) reveal that Dr. Aabha works with many staff, for most staff in a supervisory capacity. These include directors (e.g., Dr. Keya), deans (e.g., Dr. Aarav), key administrative staff (e.g., Dr. Kalinda and Dr. Aditi), chiefs of all of the service departments centralized by the Trust (HR, estates, finance, etc.), and more, even Dr. Vihaan who is the head of an administrative office. They also reveal that Dr. Aabha is active and as Dr. Kalinda shares very involved. Dr. Kalinda shares:

I report to the Vice-chancellor and to the Pro-chancellor...So the level of involvement for all of them is very high, both for the Chancellor and for the Pro-chancellor. The level of involvement is very high. It is not as if there is an investment, you all do it and return and report. They're themselves hands on working with us. So the Pro-chancellor works very closely with...Let me put it this way. I work very closely with the Vice-chancellor and Pro-chancellor because they're looking into the day to day activities very keenly.

Figure 1.6 below maps the people reporting to or working with Dr. Aabha as revealed by interview data and as connections denoted by the dotted lines. The key takeaway is that Dr. Aabha has access to many different people based on her position(s) of authority. Having multiple points of access (or simply connections) to people in organizations such as GHU is an important point to consider. According to Wasserman and Galaskiewicz (1994), the number of connections a person has to other people determines a person's centrality within the organization, or capacity to influence others. People who are well connected will have more access to resources and information (Rowley, 1997), which they can leverage to push their agendas. Thus, we may say that Dr. Aabha, through the people reporting and working with her, can influence a wide range of

university affairs. She is in a position to influence academic affairs through Dr. Aarav; the affairs of the administrative service managed by Dr. Vihaan; the affairs related to internationalization through Dr. Keya; and the processes related to human resources and funding through the chiefs of service departments. As explained in chapter 5, positions are color-coded to denote type of stakeholder group. All of GHU’s family members are coded ‘yellow’; nonfamily faculty are coded ‘green’; and nonfamily administration is coded ‘orange.’

Figure 1.6 Centrality of GHU’s Pro-chancellor (Yellow-Family; Green-Faculty; Orange-Administration)

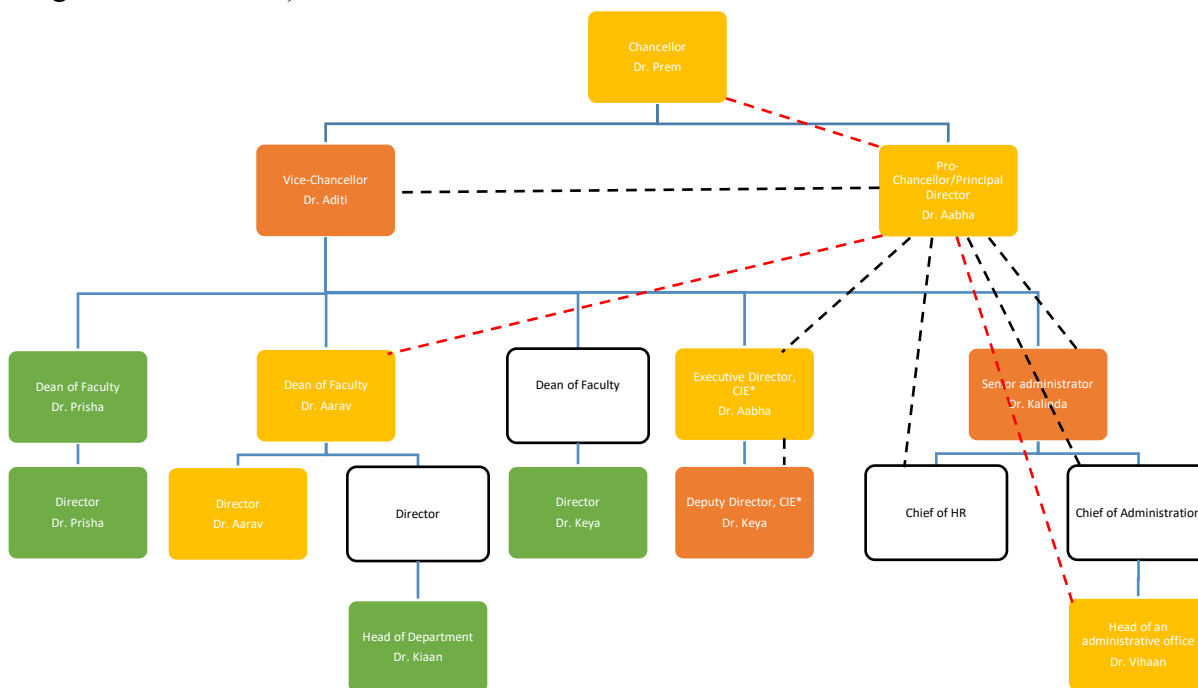


Source: Author

Figure 1.6 warrants additional clarification. Two of the connections may be understood as being different from the others. While the majority of connections between Dr. Aabha and other university personnel are family-nonfamily, the connections that Dr. Aabha has with Dr. Aarav and Dr. Vihaan are family-family. We may even add a third family-family connection between Dr. Aabha and Dr. Prem. Figure 1.7 is the same map as shown above but with the family-family

connections illuminated by the red dotted lines. As explained, the black dotted lines denote family-nonfamily connections.

Figure 1.7 Family-Family-Based Reporting within GHU (Yellow-Family; Green-Faculty; Orange-Administration)



Source: Author

The family-family reporting arrangements at GHU are important to consider. According to Mustakallio, Autio, and Zahra (2002), family-family interactions are generative to shaping and strengthening the family's shared vision and goals. Ultimately, the Prem family may be in a better position to steer the organization according to the vision they come to share and believe in by having these connections. Having more family allies may be beneficial to ensuring that family goals are met. How the family leverages their family-family connections warrants further investigation, perhaps for future research.

Dr. Aabha is not the only family member assuming multiple roles and having access to different people at GHU. For example, Dr. Aarav, who is Dr. Aabha's husband, is not only the

dean of a faculty and the director of one of the institutes within the faculty he oversees, but also a member of the Managing Committee and other governing authorities. As a member of these authorities and as a dean and director, he can also influence a wide range of university affairs through the many people reporting to and working with him. Similarly, Dr. Vihaan whose parents are Dr. Aabha and Dr. Aarav is not only the head of an administrative office, but also is in a position overseeing other service-oriented areas of GHU. Filling these positions gives Dr. Vihaan the ascribed authority to oversee and influence several areas of university affairs and to interact in a supervisory capacity with the university personnel reporting to him, which are many as he shares below.

I'm the [head of an administrative office] ...and they have the directors as well as their campus segments...and my office coordinates with the directors and the campus administrators...So both of these [directors and administrators], they report to me...Then under the second responsibility we have the director of the [this school]...So the director and staff, they also report to me. And the [other service] as you know, the [managers of this service] and they also report to me. So these are the people who actually report to me.

In sum, the above quotes and excerpts demonstrate that members of the Prem family are in positions of authority with some family members assuming multiple roles and having multiple personnel reporting to them including other family members.

### **Identification with Firm**

It is important to note that I did not aim to collect data related to the socioemotional dimension of 'identification with the firm.' This is because in this study I am only interested in problematizing family-centric socioemotional wealth in the organizational context of GHU, or SEW that may have a negative interaction with the governance realities of higher education. Thus, I did not focus on gathering information related to the SEW dimension of 'identification with the firm,' which in fact was understood in the literature review to have a beneficial impact

on the organizational culture. In other words, gathering such data and confirming that the family shares an identity with the university has no relevance to the aim of the study. Thus, the data provided here may not be as robust as in other sections. Notwithstanding, I put forward some quotes from interviews and written information provided by Dr. Prem to show that the Prem family shares an identity with GHU. This finding is based on connections made among several codes: ‘emotional investment,’ ‘shared reputation,’ and ‘psychological connection.’

### **Psychological Connection**

The psychological connection established between the managerial family and the firm is an indicator of shared identity (Berrone et al., 2012; Craig & Dibrell, 2006; Dyer & Whetten, 2006; Klein et al., 2005). Some quotes from written information provided by Dr. Prem suggest that a psychological connection exists between the Prem family and the university.

What does it mean to have land of one's own? it is akin to the feelings an individual gets when he or she builds a house and starts transforming it into a home. The feeling is both emotional and physical. I faced myriad difficulties. There were occasions when I was acutely depressed, with not a clue to how I was going to get out of a situation...Getting an acre of land would hardly seem to be a significant achievement...it was one small step for me, but a giant leap for [Grand Hall]. (written information by Dr. Prem)

Finally a formal letter granting [Grand Hall University] the status of deemed university arrived. This was one of the most memorable days of my life...I went home late at night...I went to bed, but sleep did not come easily...The entire [Grand Hall] saga unfolded before my mind...All the trials and tribulations, success and defeats, pleasure and pains, washed over...I saw all of this with a great sense of personal fulfillment... (written information by Dr. Prem)

These quotes show that Dr. Prem’s emotional state changed according to the circumstances of GHU. Periods of difficulty had a detrimental impact on his emotional state and left him acutely depressed. And, times of triumph, when challenges were overcome, had the opposite effect. Dr. Prem felt “a great sense of personal fulfillment” when the future of GHU seemed assured. As he shares, the day the university received deemed status was one of the most memorable days of his

life. What Dr. Prem shares here seems to speak to a special bond that he has with GHU. It is a bond between an entity and a person in which circumstances of the entity triggers an emotional response in the person. The bond is thus of a psychological nature. According to one definition, ‘psychological’ means having an effect on or involving the emotional state or mind (Cambridge online, n.d.). Indeed, we may say that Dr. Prem shares a psychological bond with GHU. We may further infer that this special bond was forged over time and since the founding of the institution, and that the bond indicates that Dr. Prem shares an identity with GHU. This is confirmed by Dr. Prem.

Over the past 35 years, to all practical purposes, I have virtually merged with [Grand Hall] to the extent that today even I am unable to say where one ends and the other starts. I eat, drink and breathe [Grand Hall]...I live [Grand Hall] every moment. (written information by Dr. Prem)

Dr. Prem is explaining that the time he spent building the university (over the past 35 years) has led to a state where his identity has become blurred with that of Grand Hall organization.

### **Shared Reputation**

Shared identity may also be indicated by how the reputation of the organization is reflected back on the managerial family, and vice versa. Families will enjoy a positive reputation when their firm is performing according to expectations. Conversely, poor performance of the firm, for whatever reason, will be perceived as damaging the reputation of the family.

A couple of quotes from written information provided by Dr. Prem suggest that this is the case at Grand Hall University. For example, consider what Dr. Prem says about a sensitive ordeal he had to deal with when purchasing and developing a plot of land for the university. To give some context, Dr. Prem’s action of purchasing and developing this land was perceived by the public as profit-oriented. Dr. Prem explains that his actions were of no such nature, but noble in purpose. I will not go into specifics because any clarifying information may compromise the

identity of Grand Hall University.

No other experience equals the mental agony and social antagonism I had to face when I was trying to establish the [organization]...There was an uproar...One journalist launched a tirade and a major storm of controversy arose...[Grand Hall] was charged with using the [organization] as an excuse to grab land and spoil the natural beauty of [land]...Municipal corporators joined in and the General Body of the municipal corporation denounced [Grand Hall]...With every media against us...I was a target and not a day passed without an article, often editorial, criticizing [Grand Hall University] and me...my family and I started receiving threatening calls. (written information by Dr. Prem)

The environmentalists, including my esteemed senior friend...filed a writ petition in the Bombay high court, restraining [Grand Hall] from constructing the [organization]...I was left with no other alternative than to fight the case...my character had been assassinated... (written information by Dr. Prem)

It is clear from these passages that the affairs of the organization, in this case related to the purchasing of land, reflects back on the family. The controversy related to the purchase brought both Grand Hall and the family into the public spotlight, and both became objects of societal criticism. Not only was Grand Hall accused of profiteering, but also the Prem family received threatening calls. Dr. Prem further explains that he perceived that his character was being “assassinated.” This suggests that the Grand Hall organization and Dr. Prem share the same reputation. The circumstances of GHU reflect back on the family.

### **Higher Emotional Involvement of Family Members**

According to Deephouse and Jaskiewicz (2013), family members of the managerial family are understood to be more emotionally invested than nonfamily members. This means that family members are more loyal to the firm, and more involved in firm activities, in part because of the identity they share with the firm. In other words, the family is more committed to seeing the firm succeed (and become more emotionally involved) than nonfamily staff because firm performance reflects back on the family.

Not having asked targeted questions to see if this is the case at GHU, it is difficult for me

to extrapolate any substantive conclusions from the data (or rather lack thereof) that the family is more involved in university activities than nonfamily members. However, I highlight some quotes from interviews that at a minimum show that the family is emotionally invested and cares about seeing the university succeed, and perceivably more so than nonfamily members. Consider the following quotes from Dr. Vihaan (head of an administrative office and grandson of the founder) and Dr. Kiaan (Professor and nonfamily member).

Dr. Vihaan: So that I find it almost a day to day challenge to make them feel as passionate like me. I know it cannot match the passion. But at least if 50% of the matches, then you know my work gets easier to convince them to work even more so harder to come on board...I always believe that family, what the vision and goal and the family members all the way of family member sees of organization...is not the same as what a non-family member will see.

Dr. Kiaan: Somebody [nonfamily] may deteriorate the institute, but family member will not deteriorate. Family member they [stay the course].

These quotes suggest that family members at GHU compared with nonfamily members care more about the university. Dr. Vihaan suggests that his passion outstrips that of nonfamily members, and that he tries to get nonfamily members to work as hard as him. Dr. Kiaan is even more direct. He argues that the university will not “deteriorate” in the hands of the family while the same cannot be said of nonfamily members. He may make this claim as a direct observer of the Prem family. Dr. Kiaan further explains:

He [Dr. Prem] was a professor, and he established the university. That is a unique feature, because many people might be some corporate people can open a college, even some Trust can open the college, but individually, an individual person, who is a teacher, and opens the college. So that is something different...he put his entire life [into] [Grand Hall].

Dr. Kiaan says that Dr. Prem puts his “entire life into Grand Hall.” Similar language may be found across other interviews. For example, Dr. Aditi (Vice-chancellor and nonfamily member) during her interview explains that Dr. Prem and his family are the “whole and soul” of the



university. She further says that the family is wholly committed to the business of educational activity. She says, “It's not one of the activities that they are doing, this is the main activity. Academics is the main activity that they are involved in.”

### **Binding Social Ties**

This dimension is also understood as having a positive effect on a firm's organizational culture. Thus, like ‘identification with the firm,’ confirming its presence at GHU is unrelated to the aim of this study. However, I was able to collect relevant data even though I did not ask targeted questions related to this dimension. Quotes from written information provided by Dr. Prem and a university document suggest that there is positive relational capital as a result of the family's proactive stewardship of it. This finding is based on connections made among several codes: ‘fair treatment,’ ‘proactive stewardship,’ and ‘trust and respect.’

### **Proactive Stewardship of Relational Capital**

According to socioemotional wealth theory, the managerial family is understood to cultivate relational capital at the firms they own and operate. In other words, the family is behind shaping the culture where positive relational capital is abundant and where members feel accepted. Data suggest that the Prem family proactively cultivates relational capital. While not proving anything, a quote from a university document suggests that the family and other top leadership strive to make employees feel welcome.

The Management, realizing the importance of good quality human resources, strives to formulate policies which will not only attract and retain dedicated employees but make them feel proud to be members of [Grand Hall] Family. (University document)

We learn that the management, which includes family members in top leadership positions, formulates policies for the purpose of promoting belongingness among GHU employees. Making sure that employees feel accepted in the Grand Hall family is important to leadership.

Corroborating data come from Dr. Prem (Chancellor). Consider the following quote from written information he provides:

After becoming president, I made special efforts to communicate with Managing Committee members, to involve them more actively in decision-making to instill in them a sense of pride for being members...I maintained intensely personal relationships with the members so that they understood the total context of my personality. (written information by Dr. Prem)

Here, Dr. Prem talks about the importance of maintaining personal relationships with members of the Managing Committee. Dr. Prem wants to make them feel like they are a part of GHU by as he says maintaining “intensely personal relationship” with them. The approach to relationships on the Managing Committee perceivably extends to other members of GHU’s community including faculty and those in society, as Dr. Kiaan shares below.

They [Prem] family are really working very hard to get attached to each and every one [all GHU personnel]...One of the good strengths of the [Prem] family. Strength of the [Prem] family is a networking... They have very good relations with good people...He [Dr. Prem] has very good relations...Right from the prime minister of India, president of India, chief minister of [our region], the local leaders. They [members of the family] have very good relations. I know the [Prem] family is a very humble family...Even I, a very small, one professor in one small department, but [Dr. Prem] knows me personally.

Thus, Dr. Prem’s cultivates a feeling of belongingness in top management staff, faculty, and members of society. It is reasonable to assume that the same extends to non-leadership staff.

### **Relationships Built on Trust and Respect**

According to the family firm literature (Cennamo et al., 2012; Cruz et al., 2010), the emotions or feelings of trust and respect reciprocated by firm members also indicate relational capital. Some interviews suggest that members of GHU’s community trust and respect each other. Trust and respect are important components of the relationships at GHU. Consider the following quotes from Dr. Aabha (Pro-chancellor) and Dr. Prisha (Dean) interviews.

Dr. Aabha: So today when I sit here in probably the exhibited governance structure as a CEO, I won't visit an institution unless I'm invited there, for months, because I have trust

and faith that the director of that institution will be doing her or his best...Like she's [Dr. Prisha] a very highly accomplished lady, the director of [one of the faculties]. She would probably get a position of maybe a higher salary anywhere. But just for the trust that she has in us [the family], and the trust that we have in her is what keeps her here in [Grand Hall], or probably the things we did for her and her little child when she came into [Grand Hall]. So all those emotional things also matter.

Dr. Prisha: He's [Dr. Prem] a teacher. He thinks all of us are teachers, so he respects us and he allows everyone to grow around him. He doesn't suppress your growth, you never feel you are subordinated, that's the feeling you get. He's highly liberal...he has never graduated from the US, but he can think like Harvard. I think that internal expansion and openness to delegation. Openness and delegation, which you delegate and you don't distrust. You delegate and you trust.

These quotes suggest that the family trusts and respects the faculty. Both Dr. Prem and Dr. Aabha seemingly trust the faculty when delegating responsibilities. These quotes also suggest that trust is bidirectional at GHU. In the first quote, this is clearly stated. Dr. Aabha says that Dr. Prisha places her trust in the family. We may corroborate this with the second quote. While there is no explicit mention of Dr. Prisha trusting the family, we may infer that she does so based on what she shares. She talks very highly of Dr. Prem. We may interpret her accolade as stemming from how she feels about him.

### **Fair Treatment**

The fair treatment of employees is another indicator of 'binding social ties.' Fair treatment may mean different things to different people, but in this study I define fair treatment as leadership behaviors that safeguard employee rights. In other words, fair treatment is understood to exist when the leadership follows institutionally-espoused rules in hiring, promoting, and evaluating staff. Within higher education, we may say that merit-based hiring or merit-based promotion is an example of fair treatment.

Some data suggest that employees at GHU are treated unfairly. These data come from anonymous online reviews by current and former GHU faculty and staff found on one of the

largest jobs recruiting and review sites worldwide called glassdoor.com. Glassdoor is used by millions of recruiters and job seekers globally, and according to the company's 'Terms of Use,' verifies employee status when users post content.

According to some reviews found on glassdoor.com, GHU's performance appraisal system is "highly classified," "selective," and "biased." These reviews are few relative to a larger proportion of positive reviews I found on the same site. Thus, they may represent a subjective reality not shared with most of the reviewers who praise GHU's management, work culture, and review system. Most say that there are opportunities for growth and that the work environment is "motivating" and "professional." The following are six select reviews from both former and current GHU personnel.

Former employee (anonymous): Good Crowd to work and connect.

Current employee (visiting faculty): Cooperative colleagues, good work environment.

Current employee (assistant professor): Good Work Culture, Good environment.

Current employee (associate professor): Good work atmosphere, reasonable teaching load.

Current employee (visiting lecturer): Good management and motivating colleagues.

Former employee (assistant professor): Professional environment, rigorous feedback and review system, regular on-time salary, opportunity for development programs, quality students and education. (Glassdoor.com)

We may understand these reviews, and for that matter most of the reviews on GHU found on glassdoor.com, as suggesting that management at GHU treats employees fairly. It makes little sense to praise the work environment, the management of GHU, and the evaluation system if the unfair treatment of employees is a pervasive issue at GHU.

The positive reviews are corroborated by interview and document data. Consider the following quotes from written information provided by Dr. Prem.

The same principle [principle rooted in ethics] applies to the recruitment of faculty and staff. [Grand Hall] directors are chosen on merit alone... (written information by Dr. Prem)

Because right from day one we decided to run these institutions on purely ethical practices, total transparency. Appointments based purely on merit. No consideration of caste, creed, religion or region. (written information by Dr. Prem)

According to Dr. Prem, fair treatment exists at GHU in the form of merit-based hiring. The blanket application of merit-related criteria in the hiring process may be understood as favoring no single group. The merit-based approach to hiring is corroborated by other interview participants. Below are quotes from Dr. Prisha (Dean) and Dr. Keya (Director of an institute).

Dr. Prisha: With [Dr. Prem] any decision was a fraction of a second. [Dr. Prem] never went by his likes and dislikes. He went by facts and keen observation. He went by merit and quick clear decision making, taking bull by the horn. That's why I said guru is born only once. You can't create nor be a successor.

Dr Keya: So, I think this is a great university that's really going to manage the professional part of it. Hire people on merit, give them a greater amount of autonomy.

According to interview data, fair treatment at GHU also manifests in the form of the family following reporting protocol. Consider the following quotes from Dr. Kiaan (Professor) and Dr. Keya (Director of an institute).

Dr. Kiaan: In a protocol. Even, I have a part of ... I experienced when [Dr. Aarav], he's a family member. His son and daughter, they are also part of some of the portfolios in the university. They never bypass anybody...Because we are focused to learning, and we are doing a good job, transparency is there. Nobody is here doing some wrong things, or some violation of the rules. I don't find anybody like this.

Dr. Keya: Yes, because, for example, if you see the two people of the family that I work more closely with, [Dr. Aabha's daughter] hasn't come in on a high position. She actually came in as an officer first, and then became a head. And, she's very conscious of the fact that she's here to learn. She's never played the family card with me...I screamed at her when she's made a mistake, just [as] I screamed at anybody else, and in fact, when she first came in, that was her first thing that she [Dr. Aabha] told me, that don't look at her as my daughter. She just happens to be my daughter. Just treat her like anybody else, and have the same expectations.

Both interviews suggest that the family respects established lines of authority. As Dr. Kiaan observes, the family does not bypass anyone. Similarly, Dr. Keya shares that both Dr. Aabha and Dr. Aabha's daughter made/make an effort to abide by the reporting norms of GHU. Dr. Keya shares that the "family card" is never used.

Finally, we may say that the fair treatment of personnel at GHU is indicated by standardized salaries. Salary levels are perceivably not different between family and nonfamily members at the same positional level. The following quote is from Dr. Aabha:

For example, so if both my children are working at these levels as I told you...So for example, my daughter would get the same salary as someone of her level. My son would get the same salary as someone of his level.

In sum, interview and document data presented above reveal that fair treatment is indicated in several ways at GHU, even though some negative reviews were found. The leadership respects official lines of authority/reporting, enforces standardizes remuneration levels that extend to family salaries, and appoints faculty and staff on the basis of merit.

### **Emotional Attachments**

As I shared in earlier chapters, this socioemotional wealth dimension may be family-centric or altruistic depending on the types of emotions family members have for each other. Positive emotions are understood to benefit nonfamily members and firm activities while negative emotions are understood to disrupt firm activities.

For this study, I am only interested in the ascertaining whether the negative emotional attachments among Prem family members, if any are found, make kin relations dysfunctional and have a disruptive effect on governance patterns. While I was able to discern from an interview the presence of negative emotional attachments, there is no indication that the Prem

family is dysfunctional or disruptive to university activities and processes. These findings are supported by a connection made among two codes: ‘negative emotions’ and ‘no spillover.’

### **Negative Emotional Attachments**

According to family firm literature, negative emotional attachments may manifest as emotional states: frustration, anger, or disappointment. Further, negative emotional states can lead to persistent family-based conflict and may render kin relations dysfunctional. There was only one family-based interview during which I was able to discern a negative emotional state from the family participant. Consider the following quote from Dr. Prem’s interview. He shares the following in response to a question about family disagreements.

So many, so many times...nature is sometime when they [Dr. Prem’s daughters] feel that we should not start institute...I ask them why? Then we start arguing. My approach is either you convince me or I convince you. So then there is a dialogue, turns into debate, turns into hot, but ultimately at least so far they listen to me. They feel that, and I have worked for almost all important bodies of [the public university where I worked]...I was member Board of Management. Member of board of Academic Council. Three times I was the chairman of Board of Studies in [my field]. For 25 years I was working in university bodies public university. I was professor. [Dr. Aabha] has never taught a single class...But at the end of it, they listen, follow what I say.

I cannot help but to infer from this quote that Dr. Prem feels a bit frustrated toward his daughters about the arguments he has with them. I can discern what seems to be frustration when Dr. Prem compares his professional experience to those of his daughters. He lists all of the positions he worked in and states that his professional career spans 25 years. In contrast, he says that Dr. Aabha “has never taught a single class.” In this comparison, Dr. Prem seems to imply that he is more qualified and in a better position to make organizational decisions based on his diverse and long professional history. Therefore, we may infer that the reason for Dr. Prem’s (perceived) frustration stems from having his views challenged by family members that cannot make as informed decisions as Dr. Prem.

Does this mean that the Prem family is dysfunctional? Seemingly not. Relationships among family members are positively perceived by both family and nonfamily members alike. Family members speak highly of other family members and seem to respect each other. Further, disagreements among family members, which can be an indicator of dysfunctionality, are explained by several interview participants to occur as part of healthy and constructive discussions where the exchange of ideas lead to better organizational decisions and outcomes. For example, Dr. Vihaan (head of an administrative office) shares:

So conflicts, obviously a very heavy duty word, I would say disagreements are definitely there, different perspectives all always there. And I firmly believe it should be there. Otherwise, you know, the decision-making will look very boring. You need different ideas to come on board even they are not on the same page. And disagreements between us, family members are always there and I believe they are always going to be there...

Another question to ask is whether the disagreements that occur between family members persist over long periods of time. Interviews suggest that they do not. Several interview participants including Dr. Prem (Chancellor), Dr. Vihaan (head of an administrative office), and Dr. Kalinda (senior administrator) all explain that disagreements among family members do not last a long time, but are quickly resolved.

### **Spillover of Emotional Attachments into Business Affairs**

According to the family firm literature, persistent family-based conflict and dysfunctional relations (resulting from negative emotional attachments) are understood to have a detrimental effect on the affairs of the business and on decision-making (Baron, 2008; Berrone et al., 2012). Family-based conflicts are understood to spill over into the affairs of the business. This is because family members will do everything possible to maintain emotional dissonance even when reconciliation is the only course to ensure the proper functioning of the organization. For example, family members may not attend board meetings because they hold a grudge against



other family members. This may mean that the board does not have a quorum to pass votes and make decisions in a timely manner. In other words, family members have a tendency to be more concerned about satisfying the affective need to win an argument or maintain “face” than about satisfying firm goals.

As discussed in the previous section, there is no indication that the Prem family is dysfunctional nor engaged in persistent family-based conflict. Therefore, there is no reason to believe that university affairs are detrimentally affected by something that may not even exist. Indeed, the interviews bear this out. Below, both family and nonfamily interview participants respond to a question about whether the family system, especially disagreements among family members, spills over into university affairs.

Dr. Aditi: If there are any minor differences between them...I mean, I'm sure at some point of time, when they're talking to each other, they may have a difference of opinion, but certainly not something that affects the functioning of the university.

Dr. Prem: ...most of these skirmishes. They are superficial...No no no, it [disagreements] happens within the four walls, difference of opinions in this room. [Dr. Aabha] and I will be there. Nobody else.

Dr. Prisha: I've never seen that.

Dr. Aarav: No, family issues don't come in the process of decision-making for the institute.

### **Renewal (Family-Based Succession)**

Transgenerational succession corresponds to the last socioemotional wealth dimension and not only the final but also the most important characteristic defining the family firm. It refers to the mechanism by which the family remains managerially involved in firm affairs, in perpetuity.

Interviews suggest that Grand Hall University is no different from other family-based firms where succession is important and practiced. Succession is important and practiced at

GHU, a finding based on data categorized into several codes: ‘mentorship,’ ‘process of renewal,’ and ‘importance of renewal.’

### **Importance of Family-Based Succession**

Both family and nonfamily interview participants share that family-based succession is important at GHU. I first highlight quotes from family interviews. Below Dr. Aabha (Pro-chancellor) responds to a question about the importance of family-based succession.

Dr. Aabha: I think if you want to maintain the vision of the creator, then obviously because finally the vision is also driven by a certain personality and a characteristic of a person and an individual, right?...The kind of drive that I would have to carry forward my father’s vision and probably my children would have to carry forward the same vision of their grandfather, I don't know how many generations this will last, but I certainly see value in carrying this forward through generations.

Dr. Aabha: And we're very clear that the [Grand Hall] Society or the Board of Trustees should remain with the family, whereas the Vice-chancellor should not be preferably a family member...So I think it's the Board of Trustees which holds the university, upholds the values and the vision is the one that should remain with the family. And we should pay professional people to manage the university.

According to Dr. Aabha, family-based succession is important to ensure continuity of the vision and values of the university. This is echoed by Dr. Aarav (Dean) who explains that family-based succession is important because the family “understand[s] the long-term vision.” He further explains that it is important for him and successive generation family members to nurture the vision “sown” by the founder. Dr. Prem (Chancellor) offers a slightly different perspective on the importance of renewal. He feels that family-based succession is important because the family can keep the culture together and continue to take care of the community of GHU. He says the following:

I tell you the benefits are tremendous. You see, those opposed to family system of university. They come from western civilization, especially from America. After 18 years, boys or girls out of family. They don’t care for elderly people. No family attachment...But that is there culture. Whether good or bad, that is there culture. But in Asian culture...family is the unit...there is family attachment...So the concept of family

is there for thousands and thousands years in India and Asia...and there is tremendous attachment, emotion...[Grand Hall] is like family to me...[Dr. Aabha], [her son], [her grandson], [Grand Hall] has become big family. Everyone has become family member. We participate in their difficulty. Our university takes care of his family...so this family has tremendous advantages.

For Dr. Prem, renewal preserves the emotional attachments made among all of the members of GHU including both family and nonfamily. This touches upon an important point. Renewal may be understood as the family's way of holding on to other SEW, such as emotional attachments, as Dr. Prem suggests, as well as family influence.

Nonfamily interview participants also corroborate the importance of family-based succession at GHU, mostly for the same reasons put forward by family members. Consider the following quotes from Dr. Kalinda (senior administrator) and Dr. Aditi (Vice-chancellor).

Dr. Kalinda: Otherwise...when the director changes, each director wants to bring in something different. Rightly or wrongly. But then [are they] aligned with the philosophy of the university? We don't always know. For example, I'll give you, very quickly...Our Media and Communication Institute with each Director had a different agenda. When we had the first director from Journalism and Mass Media, he had given a completely...The focus was on journalism. The next director was from [the field of management]. For him, it was communication management. That became the focus and journalism took a backseat. With another director coming something else will become the focus, which is each person's vision. You can't force them. That's their vision for the Institute...So, for this organization, if you had people coming from outside, then the vision of the founder may get lost somewhere...So it is easy to perpetuate that vision if it is from the family.

Dr. Aditi: I would think one of the big benefits is that the tradition that has been set, is something that...Building on the tradition is very, very important. One can lose track of that tradition, of what we stand for. If leaderships changes to hands which is not within the family, the tradition with which it was built, the ethos on which it was based, could get lost...It could become more commercial for instance, because then your parameters shift. You then measure yourself by how much money the university makes.

Both Dr. Kalinda and Dr. Aditi echo Dr. Aabha and Dr. Aarav (whose interviews were discussed earlier) and explain that family-based succession is important because the family is able to “perpetuate” the family vision and continue upholding the “ethos’ of the organization.

## Mentorship of Successor

Interviews, from both family and nonfamily participants, suggest that Dr. Prem (Chancellor) is grooming Dr. Aabha (Pro-chancellor), his oldest daughter, and other family members to assume leadership positions. I first highlight quotes from family interviews. The first quote is from Dr. Prem's interview.

Of course...I have passed on the task to [Dr. Aabha]...So I come here and watch what they [Dr. Aabha and other family members] are doing. Give full freedom. Watch what they are doing. And give them advice, the benefit of my wisdom [and] give them some solution if they ask...

Dr. Prem explains that he has passed on the "task" to Dr. Aabha who is currently the Pro-chancellor and the Principal Director of the Trust. We may understand "task" to mean the authority to run GHU. Thus, passing on the task becomes synonymous with family-based succession. The two are talking about the same thing. Dr. Prem also shares that he comes to GHU and gives advice to the family. This dynamic where Dr. Prem offers advice to family members gives the impression that the family is being mentored by Dr. Prem. Dr. Prem seems to be preparing the family for leadership positions. This is corroborated by Dr. Aabha herself. She explains:

So he's the president and I'm the chief executive you can call as a principal director. But he still is into the governance. He does come to office every day, he's not into day-to-day operations as much as I am, but still he's there. I always feel that I'm blessed that he's there, because he's there for guidance, for mentorship, for our expansion plans which he's very much interested in.

In this quote, the dynamic between Dr. Prem and his daughter is clarified. Dr. Prem is perceived as a mentor by Dr. Aabha. She is thus in a position to learn from Dr. Prem, presumably about matters related to running the organization.

There is further reason to believe that Dr. Prem is grooming the family from the interviews I had with nonfamily members. Consider the following quotes from Dr. Keya (Director of an institute), Dr. Aditi (Vice-chancellor) and Dr. Prisha (Dean).

Dr. Keya: Well, I presume there is [a grooming process]. I don't know officially what is the thing, but I presume there is. I presume that [Dr. Aabha] is slowly taking over more and more responsibility from [Dr. Prem]...

Dr. Aditi: Over time, I'm sure, I do not know whether it was by design, but [Dr. Aabha] did get into the picture...She decided to join her father. And I could see him grooming her, interacting with her, keeping her in the loop. She began sitting in on the meetings, she would observe. So he mentored her, I'm sure he spent a lot of time talking to her. She observed him. She observed the rest of us, the dynamics of the university. And I think it's been a very smooth transition now...

Dr. Prisha: In the beginning it was [Dr. Prem], at that time [Dr. Aabha] was serving as, we could say apprentice, first two years of my engagement here. But slowly she took over and she was sharing the fort with him...Today its [GHU] face is [Dr. Aabha], Principal Director. And of course, she's still mentored and guided and sometimes regulated by the Chancellor, the founder. He's president...I don't see that in university, but in parent body, I see that strong family succession model possibly coming in the next generation.

These quotes suggest that family-based succession is happening. Both Dr. Aditi and Dr. Prisha share that Dr. Prem mentors his daughter while she assumes more and more responsibilities within GHU. Dr. Prisha even qualifies Dr. Aabha as an apprentice in the early stages of her engagement with GHU. According to one definition, an apprentice is someone who works for an expert to learn a particular skill (Cambridge online, n.d.). We may infer that the skill that Dr. Aabha is learning is related to effectively managing a university. We also learn from Dr. Prisha that the learning is happening at the level of the Trust and not in the university. This suggests that family-based succession at GHU is facilitated at the very top level of the organizational hierarchy. I corroborate this with an understanding related by Dr. Aabha. She says the following in response to question about succession.

One is integrity and ethics, because that is what will stand all through. And the ability to

carry forward the vision of the creator. Because the moment you divert that vision to something else, then you never know whether the same brand and the same legacy or the same standing in society of the university will remain. So today [Grand Hall] is known for certain values, known for certain things. That should continue, not just continue but it should be strengthened...So I think it's the board of trustees which holds the university, upholds the values and the vision is the one that should remain with the family. And we should pay professional people to manage the university.

In this quote, Dr. Aabha relates two important points. First, we learn about the importance of the Trust, that its members uphold the values and vision of the university. They ensure that university operations do not deviate from upholding the core values of the university. Second, we learn that it is not the Trust that keeps the university accountable, but the family who controls the Trust. In other words, Dr. Aabha's implication is that family-based succession at the level of the Trust is the best way to keep the university accountable to its mission. It is important for the family to maintain control over the Trust. We may thus infer that family-based succession at GHU happens at the very top level of the organization, within the Trust. This does not mean that family members begin their formal engagement at GHU at the Trust level. Their formal engagement begins much earlier, as indicated by the interviews highlighted in the following section.

### **Process of Family-Based Succession at GHU**

Family members at GHU begin their formal engagement at lower levels of the organizational hierarchy before moving up to fill leadership positions. The following quote from Dr. Aabha (Pro-chancellor) describes how she came to fill her current position.

My professional engagement began when I came back in 1998. So being a medical doctor I started something called the [Grand Hall] Center for Healthcare...That's how my kind of formal association with [Grand Hall] began...While that was going on, at the same point in time, my father had applied for [Grand Hall] to become a university to the government of India. That's when I started traveling with him to New Delhi and getting a glimpse of what the whole higher education governance was all about, and that's how slowly I started moving from healthcare and providing healthcare to our students and staff to higher education and helping my father. So this was a transition between 1998 to about

2000. And from 2000 I slowly started moving towards working with him in the main governance, but even then I wasn't what I am today, I wasn't a Pro-chancellor or anything...So then I became a Deputy Director, he was a Principal Director. Then it was many years and I became the Joint Director. In about five years, then he said that now you should be an executive chair and I should just be the president. So he's the president and I'm the chief executive you can call as a principal director...So I had to climb three positions, because my father still believes and rightly so, even I do believe that people should not just be put in their positions by way of them being related to him, or being from the family, but they need to work at the grass-root level to understand the system, to see whether they're really interested, to see whether they are capable of, and then really make them climb up in positions of governance.

We may assume that what Dr. Aabha is describing is related to the process of succession. If not the whole process, she seems to be talking about the staging of her eventual succession as GHU's Chancellor. Certainly, the logic with which she moves up the organizational ladder and fills the positions her father left, as he too moves up in the organizational hierarchy, gives us some idea that she will eventually fill the chancellorship position. Filling the chancellorship position seems to be the next logical step in the progression. We also learn from the above quote that both Dr. Prem and Dr. Aabha believe that there is a "right way" to succession. Next generation family members must begin at the "grass-root" level as Dr. Aabha puts it, and climb up gradually as they figure out for themselves whether they are a good fit for leadership.

The succession process that Dr. Aabha describes above is corroborated by Dr. Vihaan (head of an administrative office). The following is what he shares about how family members enter GHU and move up in rank.

So my, my mother [Dr. Aabha], she was Director of [Grand Hall] healthcare, then she climbed up the rank when she became the Deputy Director, then the Principal Director, now she a Pro-chancellor. As similar to my father, he was the director, now dean...So I mean obviously everyone will comes up from scratch.

Dr. Vihaan corroborates that Dr. Aabha (Pro-chancellor) climbed three organizational levels to fill her current position. It is also likely that she did not become a member of the Managing Committee until she filled higher positions. I infer this because Dr. Vihaan (her son) who is in a

lower position at GHU is not part of the Managing Committee yet. We also learn that Dr. Aarav filled his current position in the same fashion that describes Dr. Aabha's journey at GHU. He, too, began at a lower position before eventually becoming a dean (and a member of the Managing Committee).

We may also assume that members of the third generation are also following the same process describing Dr. Aabha's and Dr. Aarav's ascent to leadership positions. When asking Dr. Vihaan (third generation family member) about his succession process, he responds with the following.

I know that I have to grow my mettle first. Same for my sister. Yes there is expectation...Yes, I would like to believe that even nonfamily personnel expect me to be part of core leadership...I mean from my peers and my friends, obviously they are continuously, you're harping on the fact that when will I go on that level. There's still time. Always, every day is the new learning process. You cannot just automatically go from kindergarten to 12th. You have to climb up the ladder.

We learn from the above quote that there is an expectation placed on the third generation to grow their "mettle" before presumably ascending to higher positions. Climbing up the ladders, as Dr. Vihaan puts it, is an expectation held by not only his friends, but also by university personnel. The way in which nonfamily interview participants talk about the third generation also shows that there is at least an understanding that the third generation is expected to fill leadership positions. The following is what Dr. Aditi (Vice-chancellor) says about the organizational involvement of third generation members at GHU.

Now the next successor? They're [Dr. Aarava and his sister] very young yet. They're very young. They're involved in some way, but not very deeply at this point of time...But yes, I would think a strong commitment. A strong commitment to the values that [Grand Hall] stands for, that their grandfather stands for. Yeah, that would be key to the whole thing.



In sum, we may say with some confidence that family-based succession is not only happening at GHU, but also that it is important to the family. Keeping the institution, or rather control over the Managing Committee, within the family is a key goal.

### **Conclusion**

This chapter discussed the major family-based traits of Grand Hall University. GHU is seemingly like any other family-owned businesses in terms of having socioemotional wealth created from the family's managerial involvement. The Prem family has a strong ownership position at GHU, through the leadership positions they occupy. The Prem family shares an identity with the university. The Prem family seems to cultivate relational capital. The Prem family may have negative emotional attachments. The Prem family values family-based succession. These SEW were all found at GHU. However, GHU may be differentiated from the typical family-owned business in one major way. We did not find any indication of dysfunctional familial relations and persistent family-based conflict at GHU, and concluded based on data that negative emotional attachments (which presumably exist at GHU) do not disrupt organizational processes and decision-making.

Now that I have in this chapter and the previous chapter indicated that both higher education and family-based characteristics may be present at Grand Hall University, I can ask in the following chapter the more involved question of if and how these characteristics interact. As explained in the literature review, it is expected that the family system (constituting the family-based characteristics) and the higher education system (constituting the higher education characteristics) are not completely in congruence. In other words, I expect that the pursuit of some SEW (i.e., family-centric SEW) may be challenged in an environment that places greater primacy on satisfying other goals than those related to the family.

## **CHAPTER 8: THE INTERSECTION OF THE FAMILY SYSTEM AND THE HIGHER EDUCATION SYSTEM**

### **Introduction**

The two preceding chapters characterized Grand Hall University as a hybrid organization having dual characteristics. On the one hand, GHU resembles what society has come to understand as the prototypical (traditional) higher education institution. Like nonfamily institutions around the world, GHU is large and complex, and a site with stakeholder diversity and interests plurality. Shared governance is also promoted at GHU. On the other hand, GHU was also discussed as a family-managed enterprise possessing most of the trappings of family-owned organizations.

In this chapter, I pause to reflect on the interaction of these characteristics, and confirm whether the interaction is conflictive as I hypothesized in the literature review. Families in ownership positions may find it difficult to concentrate or protect family-centric socioemotional (SEW) wealth in an organizational context where family-centric SEW only benefits the family system and not the higher education system. For example, family influence, which espouses authority to be concentrated in the family, may be resisted by nonfamily stakeholder (such as faculty) who want to share authority with the family. In this way, the family may be expected to act in socially accepted ways, which are beneficial to the higher education system and not only the family system. This chapter aims to clarify the factors resisting family-centric SEW. The research question addressed in this chapter is as follows: What are the factors placing limits on the family's agency?

I believe answering this question is crucially important to answering the primary research question of how the family navigates decision-making. Once we understand the limitations of the

family's position to make decisions, we are then in a position to investigate how the family reacts (how the family approaches decision-making) within a reality where limitations restrict their decision-making power, which the family firm literature assumes is absolute (Gomez-Mejia et al., 2007).

This chapter will focus on investigating the interaction between the governance realities of higher education identified in chapter 6 and only the family-centric SEW of family influence and renewal. We already showed that negative interactions between the governance realities of higher education and negative emotional attachment were marginal in the case of GHU, and so do not have to be taken into account. However, the reason for focusing on family influence and renewal, as opposed to what I referred to as altruistic socioemotional wealth (i.e., identity and binding social ties), is because family-centric socioemotional wealth are understood to be not only self-serving and beneficial to only the family system, but also understood to have a negative interaction with the higher education governance culture.

### **Factors Resisting Family Influence**

As explained in the previous chapter, the Prem family has a strong ownership position at GHU through the leadership positions they fill (including those on governing authorities). It was also shown that based on filling leadership positions, the Prem family has broad organizational responsibilities and are highly involved in university affairs.

However, this does not mean that Dr. Prem and Dr. Aabha, and the other family members, constitute an all-powerful stakeholder group with absolute authority to make decision unilaterally. There is reason to believe that the family's decision-making influence has limitations. The family's capacity to influence organizational affairs and decision-making may depend on what they can and cannot do within what is allowed by the realities of the higher

education governance culture. These realities are identified and discussed in chapter 6 as four higher education organizational characteristics: organizational complexity, stakeholder diversity, stringent government rules and regulations, and shared governance. I first investigate if and how the organizational complexity of GHU challenges family influence or agency.

### **Organizational Complexity as a Factor Restricting Family Agency**

We learned that in higher education different administrative and academic units that operate according to unique rules, customs, and pressures undermine the dominant university culture or the efforts of the leadership to create uniformity. This phenomenon has been referred to as “loose-coupling,” meaning that organizations operate less as a rational whole and more as an assemblage of loosely-coupled subcultures (Cohen et al., 1972; Weick, 1976; Rowan, 1977). Ultimately, loose-coupling is understood to preclude institutional coherence (Deal & Celotti, 1980). Loose-coupling frustrates and undermines authority and the decisions made by the leadership (Dean & Celotti, 1980). Weick (1976) sums all this up by explaining that centralizing authority is an incredible challenge in education.

Quotes from several interviews suggest that the reality of loose-coupling at GHU frustrates efforts by leadership to establish institutional coherence. In this study, the implementation of university-wide policy by leadership or efforts by leadership to take the university in a unified direction is understood as a way the leadership tries to establish institutional coherence. The following is what Dr. Aabha (Pro-chancellor) and Dr. Kiaan (Professor) share in response to a question about the difficulty of implementing institutional policy or taking the university in certain directions.

Dr. Aabha: That does happen [different institutes challenging policy]...The school of Liberal arts, the school of liberal arts has a totally different pedagogy, they have very small class size, they teach differently, and their evaluation system is totally different from what a conventional business school [looks like]. They want continuous evaluation

and so on. So that's when the liberal arts director will come to the Vice-chancellor and explain...

Dr. Kiaan: Very difficult...Because see, the top leader seat is a limited one. Maybe more up management, maybe with the madam [Pro-chancellor], Provost, Chancellor, or Vice-chancellor, they are limited people. And they help to coordinate with all, there are 45, 47 institutes...Everybody's discipline is different. Everybody's accreditation bodies are different. They might be finding the difficulty.

Both Dr. Aabha and Dr. Kiaan suggest that implementing institutional policy is frustrated by organizational differences among institutes. In Dr. Aabha's quote, she makes this point by drawing attention to the evaluation system of the liberal arts school, and how it is different from the business school. My understanding is that the policy in question, while presumably enforced without problems at the business school, is problematic when enforced at the liberal arts school because of the different evaluation system employed there. Further, Dr. Aabha suggests that it is because of this difference that the liberal arts director approaches the Vice-chancellor to presumably raise an issue regarding the policy in question. The key point is that the Vice-chancellor is frustrated in her effort to establish institutional coherence by organizational differences.

We may further infer that the family is also frustrated in their effort to establish institutional coherence. I infer this because the Vice-chancellor generally runs important matters past the family before making decisions or engaging the formal decision-making process. This was shared by Dr. Kalinda (senior administrator) in her interview, and also corroborated by the Vice-chancellor herself. I also infer this because of what Dr. Kiaan says in the second quote. He understands the leadership as including the family and the Vice-chancellor, who together implement policy. Thus, we may understand that resistance directed at the Vice-chancellor is by extension resistance also directed at the family. The Vice-chancellor and the family together

have difficulty implementing policy because of organizational differences among the institutes of GHU.

The following quote is from another interview that similarly suggests the leadership's difficulty when implementing policy. Dr. Prisha (Dean) explains:

For example, when healthcare was made mandatory, within which slowly they brought up the concept of wellness, I have challenged them [family and likely the Vice-chancellor], in the sense that there was a common fee levied across all institutes. The institutes which had a small playground, and the institute which had huge playground facility. I said, 'why should my student pay for some other students' comfort?'

Dr. Prisha explains that she challenged the leadership on their position on levying the same healthcare fee for all institutes. Indeed, this too is an example where organizational differences frustrate institutional coherence or uniformity. A couple of other interview participants agree that the leadership is challenged when implementing institutional policy. They, however, highlight the fragmented, loosely-coupled character of the faculty body as impeding efforts to establish institutional coherence.

Dr. Aarav: Today, predominantly they [faculty] are focused, a little siloed. The challenge of the university top management...is to get them to talk to each other. Building platforms of connection...It's a challenge [implementing policy], if not difficult, but the top leadership at the university is trying to get them all together on a common platform...

Dr. Aditi: They [faculty] do function often as silos...It is tough [implementing institutional policy]. It is tough. See there will always be people who think the way I do, that there must be interdisciplinary work. But there will always be some faculty who believe that my faculty, pure, is what I need to concentrate on...Yeah, we can only push them, we can only show them the path. Finally, whether a faculty is interested in, even in teaching. When I'm teaching a particular subject, I could bring in many other dimensions into it. But if I choose not to, even if someone tells me to do so, if I choose not to do so, nothing anybody can do about it.

Both Dr. Aarav (Dean) and Dr. Aditi (Vice-chancellor) share that faculty are siloed and focused within their academic domains. According to the higher education literature (Hill, 1996), this means that faculty are a fragmented group where members care little about the activities and

research of other members. Also, Dr. Aditi suggests that faculty, as people siloed within their own academic disciplines, tend to do what they want to do. This may mean that faculty at GHU are accustomed to doing things according to the norms of the academic cultures in which they work. With this understanding, it certainly makes sense why the leadership may find implementing institutional policy difficult. According to one definition, a policy is a set of ideas or a plan that dictate the actions of people (Cambridge online, n.d.). In other words, policies dictate behaviors. For certain faculty, who have become accustomed to doing things a certain way, they may find mandates or even requests to change their behaviors unwelcome. Indeed, Dr. Aditi implies this in the quote above.

Not all interview participants agreed that the leadership of GHU has a difficult time implementing policy and establishing institutional coherence. For example, Dr. Vihaan (head of an administrative office) in the context of describing GHU as a diverse organization with units having distinct cultures says that policy directions coming from the top are not resisted by GHU faculty and staff. He explains:

No, I don't think it's [implementing university-wide policy] is difficult. In fact, it is relatively easier. I'm not saying totally easy, it is relatively easier because all the people I've known and they're taught to be on the same page as university goal and mission.

At first glance, this quote seems to contradict the other interviews highlighted thus far. Dr. Vihaan claims that implementing institutional policy is not as difficult as we were led to believe. However, a consideration of Dr. Vihaan's position, as someone overseeing several nonacademic areas of GHU, lends to some understanding as to why Dr. Vihaan's response diverges from those of Dr. Kiaan, Dr. Aditi, Dr. Aarav, and Dr. Aabha. Dr. Vihaan is the head of an administrative office, and also oversees other services at GHU. These roles are more related to campus operations and the provision of support services than university affairs found within institutes

and/or related to program development, teaching, or even evaluation as in the example provided earlier. Thus, Dr. Vihaan may not possess full knowledge on the challenges associated with implementing institutional policy affecting academic matters and/or affairs within institutes. He may be saying that implementing policy is relatively easy from a position of limited knowledge. In contrast, the aforementioned four interview participants are all involved in academic decision-making and may know more about the affairs within institutes. Even Dr. Aabha is part of the academic decision-making process because of her membership to the Board of Management (BoM). Thus, the four interview participants may be privy to or have direct experience dealing with the challenges of implementing policy affecting specific affairs found within institutes. Also, it is unclear what Dr. Vihaan means when he says “taught to be on the same page.” Teaching people to be on the same page may mean that a certain amount of convincing does take place, in which case we may assume that the leadership faces challenges initially when implementing policy. In other words, the leadership may find the need to convince non-leadership personnel of the need and benefit of implementing certain policies because faculty and staff resist these policies.

### **Stakeholder diversity, Competing Interests, and Missional Ambiguity as a Factor Restricting Family Agency**

Stakeholder diversity, competing interests, and missional ambiguity represent another reality of higher education governance that may restrict family agency. In chapter 6, we learned that Grand Hall University has stakeholder diversity. Five stakeholder groups were identified: the government and accreditation bodies, Managing Committee, faculty, administration, and students. We also learned that these stakeholder groups come to have different views and interests that become grounds for discussion and even organizational dissent.



It is within this reality, where stakeholders come to express diverse opinions, that the family may find decision-making a contentious process. Family members may find the nonfamily stakeholders themselves as factors resisting their influence. In other words, the family members in both top leadership positions (e.g., Dr. Aabha) and in faculty positions (i.e., Dr. Aarav) may find that they are no exception to being part of a decision-making culture where their views conflict with those of others and are even resisted. Interviews indeed bear this out.

Consider the following quote from Dr. Keya (Director of an institute).

So, I've never held back from voicing my opinion, and I'm not by nature a rude person, but I've seen some people in your face with dissent...I mean, in terms of agitated, in your face opinion, you know, get carried away sometimes. I've always felt that while that's a sign that people aren't afraid just because it's family...I mean I think we've created a system with...Somebody needs to play devil's advocate. Somebody needs to throw a hammer in your logic. Because I think that brainstorming that then happens, and it is... Nobody falls in line and says, "Oh, yeah. Great, great, great." Everyone looks at the conversation as a conversation that's going to be meaningful only if they're able to look at it from multiple perspectives.

Dr. Keya shares that the nonfamily members of the university are not afraid to express their dissent to family members. Family members, thus, may not be able to make decisions unilaterally, but with sensitivity to the needs of other stakeholders. This dynamic, where family members are confronted by nonfamily stakeholders who have diverging views and opinions, describes a reality captured by the higher education literature. According to several scholars (Newman et al., 1996; Flexner, 1968; Tierney, 1998), higher education is a marketplace of ideas. Different stakeholders come to express diverse opinions and exchange information. Further, these stakeholders are understood to politicize the higher education environment as they express their views and resist the views of others.

The capacity of one group to resist the views of other groups may be understood as ultimately an activity using power to achieve a purpose. Indeed, this is how Bolman and Deal

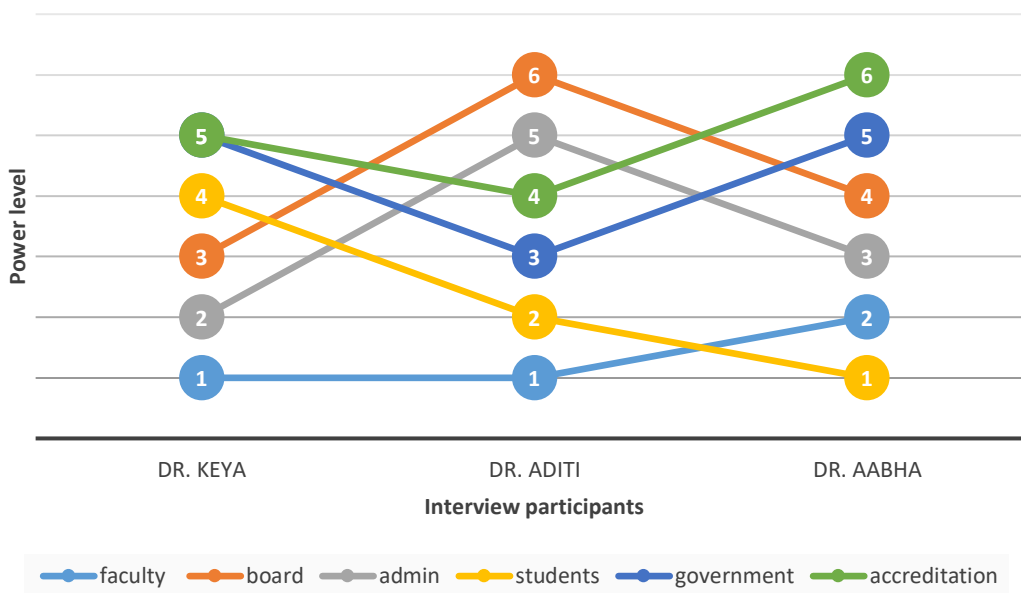
(2017) describe power. They argue that groups within an organization, groups with diverging interests and needs, require power to accomplish their aims. In other words, people cannot push their agendas and resist the agendas of others without having power. Cartwright and Zander (1968) similarly define power as Bolman and Deal. To them, power refers to the ability to affect the outcomes of others. Understanding power in these ways is central to understanding the politicized environment of higher education, as well as understanding how no single group within an organization with multiple groups can come to have absolute authority to make decisions unilaterally. Thus, I expect power to be distributed among the stakeholder groups of GHU.

Data collected from interviews bear this expectation out. As part of several interviews, I asked study participants to rank GHU stakeholder groups according to the decision-making power they perceivably have relative to each other. The six stakeholder groups ranked in this exercise are the government, accreditation bodies, students, faculty, administration, and the Managing Committee. In the ranking scheme used, decision-making power was mapped on scale from '1' to '6' with a ranking of '1' denoting the greatest concentration of power. The results of this exercise are shown in Figures 1.8 and 1.9 below.

These figures illustrate two reasons why power is not fixed to one group. First, decision-making power levels of all stakeholder groups changed by decision type. The two figures below illustrate this shift. Figure 1.8 shows decision-making power levels perceived by interview participants for those decisions related to academics. Figure 1.9 shows the same, but for administrative decisions. As shown, there is a shift of the decision-making power levels of stakeholder groups when moving from Figure 1.8 to Figure 1.9. For academic decisions, interview participants consider the faculty stakeholder group to possess significant decision-making power relative to other groups. However, the faculty move down along the decision-

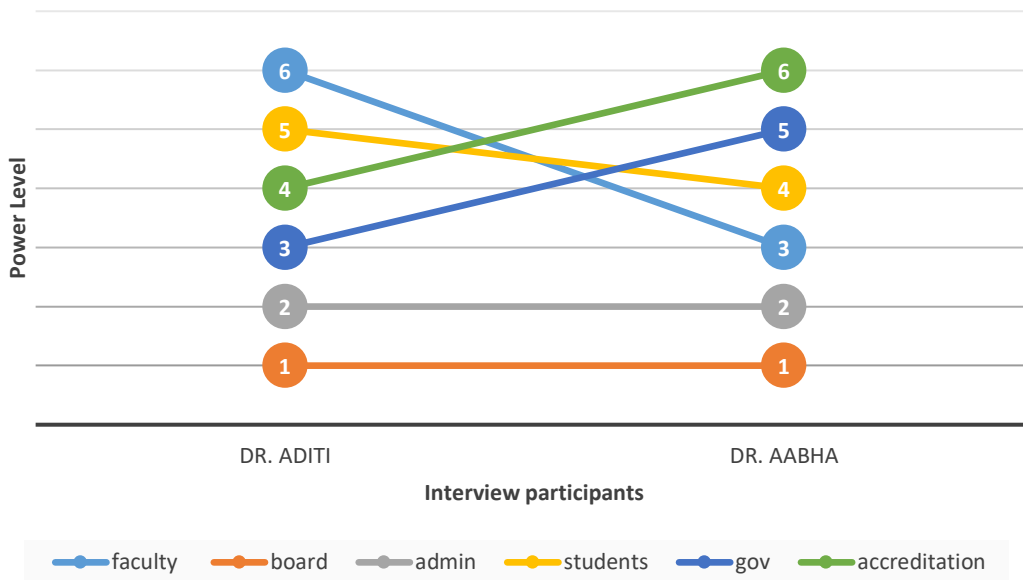
making power scale (from lower numbers to higher numbers) for administrative decisions. Their decision-making power becomes marginal relative to other groups such as the board and the administration. Similarly, but to a lesser extent, the same directional shift may be observed regarding the decision-making power associated with students. For academic decisions, Dr. Aditi and Dr. Aabha rank students as having considerable leverage in decision-making. However, their power is diminished relative to other groups for decisions concerning nonacademic matters. These shifts suggest that decision-making power is not fixed to one group, but distributed and also circulating among groups depending on the decision type. Within this reality, the family (who are most represented on the board) may find their academic decision-making power diminished by other groups.

Figure 1.8 Perceived Decision-Making Power for Academic Decisions



Source: Author

Figure 1.9 Perceived Decision-Making Power for Administrative Decisions



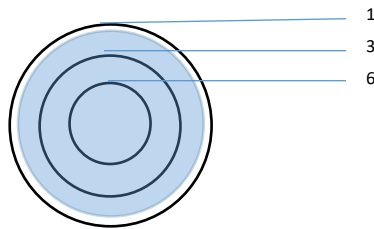
Source: Author

The decision-making power levels of stakeholder groups may also be shown using ‘relative power circles’, which may be useful to further clarify that no single stakeholder group within GHU possesses absolute decision-making power. Kells (1992) used them to represent the balance of power distributed among three different stakeholder groups—the government, the board, and faculty—in the US, UK, and continental Europe. In this study, we use them to represent the distribution of decision-making power among the six stakeholder groups identified earlier.

The size of the relative power circle for any single stakeholder group is based on calculating the average of ranking positions given to this group by interview participants. As an example, I calculate the relative power circle (related to academic decisions) for the faculty stakeholder group. For academic decisions, two interview participants perceived faculty to have a ranking of ‘1,’ and one interview participant gave faculty a ranking of ‘2.’ These numbers are

taken from Figure 1.8 shown earlier. Calculating the average or mean of these numbers, I can determine faculty to have a relative power circle level of 1.3, which I visually show in Figure 2.0. As shown, the decision-making power of faculty is visually represented by the blue circle. Lower numbers are associated with larger relative power circles and vice versa.

Figure 2.0 Decision-Making Power of Faculty (mean=1.3)



Source: Author

Using the same approach above, I can calculate the relative power circles for all of the stakeholder groups at GHU. Table 1.8 below shows these calculations in the far-right column, which are based on taking the average (mean) of all of the ranking positions given by interview participants (the three middle columns).

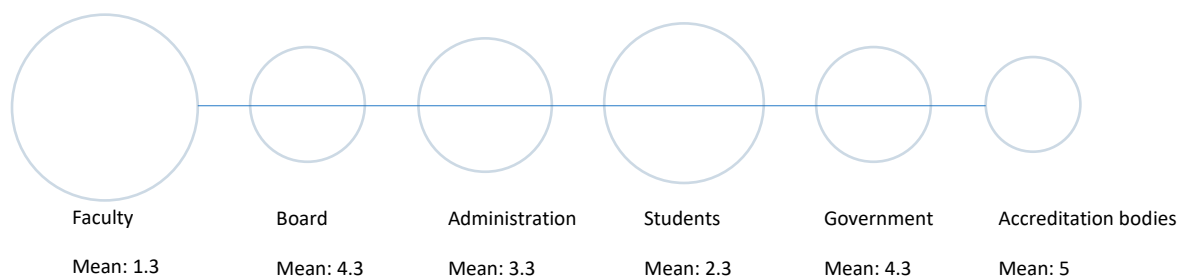
Table 1.8 Calculation of Relative Power Circles for GHU Stakeholder Groups

| <b>Stakeholder Group</b> | <b>Ranking Position<br/>Given by Dr.<br/>Keya</b> | <b>Ranking Position<br/>Given by Dr.<br/>Aditi</b> | <b>Ranking Position<br/>Given by Dr.<br/>Aabha</b> | <b>Relative<br/>Power Circle<br/>Level (mean<br/>of the three<br/>columns to<br/>the left)</b> |
|--------------------------|---|--|--|--|
| Faculty                  | 1   | 1  | 2  | <b>1.3</b>   |
| Board                    | 3   | 6  | 4  | <b>4.3</b>   |
| Administration           | 2   | 5  | 3  | <b>3.3</b>   |
| Students                 | 4   | 2  | 1  | <b>2.3</b>   |
| Government               | 5   | 3  | 5  | <b>4.3</b>   |
| Accreditation bodies     | 5   | 4  | 6  | <b>5</b>   |

Source: Author

Thus, for academic decisions, the faculty have a relative power circle level (or mean level) of 1.3; the board (Managing Committee) has a relative power circle level of 4.3; the administration has a relative power circle level of 3.3; students as a stakeholder group has a relative power circle level of 2.3; the government has a relative power circle level of 4.3; and finally Accreditation bodies have a relative power circle level of 5. These levels are mapped visually in Figure 2.1 below. As shown, the faculty body, with a mean of 1.3, is perceived by interview participants as having the most power to influence academic decisions as their relative power circle is larger than those of other groups. Their power level is 1.3. However, the board and the administration are perceived to have less power to influence academic decisions. Their power levels are 4.3 and 3.3, respectively.

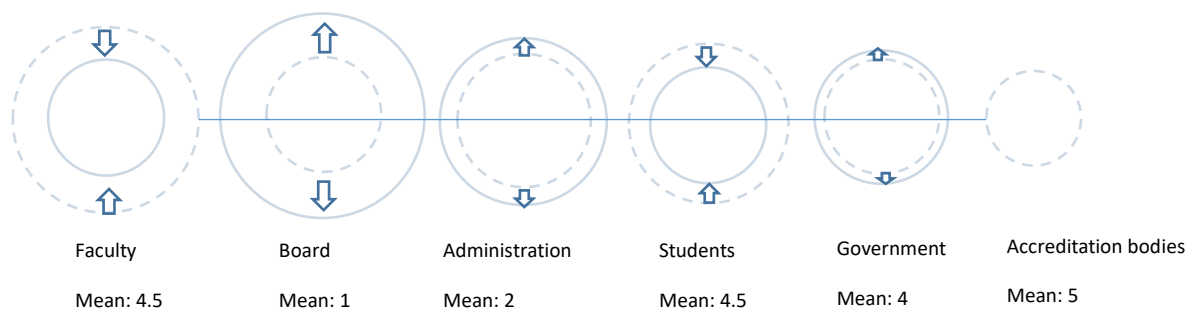
Figure 2.1 Distribution of Power Among Stakeholders Regarding Academic Decisions



Source: Author

We may also calculate the relative power circle levels of stakeholder groups for administrative decisions. These levels are mapped visually in Figure 2.2 below. It is important to point out that, as we established earlier, the distribution of decision-making power shifts when moving from academic to administrative decisions. This shift represents that power is not fixed to one group, but circulates based on type of decision. This shift is denoted in Figure 2.2 using arrows that show power bases of stakeholder groups either shrinking or expanding. While faculty and student power to influence decisions shrinks, the power of the board, administration, and the government increases.

Figure 2.2 Distribution of Power Among Stakeholders Regarding Administrative Decisions



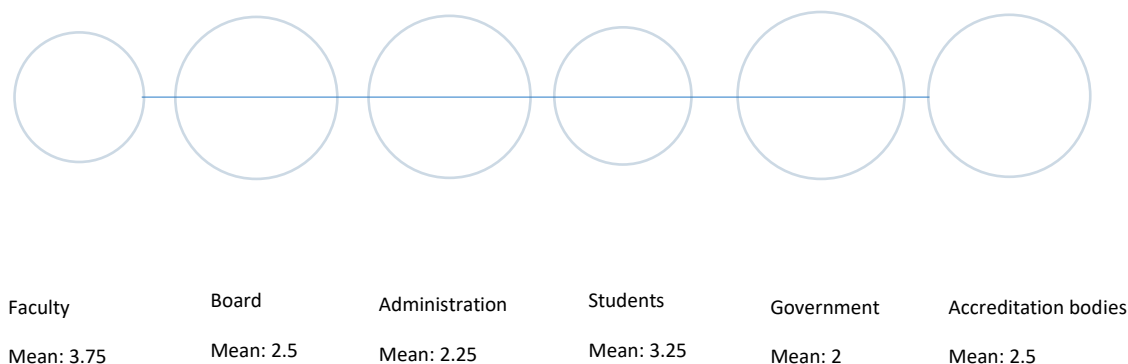
It is important to discuss one key limitation of the power level representations shown above. I was only able to use data from a very small group of interview participants to determine

power levels. For academic decisions, power levels were determined using data from three interview participants. For nonacademic decisions, a smaller group of two interview participants was used. Using such small groups raises concerns about the representativeness of the sample. We may assume that the findings (the size of the relative power circles) would change as we use larger samples. However, it was not feasible to use data from the other interview participants. This is because the other interview participants (total five) ranked stakeholders without considering decision type. Thus, it was unclear whether they were referring to academic or administrative decision-making when they were ranking stakeholders. This was a limitation of my approach as I did not instruct interview participants to rank stakeholder groups according to decision type. For interview participants who ranked stakeholder groups according to decision type, they did on their own volition. Interviews with these participants revealed that there are two decision-making chains at GHU. In hindsight, I should have asked all interview participants to rank stakeholder groups according to decision type.

However, the other data collected (rankings that are not based on decision-type) is not completely useless. When mapping these data using Kells' (1992) model, we arrive at the same conclusion—that power is not fixed to one group, but distributed among the six stakeholder groups at GHU. Figure 2.3 shows the distribution of decision-making power among stakeholder groups based on general rankings (ranking that are not based on decision-type). As shown, it is clear that all the stakeholder groups have decision-making power.



Figure 2.3 Distribution of Power Among Stakeholders for Non-specified Decision-Making



In sum, we may infer from the representations of power provided in this section that the family's capacity to influence decision-making is limited in a reality where nonfamily stakeholder groups—in the administration, faculty, students, government, and accreditation bodies—also possess decision-making power. We also may say that nonfamily stakeholder groups use their power to challenge the views of the family, presumably as I explained earlier to push their agendas. This reality makes it difficult for the family to make decisions unilaterally.

### **Government and Society as a Factor Restricting Family Agency**

Accountability pressures coming from the government and society represent the third dimension of higher education governance that may place limits on family agency. We learned in earlier chapters that Grand Hall University is no exception to operating according to the regulatory expectations and pressures of India's higher education system. Some of the expectations and pressures relate to prescriptions that shape the patterns of governance at GHU. For example, the UGC requires that deemed universities have governing authorities (e.g., Board of Management and Academic Council) on which members can participate in decision-making by casting votes. Other expectations and pressures relate to criteria used to appoint governing authority members, as shown in an excerpt taken from the UGC regulations 2019.

- iv. A person shall be disqualified for being chosen as, and for being, a member of

any of the authorities of the Institution Deemed to be University:

- a) if he/she is of unsound mind
  - b) if he/she is an un-discharged insolvent
  - c) if he/she has been convicted by a court of law for an offence involving moral turpitude.
  - d) if he/she has not been appointed as per the provisions of these Regulations.
- (University Grants Commission, 2019b, p.32)

Such government pressures may be understood as controls ensuring good governance, which is crucial for effective organizational functioning as explained by Austin and Jones (2015). They state that good governance is “essential to the functioning of higher education at all levels, from the basic academic unit of the department, to the level of the organization, and at the level of the higher education system (p.23). Good governance is the means by which order is created in the academy to achieve the goals of educating, research, and providing service to multiple publics (Austin & Jones, p.23).

Within this reality, where regulatory pressures are enforced to ensure good governance, the Prem family may find their capacity to do as they please restricted. As decision-makers, members of the family in leadership positions are held accountable to fair governance practices and expected to behave in ways that satisfy government expectations and pressures. This inference is supported by the following two quotes from Dr. Prem.

Dr. Prem: Family universities are not that autocratic, because when we decide to start [Grand Hall University], I have to register that as a Trust, under Bombay Public Trust Act. And there is Charity commissioner...I had to follow the rules and regulations of charity commissioner. [Grand Hall] is charitable Trust and governed by [the] act. Annual report sent to commission every year. Audit statements every year. If somebody complains, Charity Commission [has a] right to make inquiry. This is one. Secondly, we have to file income tax every year, and if we don't function properly, they will conduct an inquiry against you. University Grants Commission, they have regulation. So family universities are not autocratic universities. The word private is wrong. Family university must follow [the] acts and statutes and regulations of [the] University Grants Commission, Ministry of Human Resource Development, charity commissioner, [and] income tax commissioner. If somebody falls [violates regulations], then government has power to take over a Trust.

Dr. Prem: Yes yes, it has happened [appropriation of a university by the government]. They [government] can dismiss me and appoint their own administrator. So family university when people criticize...no we can't do anything and everything we want. For example, so all trustees cannot pocket money. They will be arrested. You take salary from university but because university is making profit you can't put in pocket. So there are checks and counterchecks...

These quotes suggest that government scrutiny extends to the people within and running the organization. Dr. Prem says, "I had to follow the rules and regulations of charity commissioner."

The use of "I" here is a point to discuss and suggests that the university is an extension of himself. This is consistent with the understanding related in chapter 7 about how the family shares an identity with the organizations they run. Actions of the family reflect back on the organization and vice versa. What Dr. Prem is saying is that he and others running the organization must be careful not to violate the rules and regulations under which the university operates. As he explains, leaders are not in a position to "do anything and everything [they] want." Such an abuse of power could possibly surface through as noted by Dr. Prem the various annual reports sent to the various bodies regulating the institution. The consequences of abusing power, external inquiries and even government appropriation of the Trust, may be understood as powerful motivators for the family to follow rules. Indeed, losing the Trust would be devastating to the family since we learned in chapter 7 that keeping the Trust within the family is an important goal.

Accountability pressures also come from society. Consider the following quote from written information provided by Dr. Prem. Here, Dr. Prem describes a situation where he and his family were met with public backlash because of a decision he made that violated the public's trust.

A couple of Founder Members demanded positions in [Grand Hall] institutes, which had to be complied with, but with disastrous results. Both of them found themselves quite out of their depth and on the complaints launched by parents and students...As events turned

out, there was a major upheaval resulting in the resignation of the first President of [Grand Hall] society. A number of founder members resigned from the membership of the Managing Committee...My family and I were subjected to fierce attacks... (written information by Dr. Prem)

To give some context, Dr. Prem was forced by two Managing Committee members to accept some students not on the basis of merit, but on the basis of their affiliation to the Managing Committee members. In other words, the Managing Committee members demanded that Dr. Prem intervene in admissions on behalf of some students that either were related to or family friends of the Managing Committee members. The quote above describes the fallout that resulted from complying to these demands. We learn that both parents and students launched complaints and even directed these complaints toward the Prem family. Ultimately, the GHU public community was not happy with a decision that Dr. Prem made. In the next chapter, we learn how Dr. Prem approaches decision-making within the reality of public accountability.

### **Shared Governance as a Factor Restricting Family Agency**

Shared governance represents the final reality of higher education governance that may place limits on family agency. In chapter 6, we learned that shared governance is practiced at GHU through primarily three governance modalities. One way is through the separation of decision-making responsibilities between the Trust and the university where the faculty body is given significant autonomy to facilitate and influence academic decision-making. In other words, university authority is shared between the leadership and the faculty body. The faculty body has as Dr. Prem explained “total academic freedom,” or professional authority as Corson (1996) would put it. This was corroborated by nonfamily interview participants. On the other hand, nonacademic decisions are centralized by the Trust.

Within this reality, where faculty have total academic freedom, the family and other top leadership members are expected to take a back seat and not intervene in decisions related to

academics. The limitation of family influence (for those in top leadership positions) is thus a function of the family not having the authority to make decisions deliberated in the academic decision-making chain. In other words, the bifurcation of decision-making responsibilities essentially limits the family's capacity to influence certain types of decisions. In this reality, we may say that family influence is limited because the family shares decision-making authority with the faculty body.

Furthermore, we may conjecture that GHU faculty are in a position to resist or challenge the leadership (the family) if the leadership were to intervene in academic decisions. Indeed, this would be consistent with literature. We learned from the literature that faculty are known to defend their right to fair representation in decision-making. Faculty are not afraid to express their disapproval of top-down approaches that marginalize academic agency and/or decision-making influence. Teferra (2014) even goes as far as to argue that for faculty conformity to authority is not mandatory. Faculty "should fear neither intimidation nor harassment, nor, even worse, firing, by their institutions for their non-conformist ideals, values, perspectives, positions, beliefs, and statements. The requisite prerogative—academic freedom—is not that compatible with the principles of business and corporate regimes" (Teferra, 2014, p.2). In other words, the academic culture may be distinguished from commercial contexts in that faculty have a right to resist leadership (of course when relevant).

Interviews suggest that the faculty of GHU also resist leadership when they perceive the leadership to be encroaching upon their decision-making autonomy and agency. Consider the following quotes from Dr. Prem (Chancellor), Dr. Prisha (Dean), and Dr. Aditi (Vice-chancellor).

Dr. Prem: Yes. yes. You see sometimes what happens when you give total autonomy to the directors, after five years ten years, he feels he is taller than institution. So he started

disobeying instructions from central office...you see we have 15 percent quartile sanction for management quartile...100 admissions which are sanctioned, but out of 100, 10 are all management chiefs...so I give those admissions to someone who is minister, who has helped [Grand Hall]. If I recommend that person...he [faculty] has to admit it...he [faculty member] says no I will not admit.

Dr. Prisha: I was privy to the time when in 2006 the amalgamation of some institutions into the merger happened and I came in 2007. I still remember the resistance. I still remember the cry for autonomy and reluctance to give up their autonomy because they were used to autonomous standards and minimum university standard to be broad, etc.

Dr. Aditi: So yes, the deans do question...They ask us if some of the restraints that we [both the leadership of GHU and top leadership in the Trust] are laying down, which are governed by, in turn, the government...whether that is essential for us to follow. So the academic community, led by the dean, would be the people who would ask questions, and I would believe that's their role

In all three of these quotes, the leadership may be understood as either encroaching on the decision-making autonomy of the faculty or restricting the agency of faculty in some other way.

Dr. Prem relates an experience where he intervened in the admission process presumably at one of GHU's institutes. We learn that faculty resisted his directive. Faculty may have perceived Dr. Prem's intervention in admissions as a violation of their decision-making autonomy. Indeed, admissions is a university process handled by the faculty. Dr. Prisha relates a similar experience. She remembers a time when faculty resisted leadership during a period of restructuring at GHU. They resisted because the restructuring had implications to their autonomy as decision-making agents. Dr. Prisha explains that the faculty were reluctant to "give up their autonomy." Dr. Aditi also seems to be talking about the same thing in her quote. She explains that the deans of GHU, who represent the faculty body, ask questions about the "restraints" placed on the faculty by the leadership. These restraints restrict academic agency and autonomy. These three examples exemplify how the faculty, as part of top leadership, would not be able to do as they please—given the potential of the faculty to resist decisions that they perceive as violating their academic autonomy.

The family may be understood to be restricted in what they can or cannot do in another way. We learned in chapter 6 that different stakeholders of Grand Hall University share decision-making power by having representation on GHU's governing authorities. In this way, stakeholders, both family and nonfamily, come to make decisions horizontally, which Furguson (2009) refers to as a governance process in which decisions are reached through consensus and discussion.

Within this reality, where decisions facilitated on governing authorities are reached through consensus and discussion between both family and nonfamily members, family members may find their capacity to make decisions unilaterally challenging. The following is a quote from Dr. Aarav's (Dean) interview that supports this argument.

They [different stakeholders including faculty and members of the administration] said that it's not required because every student and staff had their own faculty physician. "What are you going to do by providing these services on campus of educational institutes?" We, then, convinced them that it raises the fundamental issues of accessibility, availability and affordability, and equity. So three A's and one E. By providing healthcare services, you are addressing these issues. That is one...Second thing is, when we wanted to set up a health club on campus, they [different stakeholders] said "we don't have infrastructure to run classes, where can we give you classroom area to run a health club?" Whether it's a gym, whether it's a yoga studio or an aerobic. We told them it's in the larger interest of wellness. When we wanted to start insurance, make it mandatory for the students and staff, they [different stakeholders] came up with saying that, we'll take care of our own health needs. "We cannot afford the insurance premium, right now. We'll take care of it, then we require"

Dr. Aarav is a family member sitting on multiple governing authorities including the Board of Management, Academic Council, Board of University Development, and the Planning and Monitoring Board. In addition, Dr. Aarav is not only a member of the Managing Committee whose authority is above the university, but also a dean of a faculty and director of an institute. It is reasonable to say that his combined leadership positions afford him considerable leverage in the decision-making process. He is indeed a key decision-maker within the organization.

However, the leverage he possesses means very little in the context of how decisions are reached on governing authorities. Dr. Aarav is challenged by other stakeholders in the decision-making process as we learn from him above. Other stakeholders disagreed with his proposal of centralizing health services and are noted with saying “we’ll take care of our own health needs.” Ultimately, Dr. Aarav’s capacity to make and influence decisions on governing authorities is not absolute.

Nonfamily participants as well share that the family is challenged on governing authorities. The following are quotes from Dr. Kalinda (senior administrator), Dr. Keya (Director of an institute), and Dr. Prisha (Dean).

Dr. Kalinda: We don't use words like challenge...But... I have said it [resisted family]...it was a BuD meeting, it's a Board of University Development meeting, and what had happened was because analytics was becoming the in-thing, every institute wanted to start a program in analytics...I said, "I simply don't agree with this."...“Please don't allow every institute to start a program like this.”...[Dr. Aabha] did not agree...

Dr. Prisha: These of course go through that process of validation by the academic department, at one level, then they are thrashed out in the Academic Council. So in Academic Council, our role is to deliberate, to facilitate discussion, to create dissent if there is any area which is neglected. I remember by deliberations in last twelve years within the Academic Council have been extremely dissenting in some cases, which were very patiently and respectfully heard by the Chancellor when he used to head the meeting. Later on with [Dr. Aabha], the same convention has been continued...

Dr: Keya. But, you have ten others who come from junior faculty, senior faculty, outside industry, representatives, et cetera. So, may not be the majority that you might have a situation, where you got, let's say fifteen people on the Academic Council, and seven beings say no, but the rest of them say yes, and it's going to go through.

The first two quotes show that the family, as members of governing authorities, is ultimately part of a culture where stakeholder dissent is common. Family members do not have absolute decision-making power, but must participate in the formalities of decision-making as expected of them as members of governing authorities. This means that the family is not in a position to make decisions unilaterally, but within a space where multiple stakeholders provide input and



reach decisions by consensus. Dr. Keya, in the third quote, supports this claim. According to Dr. Keya, proposals are approved or rejected using majority rule. Each member of the Academic Council, representing different stakeholder groups (senior faculty, industry, government representatives), can cast one vote either in favor of or against any given proposal. Thus, no member including family has more decision-making power on the academic council, and for that matter on all governing authorities, than other members. Equal weight with respect to decision-making power is given to all members.

Finally, family influence is restricted by the vertical decision-making process at GHU. We learned in chapter 6 that different stakeholders of Grand Hall University participate in academic decision-making as part of a process where proposals pass through various governing bodies beginning at lower levels of the organizational hierarchy. We further learned that the different governing authorities work together democratically to reach decisions and that governing authorities found at lower levels of the organization (such as the Board of Studies or Program Review Committee) are the real decision-makers.

In this reality, where academic decision-making is not autocratic and top-down, but democratic and ground-up, the family may find their inputs to carry less weight to influence the decision-making process than those inputs coming from members of lower governing authorities. Further, we may say that the family when providing their inputs on governing authorities must provide them with sensitivity to the needs and demands of the members of other governing authorities—since the governing authorities work together democratically. Data from one interview suggests that this is happening. Consider the following response by Dr. Kiaan (Professor) who was asked a question about the decision-making dynamic between the Academic Council and Board of Management.

I don't think such a situation [where the BoM has flat out rejected a proposal coming from the Academic Council] has happened. With me it has not happened. Whatever we [members of the Academic Council] have [proposed], it is agreeable. Most of the time. Certain changes might be there... Total refusal will not be there. There might be modifications, there might be some flexibility. It's like this sometimes... I don't think there is any resistance or anything [from the Board of Management directed at the Academic Council].

It may be that the Board of Management (BoM) does not flat out reject proposals coming from the Academic Council because of the reasoning I proposed earlier. Members of the BoM (which include family members) may recognize the need to work together with the members of the Academic Council instead of taking an autocratic approach where proposals are rejected without discussion. Thus, as the two bodies work together, there may be as Dr. Kiaan notes modifications and changes to the proposal.

In sum, interview and document data suggest that the family operates in overlapping realities where their power or authority to make decisions must be considered with the decision-making authority of not only the needs of loosely-coupled units where organizational differences frustrate efforts to establish institutional coherence, but also nonfamily stakeholders who possess decision-making power. My further understanding is that these stakeholders are able to flex their decision-making power by participating in decision-making on governing authorities and having decision-making autonomy.

### **Factors Resisting Renewal**

Chapter 7 showed that renewal, or family-based succession, is the mechanism by which the family maintains control over Grand Hall Trust. Already first- and second-generation members are found in the Managing Committee and there is some indication that third-generation members of the family will move up the organizational hierarchy and eventually become members of the Managing Committee. Family-based succession will likely occur and

continue to occur at the highest level, but through a ground-up approach where family members begin at lower levels in the organization.

In this section, we explore whether the governance realities identified in chapter 6 also have implications to the socioemotional wealth dimension of renewal. Is family-based succession frustrated in any way by the governance realities of higher education? I first investigate if and how the organizational complexity of GHU challenges the family's desire to remain managerially involved.

### **Organizational Complexity as a Factor Challenging Family-Based Succession**

In the above section, a conflicting interaction was discerned between the reality of loose-coupling at GHU and the centrality of leadership. I inferred based on some interviews that loosely-coupled units operating according to their own cultures frustrate efforts by leadership among which are family members to establish institutional coherence.

The data, however, does not suggest the same for the socioemotional dimension of renewal. No interaction could be found between the reality of organizational complexity and the family's desire to keep GHU within the family. In other words, family-based succession at GHU is perceivably not impeded in any way by the reality of loosely-coupled institutes or the fragmented faculty body.

The absence of data is not surprising. The two dimensions—organizational complexity and renewal—fundamentally have nothing to do with each other. Organizational complexity, as indicated earlier, is a governance reality of Grand Hall University. GHU is a site where institutes and personnel operate according to different and localized norms. This reality, however, in principle should have no connection to how authority is established at GHU. As we learned in chapter 7, family-based succession happens at the highest organizational level in the Managing

Committee. In other words, there is no overlap between the Trust and GHU with respect to how Managing Committee members are appointed.

Said differently, the Trust (which houses the Managing Committee) and the university may be understood as two separate entities. The former centralizes administrative services and frames policies (in consultation with the university) and the latter concerns itself with matters of academic importance. Since family-based succession is found to occur within the Trust, the only way it would be impeded is if the General Body (which elects members to the Managing Committee) unanimously voted against family successors replacing incumbent family members. However, organizational complexity has nothing to do with the makeup or the proclivities of the General Body. So the family, with the support of the general body, can continue to appoint family members to the board without having to worry about the needs tied to the fragmented university culture.

### **Stakeholder diversity, Competing Interests, and Missional Ambiguity as a Factor Challenging Family-Based Succession**

Generally, interview data suggest that at GHU there is no conflicting interaction between the reality of stakeholder diversity, competing interests, and missional ambiguity, and the family's desire to keep the organization within the family. In fact, family-based succession is accepted as the norm by the nonfamily stakeholder groups found at GHU (represented by the nonfamily interview participants who come from the faculty and administration). For example, Dr. Aditi (Vice-chancellor) shares that everyone accepts the family-based succession model at GHU and that "there would be no other view on it." Her observation is echoed by all the interview participants at GHU.

Further data reveal why family-based succession is accepted. Dr. Aditi adds the following while sharing that everyone accepts family-based succession.

And they are into this whole and soul. It's not one of the activities that they are doing, this is the main activity. Academics is the main activity that they are involved in. So for instance, there are politicians who run universities in India. So they are mainly politicians, and they're running universities. So obviously, those are different kinds of institutions.

In Dr. Aditi's view, family-based succession is not an issue because the Prem family is committed to furthering educational goals. She says that education is the "main activity" of the Prem family. According to Dr. Aditi, the same cannot be said of other managerial families in India that have political leanings.

Dr. Kalinda (senior administrator) and Dr. Keya (Director of an institute), also nonfamily stakeholders, echo Dr. Aditi and provide similar reasoning as to why they accept family-based succession.

Dr. Kalinda: If the person their motif is sincere, qualified and committed to the cause it doesn't matter...So when [Dr. Aabha] took over at the helm of a phase, definitely her style of functioning and [Dr. Prem's] style of functioning are very different. While she completely aligns with her father's philosophy, the way they work is different. She's more dynamic, she's more a PR person. He's [Dr. Prem] very quick at decision making, but at least we have not seen him go too much, connect work. He's not done all of that, which she does very well. So they're different, but we know that she believes in the philosophy and works. So, there was no problem about that. So I think that is important, being qualified, being competent and being committed...those things are important. And if you are, then I don't think there is a problem for anybody to take charge.

Dr. Keya: I think India has many family-run higher education institutes. [This city] has quite a few themselves. I have friends in who work at some of these, and I think [Grand Hall] has managed to be a little different from them. Number one is everyone seems to agree that [Grand Hall] manages itself professionally...Here, everyone very well-qualified. Even if you look at [Dr. Aabha]. She has a degree in law, and MD, and she has a Ph.D. in internationalization and higher education...People are respecting you for your own achievements as well, and I think that academic urge is something that comes because he's [Dr. Prem] not a business man. He's a teacher. He's always valued education, and that is something that his children have learned from a very young age as well...

In their view (and the views of other interview participants not shown here), family-based succession is not an issue because the Prem family is qualified for positions of authority. Dr. Kalinda shares that Dr. Prem and Dr. Aabha are qualified, committed, and competent. This is more or less echoed by Dr. Keya who says that family members are well qualified.

However, Dr. Aabha was not always embraced by the GHU community. When her official engagement started with GHU, there was some resistance from nonfamily stakeholders, as she and Dr. Prisha (Dean) explain below.

Dr. Aabha: So initially I did feel, I didn't feel the pressure but I just felt that whether they are looking at my position being someone's daughter sitting here...I did meet all the challenges with people who were already there in place, who were older than me, who were in the organization for a longer time. But that's when it was a little difficult to take some instructions or my suggestions as what they would take my fathers.

Dr. Prisha: I have known people who left this organization because they were brought by [Dr. Prem]. They were brought by [Dr. Prem] and they took pride that I'm brought by [Dr. Prem] because they always thought that he was a person with very high level of consciousness and later on [Dr. Aabha] came, much later and they didn't like working with her.

We learn from Dr. Aabha that initially resistance came from older staff and those who worked at GHU for a long time. Many reasons may explain why these people gave her a hard time. For example, in India, like many countries in Asia, respecting elders is a significant aspect of the culture. Young people are taught to respect elders. Perhaps older GHU personnel perceived the arrangement, where they report to Dr. Aabha, counterintuitive to cultural expectations. Maybe they felt offended by having to report to someone who is younger. Their defiance could also be related to another cultural dimension. According to the World Economic Forum (2018), gender equality in India is poorer than the global average. In India, discriminatory attitudes in the workplace against women is quite common. Further, we know from anecdotal evidence from Altbach et al. (2020) that in some Asian countries, discrimination against women is

commonplace. Indeed, the higher education context of Bangladesh was described as such a place where “men in the family might tend to accumulate power leaving women relatives without influence” (Lamagna et al., 2020, p.70). Perhaps the Indian higher education context is no different. Perhaps some stakeholders at GHU took issue with the arrangement where a woman became their superior. Indeed, this is another possible reason explaining their defiance. The reason could also be related to noncultural dimensions. These nonfamily stakeholders may simply have had priorities, interests, and needs that did not align with those of Dr. Aabha when she first entered GHU. Or, perhaps they perceived Dr. Aabha as less competent than her father. Whatever the reason, Dr. Aabha’s involvement at GHU was resisted in the beginning and was undoubtedly a cause of concern for her.

Similar pressures (the potential for resistance by nonfamily stakeholders) exist currently for third generation members of the Prem family, presumably for some or all of the reasons explained earlier. Consider the following quote from Dr. Aabha:

I don't know what will happen, I don't think they [nonfamily stakeholders] will resist, but yes, it won't be as easy, and therefore, I keep telling my son and daughter that you have to have, see now is a world of people respecting you for your scholarship and your intellect. They will not respect you because you come from family...I think the challenge of the third generation is going to be still harder, because to prove themselves, because there is no matter what, constant comparison between individuals.

Dr. Aabha emphasizes that her son and daughter must not rely on their family status but prove themselves in other ways, by earning the respect of nonfamily stakeholders through their scholarship and intellect. What Dr. Aabha may be implying here is that it is only through building their competency and proving themselves as capable leaders that they can earn the respect of nonfamily stakeholders.

Nonfamily interview participants seem to hold a similar view. Dr. Prisha (Dean) explains:

I suggested that family members [third generation members] should go through a serious

leadership course in place like Harvard or something...I would rather accept or reject based on competencies. Let those competencies be grown in families inevitable. Let family be rejected if that competency is not grown.

Dr. Prisha suggests that building the competency and qualifications of successors is crucially important if the third-generation family is to be accepted by the university community, by nonfamily stakeholders including herself. At the very least, her suggestion for younger family members to take leadership courses portends the possibility of conflict down the road. In other words, family-based succession may be resisted by nonfamily stakeholders, including herself, if successors do not possess the right qualifications. Within this reality, the family may find it challenging to make decisions favoring their continued involvement at GHU.

### **Government and Society as a Factor Challenging Family-Based Succession**

According to one interview participant, Dr. Prisha (Dean), a conflict exists between what the government wants and what the family wants. In her interview, Dr. Prisha talked briefly about the government's effort to disrupt family-based succession through policy. She explains:

Dr. Prisha. Government of India [central government] made a rule that family should not lead as...Whereas one of the universities here in [this city] removed that by bringing an expert as the name sake, to sign papers and all as the head, you know the control is in the hand of the family, but legally in newspapers and in all official papers, some other expert was projected as the head.

According to Dr. Prisha, the Indian government created a ruling prohibiting the management of universities by family. The reason for this ruling is unclear. It could be related to the government's effort to curb corruption, which is rampant in India's private sector as explained in chapter 4. Loose regulations have led to the proliferation of suspect institutions involved in profiteering and malpractice (Agarwal, 2009). The government may perceive family-based leadership, which is significant in India's private higher education sector, as contributing to the rampant corruption found in India's private sector. Or it could be related to something entirely



different. Whatever the reason, such a ruling is at odds with family-based succession. By prohibiting the family from leading institutions, the ruling effectively disrupts the family's capacity to remain managerially involved. However, as we learned in chapter 7, family-based succession is being practiced at GHU. This begs the question of how the Prem family at GHU is dealing with this ruling. In the next chapter, I investigate how the family approaches decision-making in the reality where the government is against families leading institutions.

### **Shared Governance as a Factor Challenging Family-Based Succession**

Earlier I highlighted quotes from several interviews that suggest that shared governance may place limits on family influence or agency. While family agency in terms of the power the family has to make or influence decisions may be restricted by the reality of shared governance, there is no indication that shared governance at Grand Hall University is at variance with family-based succession. Based on the data available, no direct connections could be made between the coding categories specific to shared governance and those specific to family-based succession. The reasoning for this may be similar to the reasoning I provided earlier when explaining how 'organizational complexity' is unrelated to 'renewal.' Similarly, we may say that shared governance is a reality of the university, and not the Trust where succession takes place. Thus, the reality where different stakeholders come together to facilitate decisions has nothing to do with the mechanism of how authority is established. People at the university level presumably do not discuss the affairs of family-based succession via any of the shared governance modalities.

In sum, the governance realities of GHU are generally not at variance with family-based succession. This being said, interviews suggest that conflict exists when considering certain factors. For example, conflict may be discerned between the reality of having stakeholder

diversity and family-based succession when family successors are perceived by nonfamily stakeholders as being ill-prepared for leadership positions. Also, we learned that there is a conflict between the government and the family's desire to remain managerially involved. The government created a ruling aimed at effectively disrupting family-based succession.

### **Conclusion**

This chapter addressed the third research question of this study: What are the factors placing limits on the family's agency? Several factors have been identified based on interviews, which may be categorized as those resisting family influence and those resisting renewal. In the former category, four factors have been identified as resisting family influence. First, there are subcultures that frustrate leadership efforts to establish institutional coherence. Second, nonfamily stakeholders were found to have decision-making power. Third, there are stringent government regulations that carry dire consequences if violated. As well, there are public pressures in the form of public backlash and criticism regarding decisions made at GHU. Finally, we learned that shared governance provides opportunities for nonfamily stakeholders to influence the decision-making process, and even challenge the family on their views, within a context of discussion and collaboration. We also learned that the family in top leadership positions do not have authority to make academic decisions. Within these overlapping governance realities, the family may find that they cannot do as they please, and find their decision-making agency restricted.

In the second category, only two factors have been identified as resisting family-based succession. These are nonfamily stakeholders who do not respect younger family members and perceive them to be ill-prepared for leadership, and a government ruling aimed at disrupting family-based succession. In the next chapter, we turn to investigate how the family approaches

decision-making within the governance realities of GHU and relative to the conflictive factors clarified in this chapter.

## CHAPTER 9: THE FAMILY'S DECISION-MAKING APPROACH AT GRAND HALL UNIVERSITY

### Introduction

The previous chapter identified several factors that limit family decision-making agency. We found that the Prem family's capacity to influence or make decisions is dependent upon what the governance realities of higher education allow. For example, my understanding is that the family would not be able to make decision unilaterally on decision-making committees where decisions are reached through horizontal governance mechanisms.

The understanding above is a significant step toward clarifying how the family members of Grand Hall University approach decision-making at their university. In this chapter, we take a further step and clarify the decision-making behaviors of the family *as well as the intent* behind their decision-making approaches by examining and discussing the data through the lenses of socioemotional wealth theory and stakeholder theory. Applying these two theories to the data is crucially important to satisfying the aim of this dissertation which is theory testing and answering the primary research question of how the managerial family of GHU approaches decision-making in a context where inherent governance realities may place limits on their ascribed authority.

If the family is found to make decisions in reference to losing or gaining family-centric socioemotional wealth, then we may say that socioemotional wealth theory explains their decision-making behaviors. In other words, if the family is found to make decisions in reference to protecting or increasing their decision-making influence or the mechanism of family-based succession, their capacity to remain managerially involved, then socioemotional wealth theory is fitting. On the other hand, if the family is found to make decisions in reference to other criteria unrelated to satisfying the family's affective needs, but related to satisfying the needs of

nonfamily stakeholders or organizational goals, then I may conclude that stakeholder theory is a better fit to explaining the decision-making behaviors of the family.

### **Investigative Approach**

I explain here my approach to applying SEW theory and stakeholder theory to the data. In Chapter 8, I clarified several factors that may place limits on family decision-making agency. These factors may be understood as realities or circumstances that restrict what the family can or cannot do when approaching decision-making. These factors are listed in the middle two columns of Table 1.9 below and are categorized by SEW type, as in the previous chapter.

In this chapter, I illuminate how the family approaches decision-making in scenarios where these factors are prominent and may have influence on the family's decision-making agency. In other words, I aim to clarify how the family approaches decision-making relative to several scenarios where these factors come into play. Table 1.9 below provides an overview of this process. As shown, the far-right column, which represents the family's decision-making approach, has been left intentionally blank. This column will be filled in once we clarify, by examining the data, how the family approaches decision-making relative the factors listed in the middle two columns. In other words, in the sections of this chapter, I will fill in the appropriate cells in the final column once I identify the family's decision-making approach relative to each of the governance realities (first column of Table 1.9). After clarifying the family's decision-making approach for each of the scenarios presented (each row and with respect to family influence and renewal), I am then in a position to discuss the merits (or limitations) of SEW theory and stakeholder theory side by side relative to their fit to explaining the identified decision-making approach the family takes.

Table 1.9 Decision-Making by the Managerial Family of Grand Hall University

| Governance realities of GHU   | Factors resisting family-centric SEW  |  | Family decision-making approach |
|---|---|--|---------------------------------|
|   | <i>Family influence</i>   | <i>Renewal</i>   |                                 |
| Organizational complexity: Diversity of units and loose-coupling  | Subcultures that frustrate efforts to establish institutional coherence   | N/A  |                                 |
| Stakeholder diversity with different needs, priorities, and interests   | Nonfamily stakeholders having decision-making power and using their power to question, and even challenge family views, as well as push their own agendas | Nonfamily stakeholders who do not respect younger family members expected to succeed familial incumbents |                                 |
| Stringent government controls that steer deemed universities and societal accountability  | Stringent government regulations that carry consequences in the event they are violated; Public backlash regarding GHU decisions                          | A government ruling prohibiting family-based leadership  |                                 |
| Two decision-making chains  | Expectations placed on the family by faculty to not interfere in decisions related to the academic decision-making chain                                  | N/A  |                                 |
| Decisions are deliberated on governing authorities with broad stakeholder representation  | Nonfamily stakeholders who create dissent on governing authorities  |  |                                 |
| Decision-making is facilitated via multiple governing authorities working together democratically and via a ground-up mechanism | Nonfamily stakeholders at lower levels who are the real decision-makers   |  |                                 |

Source: Author

### **The Family's Approach to Decision-Making where Subcultures Preclude Institutional Coherence**

This section aims to clarify how the Prem family approaches decision-making within the governance reality where loosely-coupled subcultures preclude institutional coherence. I only

focus on examining the family's decision-making approach with respect to the family's capacity to influence decisions (family influence). This is because in chapter 8 data suggested that there is no conflictive interaction between the reality of organizational complexity and 'renewal' (family-based succession). An interaction was found to exist only between this governance reality and 'family influence'.

### **Family Influence**

Subcultures found in GHU's numerous institutes were found to frustrate the family's (and other top leadership's) efforts to establish institutional coherence. Where implementing institutional policy is understood as a means to establish institutional coherence, I found that nonfamily stakeholders located at the institute level resist certain policies that perceivably do not fit with the needs of their institutes. According to several interviews, the leadership (including family) react to these stakeholders and approach decision-making in the reality of loosely-coupled units in a couple of ways. In the quote below, Dr. Aabha (Pro-chancellor) provides insight into one of these ways.

The school of liberal arts has a totally different pedagogy, they have very small class size, they teach differently, and their evaluation system is totally different from what a conventional business school [looks like]. They want continuous evaluation and so on. So that's when the liberal arts director will come to the Vice-chancellor and explain...and the Vice-chancellor would allow her to do that [modify the policy at the institute level or ignore it]. So there is this decentralized governance.

A couple of points may be inferred from this quote. First, the Vice-chancellor is described to accept the liberal arts director's request, presumably to either modify the policy or ignore it altogether. For the liberal arts director, the policy does not fit with the needs of her institute. We don't know what has been agreed to, but the important point is that the Vice-chancellor is open to listen and meet the concerns of the faculty member.

While this interaction is between two nonfamily stakeholders, the faculty and administration, I clarify the family's decision-making approach with some extrapolation. I deduce that family members in top leadership positions approach decision-making by respecting the decision-making autonomy given to nonfamily stakeholders (in this case the Vice-chancellor). As Dr. Aabha explains in the quote, there is a decentralized approach to governance. This not only explains the autonomy that directors have at the institute level (as we learned in chapter 6), but also it may explain the governance dynamic between top leadership (family) and the administration of GHU. In other words, the family presumably does not intervene in such decisions and lets the necessary administrative authority handle such problems like those raised by the liberal arts director. Thus, the family's decision-making approach regarding such matters like the one described in the scenario above is one of giving autonomy to those having decision-making power.

Dr. Prisha (Dean) provides insight into another way the family handles decision-making in the reality of loosely-coupled units. When asked about how the family reacts to stakeholder dissent, she responds with the following:

For example, when healthcare was made mandatory, within which slowly they brought up the concept of wellness, I have challenged them [family], in the sense that there was a common fee levied across all institutes. The institutes which had a small playground, and the institute which had huge playground facility. I said, 'why should my student pay for some other students' comfort?' They [family] immediately understood the concern. They created a small committee and I told them [family], I'll give you the data, you get your data. Let us analyze. So, data-driven objective analysis was done, and proportionate fee was charged...

The key point we may infer from this quote is that the family takes a cooperative approach to decision-making. The family is willing to listen and take steps to figure out if Dr. Prisha's concern is justified. The family even creates a small committee that presumably has broad stakeholder representation. In other words, the family opens up decision-making to others.



Thus, we may say that in this particular case and perhaps similar cases the family approaches decision-making through discussion and by opening up decision-making to other stakeholders through horizontal modalities.

It is interesting to note that there is a difference between this scenario and the scenario highlighted earlier. Whereas in this scenario, faculty (represented by Dr. Prisha) is found to communicate directly with the family, the faculty in the earlier scenario (represented by the liberal arts director) communicates with the Vice-chancellor. Why the difference? The answer may be in our understanding of the two decision-making chains at GHU. The concern highlighted in the earlier example may be related to academic affairs. Thus, it makes sense that the liberal arts director would approach the Vice-chancellor who is part of the academic decision-making chain. The Vice-chancellor, although representing the administrative stakeholder group in this study, chairs several of the governing authorities involved in academic decision-making. She is even referred to as the senior-most faculty member by Dr. Prisha at one point during her interview. In contrast, the concern highlighted in the second scenario is not related to academics, but to institutional fees. Thus, it makes sense that Dr. Prisha would bring such a matter to the family (via the administrative decision-making chain) because the family, as members of the Trust, are charged with overseeing those services centralized by the Trust (which may include fees).

In sum, the two scenarios highlighted suggest that the family approaches decision-making with sensitivity to the concerns of faculty— either by respecting the authority of decision-making stakeholders (letting those involved in the academic decision-making chain to handle matters on their own) or by cooperation and discussion for those matters related to the administrative decision-making chain. With these findings, we may now fill in the appropriate

cell in the right column of Table 2.0 below, which is part of Table 1.9 shown earlier. The next step is to examine the decision-making behavior I just clarified through the lenses of socioemotional wealth theory and stakeholder theory.

Table 2.0 The Family's Decision-Making Approach (with respect to family influence and within the governance reality of organizational complexity)

| <b>Governance realities of GHU</b>                                  | <b>Factors resisting family-centric SEW</b>                             | <b>Family's decision-making approach</b>   |
|---|---|--|
| Organizational complexity:<br>Diversity of units and loose-coupling | Subcultures that frustrate efforts to establish institutional coherence | Decision-making by respecting the authority of other decision-makers, and via discussion and cooperation |

Source: Author

### *Application of SEW Theory*

According to socioemotional wealth (SEW) theory, firm owners frame organizational problems and make decisions according to the impact the decisions have on their stock of socioemotional wealth. The theory assumes that the family desires the perseveration or augmentation of the socioemotional wealth they possess above any organizational interest including those related to profit. In fact, as Berrone et al. (2012) argue, the family is willing to put the firm at risk if this is the only way to preserve SEW.

The first order of business is investigating whether the family's decision-making approach, as revealed by Dr. Aabha and Dr. Prisha above, meets the assumptive logic of SEW theory. Is the family's decision-making approach connected to preserving or augmenting their stock of SEW, and broadly satisfying a family-centric interest? The answer is both yes and no. SEW theory explains the family's decision-making approach when considering some SEW, but not others.

The answer is no because it is clear that the family's decision-making approach has nothing to do with protecting or augmenting the SEW dimension of family influence. In fact, respecting the decision-making autonomy of nonfamily decision-makers and reaching decisions through discussion and cooperation is more about sharing influence than about protecting or augmenting it. The family is effectively diminishing its capacity to monopolize the decision-making process, and allowing the goals and interests of nonfamily stakeholders to drive decision-making. In other words, decision-making is not being driven by a family-centric interest of protecting family influence, but by the interests and needs of nonfamily stakeholders. This certainly does not fit the assumptive logic of socioemotional wealth theory. Furthermore, sharing influence diverges from the normative decision-making patterns of families in ownership positions. As Gomez-Mejia et al. (2010) explain, families owning firms do everything in their power to avoid sharing influence. Sharing family influence is perceived by the family to threaten their positional authority and ascribed power. We may therefore argue that socioemotional wealth theory does not explain the decision-making approach the Prem family takes in the reality of organizational complexity. The Prem family is not motivated by a family-opportunistic interest of protecting or concentrating family influence but by an altruistic interest of meeting non-family stakeholder needs.

However, the answer to the question—Is the family's decision-making approach connected to preserving or augmenting their stock of SEW, and broadly satisfying a family-centric interest?—may also be yes. There may be some reasoning to argue in favor of SEW theory, but according to the positive view of SEW. According to the positive view of SEW, managerial families in commercial settings proactively engage stakeholders and appeal to their interests and needs as a means to legitimize the family's continued managerial involvement

(Brickson; 2005; Berrone et al., 2010; Lyman, 1991). Proponents of the positive view further argue that legitimizing the family's position as leadership is very important because nonfamily stakeholder have the power to wrest control of the firm when their needs are unmet. They can also damage the firm's reputation, through rumors or leaking internal affairs to the press. These outcomes, of course, are scenarios that managerial families want to avoid.

Whether by design or not, it may be that the Prem family is also appealing to the needs of nonfamily stakeholders (in this case Dr. Prisha and the director of liberal arts) because of the aforementioned reasoning. The family may be appealing to the needs of nonfamily stakeholders to avoid unfavorable situations that carry negative implications to the university's (and the family's) reputation. Thus, we may argue that the family's decision-making behaviors of respecting autonomy and reaching decisions through cooperation and discussion are connected to protecting or augmenting other SEW besides family influence, in this case renewal (family-based succession).

In sum, the data suggest that the reality of organizational complexity calls for decision-making behaviors driven by an altruistic motive and not a family-opportunistic motive of concentrating family influence. Socioemotional wealth theory does not explain family decision-making behaviors in this case. However, there is reason to believe that socioemotional wealth theory still has a place in explaining the family's decision-making approach from another perspective. It may be that the family is engaging stakeholders as a means to remain in power and protect the socioemotional wealth dimension of renewal.

### ***Application of Stakeholder Theory***

The central tenet of stakeholder theory rests on the premise that firm leadership values the legitimacy of different stakeholder groups in decision-making and not only integrates their

perspectives in decision-making, but also satisfies their expectations (Freeman, 1984). The question therefore becomes the following: Did GHU's leadership value the perspectives and satisfy the expectations of others (nonfamily stakeholders) when making decisions within the reality of organizational complexity?

The answer is affirmative. The family's decision-making approach, as revealed by Dr. Aabha and Dr. Prisha earlier, is about heeding stakeholder concerns. Stakeholder concerns were mitigated indirectly via the Vice-chancellor in Dr. Aabha's example (where the family respects the decision-making authority of the Vice-chancellor) and directly in Dr. Prisha's example (where the family directly communicates with Dr. Prisha). Furthermore, the family was noted by Dr. Prisha to engage other stakeholders on a committee before making a decision. This is further indication that the decision-making approach taken by the family can be explained by stakeholder theory. According to stakeholder theorists (e.g., Brummer, 1991; Freeman, 1984; Freeman & McVea, 2001), employee participation in governance is necessary to achieve organizational goals (Brummer, 1991; Freeman, 1984; Freeman & McVea, 2001). In other words, stakeholder theory ties the sharing of governance to the objective of reaching organizational goals. Similarly, the higher education literature ties the sharing of governance to reaching organizational goals, specifically those related to advancing the academic mission (Birnbaum, 1988). Faculty input is considered crucially important to keep decision-making accountable to advancing the mission of higher education. Thus, when the Prem family opens decision-making up to nonfamily stakeholders by engaging a committee, the family may be understood as placing more value on advancing an organizational goal rather than satisfying a family-centric need. This certainly fits the theoretical premise of stakeholder theory.

Stakeholder theory makes sense for another reason. Freeman (1984) conceives the modern-day organization as a complex assemblage of myriad groups, sectors, and divisions that operate within their own microcosms of differentiated work, values, ethics and practices. Furthermore, governance and decision-making are understood by stakeholder theorists to be fragmented, decentralized, and compartmentalized across these cultural subsets. Freeman's (1984) description of the modern-day organization may be applied to capture the organizational reality of Grand Hall University. Indeed, GHU is also a complex assemblage of units. It has over 30 institutes operating according to localized norms and pressures. GHU also has a decentralized governance structure as Dr. Aabha (and other interview participants) points out.

**The Family's Approach to Decision-Making where Nonfamily Stakeholders use their Power to Influence the Decision-Making Process**

This section aims to clarify how the Prem family approaches decision-making within the governance reality where nonfamily stakeholders have decision-making power and use their power to influence the decision-making process. Since both family influence and renewal (family-based succession) were found to be resisted within this governance reality, I investigate the family's decision-making approach with respect to both the family's capacity to influence decisions (family influence) and preserve their capacity to remain managerially involved (renewal).

**Family Influence**

In chapter 8, I inferred that the family may find decision-making a contentious process within a reality where nonfamily stakeholders have decision-making power and use their power to express opposing views to those of the family's. Nonfamily stakeholders are not afraid to openly challenge the views of the family in top leadership positions. How then does the family approach decision-making in such a reality where decision-making power is not possessed by

one group, but shared among different stakeholders. The answer may be found in Dr. Kalinda's (senior administrator) interview. Responding to a question about personal interests, Dr. Kalinda shares the following:

At least I also understand that for them [the family] it is important that the University is ranked because a lot of benefits accrue to us because of that...So, honestly I have not believed too much in rankings. I won't say I want to be in the top hundred, top 50. Why? I know it's inevitable, we will have to ... Some will come to that space also because people's perception is driven by rankings.

Here, Dr. Kalinda seems to imply that the family has a focus on rankings. This is because as she reasons "benefits accrue" to the university because of its position in ranking tables. Of course, we are not in a position to argue that the family is singularly focused on rankings, but the quote suggests that being highly ranked is important to the family. Interestingly, Dr. Vihaan corroborates this in his interview. He explains:

In terms of vision, obviously much like my family members...I would love to see this university lined up in the rankings in terms of being one of the best in Asia, if not one of the best in the world. We are doing that. We are ranked very highly in the QS World Rankings recently...

Here, he explains that his vision, which is like his family's, is about seeing GHU ranked as "being one of the best in Asia."

In contrast to the premium the family presumably places on rankings, Dr. Kalinda shares that she does not "[believe] too much in rankings." We get the impression that she is of a different view. Dr. Kalinda further explains, as she continues the conversation in the quote shown earlier, that her focus is more on creating a robust academic culture. The following is a continuation of the conversation:

We don't even have that today [a level of research output that Dr. Kalinda think GHU should have]. So if I say in the next three years, now we're at 0.75 we should be at 2.25 whatever. Let us drive our quality standards. Internally. I feel it should all be internally driven. Okay, I know I also have to submit data to the government, to accrediting agencies I will submit. But that's more because I have to, this is more because I want to.

Here, Dr. Kalinda is proposing that the faculty produce more research papers per year as a way to enhance the academic culture. She wants the annual faculty research output to increase from .75 to 2.25. These numbers are calculated by dividing the total output of research papers by the size of the faculty at GHU. Thus, a number of .75 means that some faculty are not submitting any research papers for the year in question. Upon asking Dr. Kalinda if she ever brought her view up to the family, she responds with the following:

Yes. They [family in top leadership positions] agreed. And they're actually setting up a Quality Assurance Department...So again, let me not say that it was only my idea, it's not as if I'm the only one who's ideating and they [family] agree. It's not like that. It's always a very healthy debate. And very often when they [family] say, "We have to get into the ranking," we would tell her, "Yes please, we have to get into the ranking, but don't forget we have to do this also."

In this quote, we find an example of how the family approaches decision-making in the reality where nonfamily stakeholders express opposing views to the family. Dr. Kalinda, whose focus is less on rankings than on creating an academic culture, is found to bring her concerns to the family. These concerns are then discussed in a "healthy debate" that ultimately results in the family agreeing with Dr. Kalinda. The family's decision-making approach here is consistent with the approach the family takes in the governance reality of organizational complexity. In both realities, the family's takes a cooperative approach to decision-making where decisions are reached through discussion.

Dr. Kalinda's interaction with the family is not an isolated event. We learn from other interview participants that the family takes a cooperative approach to decision-making when dealing with stakeholder dissent. The family is described as listening to the faculty and accepting their ideas and proposals if backed by good research. Consider the following quotes from Dr. Keya (Director of an institute) and Dr. Prisha (Dean).



Dr. Keya: I'm seeing that there's a value for people's contribution. As long as you're not shooting your mouth off without any thought, there's enough of respect for differing opinions...There are so many times where they're [the family] happy to adopt and listen, to give fully opinions or to change their opinions.

Dr. Prisha: We have a very flat team where everybody talks, everybody listens. Dissenters are patiently heard. Dissenting voice has been responded to, and if the dissent is backed up by good research, there will be absolutely full acceptance [by the family] without any kind of counter-analysis, or anything like that. I have been one of those trouble-makers, and tolerated.

Dr. Keya and Dr. Prisha corroborate Dr. Kalinda. They explain that the family not only engages nonfamily stakeholders in discussion, but also conforms to their views.

However, stakeholder resistance (stakeholders who express opposing ideas and views) does not always result in cooperative behaviors. The family is found to resist the decision-making power of others and take a firm position on certain matters. Take, for example, the following quotes from Dr. Aabha (Pro-chancellor) and Dr. Kalinda (senior administrator).

Dr. Aabha: Yeah. So if it's not in the interest of the vision of the university, then of course I do resist. Sometimes it happens in the meetings where someone might just come up with something that is really not in sync with the vision of the university...generally it's the directors will come up with something, and we say "Okay this is not the way we want to."

Dr. Kalinda: It's a Board of University Development meeting, and what had happened was because analytics was becoming the in-thing, every institute wanted to start a program in analytics...The human resource institute wanted to start analytics in human resource data. The telecom institute wanted to start the data analytics program. Every institute wanted to start a data analytics...I said, "I simply don't agree with this." I said, "This is crazy. What we need to do is we need to offer a data analytics program, a data science program with the first year being a data science common thing, and after that, allow a student to choose which area or specialization of data analytics he wants to get into. Somebody might say HR Analytics, somebody may say Health Analytics, somebody may say financial. Let them do that. Please don't allow every institute to start a program like this"...[Dr. Aabha] did not agree. She said, "No, it won't work because who will take ownership of the program?"..."I don't think we're going with this. I can't accept your decision now because we don't have a system which ..." And what I said is, "The common program can be offered by one institute." She said, "I have a feeling that it might die down as nobody's child, nobody's responsibility, nobody's baby."

In both scenarios, the family is highlighted as taking a strong and nonflexible orientation to making decisions. Dr. Aabha shares that there are times when ideas or proposals coming from the faculty are rejected. And Dr. Kalinda explains that Dr. Aabha rejected her proposal to centralize the offering of data analytics. At first consideration, the family's decision-making approach revealed in these two scenarios may appear top-down and autocratic. The family seems to be getting what it wants. However, a closer examination of the second quote from Dr. Kalinda's interview reveals that the decision-making approach is far from being autocratic. Dr. Kalinda, in her explanation of her interaction with Dr. Aabha, reveals that the family comes to disagree with her within a context of back-and-forth dialogue. There is discussion and the concerns of both parties are brought to the table. The family's decision-making approach is thus not top-down, but one that values and integrates the opinions of other parties, even when ideas are rejected. This is confirmed by Dr. Kalinda as she continues her conversation in the quotes shown below.

Dr. Kalinda: They respect our views. Not always are they able to accept it, but at least we have the...You have a platform and to that extent you have the autonomy to say what you want to say...So similarly, when we have differences, it may not be in an open forum, but we'll say, "Ma'am, I have said it a couple of times. I think this is unfair. We need to do something more for them." The best thing is they are willing to listen. That's a very, very good quality that they have both [Dr. Aabha] and [Dr. Prem].

Dr. Kalinda: Even [Dr. Prem] is very receptive to ideas. He may not agree at the end of it. He says, "I listen to you, but I may have certain reasons why I don't think I can do it now, which is fair." So, that way at least we have this [collegial atmosphere].

In review, several interview participants, both family and nonfamily, corroborate that the family approaches decision-making in the reality of stakeholder diversity and resistance by taking either (a) a cooperative approach to decision-making or (b) a strong position orientation to decision-making. The interview data further suggest that in both approaches the family reaches decisions through discussion. With these findings, we may now fill in the appropriate cell in the

right column of Table 2.1 below, which is part of Table 1.9 shown earlier. The next step is to examine the decision-making behaviors I just clarified through the lenses of socioemotional wealth theory and stakeholder theory.

Table 2.1 The Family’s Decision-Making Approach (with respect to family influence and within the governance reality of stakeholder diversity)

| <b>Governance realities of GHU</b>                                    | <b>Factors resisting family-centric SEW</b>   | <b>Family’s decision-making approach</b>                                   |
|---|---|--|
| Stakeholder diversity with different needs, priorities, and interests | Nonfamily stakeholders having decision-making power and using their power to question, and even challenge family views, as well as push their own agendas | Decision-making by cooperation or remaining firm, but always by discussion |

Source: Author

### *Application of SEW Theory*

In applying socioemotional wealth theory, the question becomes whether the family’s decision-making approach—in this case by taking a cooperative stance or a firm stance—is connected to preserving or augmenting the family’s stock of SEW. First, we examine the cooperative approach through the lens of socioemotional wealth theory. The cooperative approach to decision-making is not connected to protecting or increasing the SEW dimension of family influence. This much is clear—because we already established in the previous section that SEW theory does not explain cooperative decision-making behaviors. The act of cooperating is interpreted to mean sharing influence and allowing the goals and interests of nonfamily stakeholders to drive decision-making. Indeed, this decision-making behavior departs from the normative decision-making patterns of dominant family coalitions as understood by socioemotional wealth theory.

However, I raise the question of whether I can extend the same reasoning to the strong position orientation the family takes to decision-making. Is the strong position approach connected to preserving or augmenting the socioemotional wealth dimension of family influence? The answer, while not immediately apparent, is again no. The key to answering this question is in clarifying the intent behind Dr. Aabha's decision-making behavior. Her intent is altruistic and not opportunistic. The intent driving Dr. Aabha to resist nonfamily stakeholders is not related to satisfying any family-centric affective need (including increasing or protecting family influence). Rather, the ideas and proposals of nonfamily stakeholders are rejected on the basis of their inconsistency with an organizational goal—not a goal of the family. This, Dr. Aabha is quite clear on. She says, "Yeah. So if it's not in the interest of the *vision of the university*, then of course I do resist."

We may further argue that the family's strong position approach is not opportunistically-motivated and explained by SEW theory because of another clue. This clue relates to the process by which the family comes to reject ideas from nonfamily stakeholders. According to Dr. Kalinda, the family takes a strong position approach to decision-making within the context of discussion and treating nonfamily stakeholders fairly and with respect. Such behaviors depart from family-decision-making patterns as understood by socioemotional wealth theory. According to Zientara (2017), nonfamily employees are on the receiving end of what are referred to as "business practice contradictions." This concept refers to the conflict between the family's need to preserve SEW, especially family influence over day-to-day operations (Chrisman et al., 2012; Vardaman & Gondo, 2014), and the fair practices that typically (or rather ought to) inhere in the business system. Business practice contradictions take many forms including undemocratic decision-making mechanisms and processes that do not integrate the views of nonfamily

stakeholders (Zientara, 2017). In other words, Zientara is arguing that it is often the case that nonfamily stakeholders feel poorly treated and ignored as an outcome of family-centric decision-making behaviors. However, we learn that the nonfamily stakeholders at GHU are treated fairly and with respect. This is corroborated by Dr. Kalinda. The Prem family is found to integrate and value the views and opinions of others even when rejecting ideas.

For the reasons stated above, I conclude that both the cooperative and strong position orientations to decision-making (in the governance reality of stakeholder diversity and resistance) are not best explained by socioemotional wealth theory. However, as explained in the previous section, this does not mean that socioemotional wealth theory is completely irrelevant. The family's decision-making behaviors may be explained by the positive view of socioemotional wealth. It may be that the family respects and values the opinions of others to demonstrate their capability as leaders in order to remain in power (protect other SEW besides family influence). Thus, the suitability of socioemotional wealth theory to explain family decision-making behaviors in the governance reality of stakeholder diversity and resistance depends on the view we take or the particular SEW dimension being considered.

### ***Application of Stakeholder Theory***

In applying stakeholder theory, the question becomes the following: Does GHU's leadership (family) value and integrate the perspectives of others when making decisions by cooperating or taking a strong position approach? First, we investigate whether the cooperative approach to decision-making can be explained by stakeholder theory. As already established, this approach is not connected to satisfying the family's affective need of preserving or augmenting family influence. Rather, this approach satisfies the affective needs of nonfamily stakeholders.

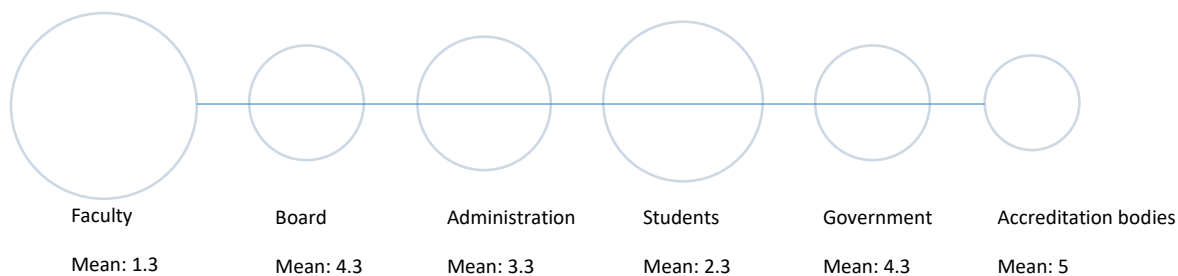
By listening to Dr. Kalinda and letting her drive decision-making, the family is essentially taking a stakeholder approach to management.

Dr. Aabha's approach of listening to Dr. Kalinda and addressing her needs can be further explained by how stakeholder theory interprets power. According to stakeholder theorists (e.g., Brummer, 1991; Freeman, 1984), stakeholders possess decision-making power in the form of 'competitive threat,' referring to the capacity to challenge dominant organizational values and practices. This power is understood to stem from stakeholders having different aspirations and expectations. In such a context where competitive threat is strong, leaders are encouraged to recognize the power bases of stakeholder groups and address these power bases by taking a cooperative approach to decision-making. Namely, leaders are encouraged to grant stakeholders more autonomy to drive governance transactions and processes (Freeman, 1984).

The above reasoning may explain why Dr. Aabha takes a cooperative approach to decision-making. She may perceive Dr. Kalinda as someone with a high level of competitive threat. Certainly, this is a possibility because all of the stakeholder groups at GHU including the administrative stakeholder group to which Dr. Kalinda belongs were found to have decision-making power. In the previous chapter, the distribution of decision-making power of stakeholders groups was visually presented using Kells' (1992) relative power circles. The circles were calculated based on taking the average (or the mean) of ranking positions given to stakeholder groups by interview participants. The average of these rankings signifies their decision-making power level. These averages (means) are shown in Figures 2.4 and 2.5 below along with the sizes of the associated relative power circles. As shown, a smaller average (mean) means a larger circle, and therefore greater decision-making power. Thus, faculty in academic

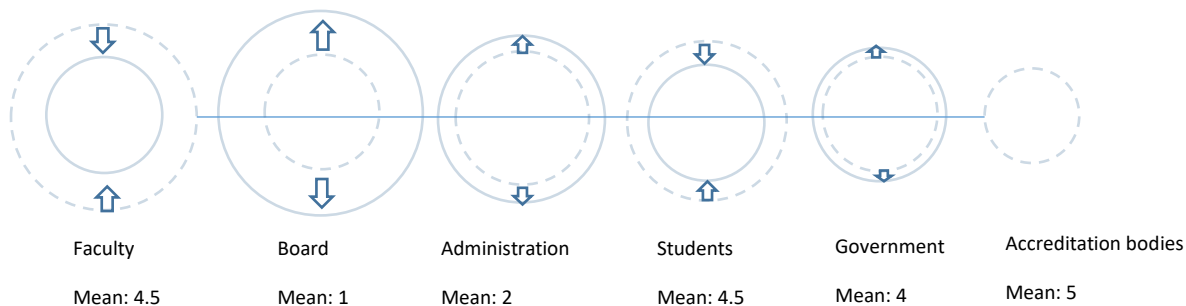
decision-making, who have a mean of 1.3, has more power relative to, for example, the board with a mean of 4.3.

Figure 2.4 Distribution of Power Among Stakeholders Regarding Academic Decisions



Source: Author

Figure 2.5 Distribution of Power Among Stakeholders Regarding Administrative Decisions



Source: Author

The size of the relative power circles in the two figures above may be loosely interpreted to represent the level of competitive threat that stakeholder groups possess. I justify this approach on the premise that power is used by different groups to resist the views of other groups (Bolman & Deal, 2017). Thus, power as defined by Bolman and Deal (2017) and competitive threat as defined by Freeman (1984) are akin concepts, both describing the use of power to resist or challenge others. With this understanding, we may say that Dr. Kalinda's level of competitive threat, as someone representing the administration, is greater than Dr. Aabha's (who sits on the board) for academic decisions (Figure 2.4) and nearly matching Dr. Aabha's for

administrative decisions (Figure 2.5). Thus, Dr. Aabha may find the need to approach decision-making in consideration of the decision-making power, or competitive threat, that Dr. Kalinda is suggested to have.

Next, we investigate whether the strong position decision-making approach taken by the family can be explained by stakeholder theory. According to Dr. Kalinda and Dr. Aabha, the family sometimes rejects the ideas and proposals coming from nonfamily stakeholders. Does this approach integrate and value the perspectives, as well as satisfy the expectations, of nonfamily stakeholders in decision-making? In a first consideration, we may say no and that stakeholder theory is not suitable to explain this decision-making approach. The family does not seem to be satisfying the expectations and needs of nonfamily stakeholders and in fact appear to be pushing its own agenda. The family's interest prevails.

However, I conclude that the family, while making decisions firmly and perhaps from a position of power, is in fact valuing the perspectives, as well as satisfying the expectations, of nonfamily stakeholders—for several reasons. For one, we learn that the strong position approach to decision-making happens in the context of discussion and collegiality. Dr. Kalinda explains that nonfamily stakeholders “have a platform” to “say what [they] want to say,” and that the family is “receptive” to ideas and views. This means that the family is integrating the perspectives of nonfamily stakeholders. The family is listening as Dr. Kalinda further explains. Second, we may argue that the needs of nonfamily stakeholders are being met in another way. According to the higher education literature (Birnbaum, 2004), faculty (and other stakeholders in the university setting) care more about the process by which decisions are made than about the outcome of decisions. They care more about the perceived fairness of the processes through which organizational decisions are made (Birnbaum, 2004, p.12). Therefore, we may say that Dr.



Keya, even though the family rejected her proposal, was satisfied by virtue of participating in the decision-making process. In other words, her ability to participate in decision-making, and have her views and opinions valued, mitigates any concerns that she may have about the outcome of her meeting with the family. Indeed, this is the impression I had when interviewing Dr. Kalinda. She seemed to express her approval of the family's approach to decision-making. She says, "The best thing is they are willing to listen. That's a very, very good quality that they have both [Dr. Aabha] and [Dr. Prem]." We may therefore reason that stakeholder theory has some relevance to explaining the strong position approach taken by Dr. Aabha.

Based on the reasons stated above, I conclude that stakeholder theory is suitable to explain both the cooperative and strong position decision-making approaches of the family.

## **Renewal**

In earlier chapters, we learned from Dr. Aabha that controlling the Trust in perpetuity is an important goal of the family. We also learned that the family's desire to remain managerially involved may be resisted by nonfamily stakeholders who may have skepticism about the competency of younger generation family members. In the next few paragraphs, I present interview data revealing how the family deals with this situation.

According to interview data, there are two mutually reinforcing approaches that the family takes that together are believed to appease the concerns of nonfamily stakeholders related to family-based succession. One of these approaches may be found in two quotes from Dr.

Aabha's (Pro-chancellor) interview:

Dr. Aabha: So at this stage I don't think I have any challenges because people have accepted me...I think when you prove your credentials by your actions, by your academic pursuits, by your intellect, I don't think so. Because people now, I've sat on so many government bodies, one of the highest ones which is the University Grants Commission, or the Commission of the Board of Education, and several others. I don't think I was appointed there by the government of India because I belonged to a family or because my

father did anything, but mainly because of my own intellectual identity...But as I said, when you prove yourself by your actions, by your capabilities, by your intellect, then people start respecting you and they start believing that you're here out of your own credentials and not really because you're a member of the family.

Dr. Aabha: And likewise, even my children are now associated with [Grand Hall], my daughter [Meher]...or my son [Dr. Vihaan] who's done his PhD, and has done his MBA. They're all in positions where they still have a lot of reporting authorities that they have to report to, because I believe that they should also understand the cause and the culture and the vision of [Grand Hall]. They need to really work hard. They need to prove themselves and it should not be like a cakewalk that they're someone's grandchildren or someone's children, that they should assume positions. Because I believe that people start respecting you by your work, by your credentials and by your actions than really by just being from a family...you need to have people who are passionate about doing that work and also know at a grass-root level what are the functions that go on in an organization...Sometimes I have to say this to my son. Once he asked me "How is it that so-and-so's son is already the vice president? I said...It's not going to be like this, you're different, and this is what we are.

According to Dr. Aabha, family members perceivably receive respect from nonfamily stakeholders only after proving themselves as capable and effective leaders, through action and on the basis of merit. Dr. Aabha says, "I believe that people start respecting you by your work, by your credentials and by your actions than really by just being from a family." Importantly, Dr. Aabha expects her children to "work hard" and "prove themselves," just as Dr. Aabha has. Dr. Aarav (Dean of a faculty and husband to Dr. Aabha) echoes Dr. Aabha and says that the younger generation is expected to receive proper education and training. He says, "We empower them [younger generation members] by education, by training, by getting them into the ecosystem."

The second way in which the family deals with stakeholder concerns about family-based succession is found in the quote below from Dr. Vihaan (head of an administrative office and Dr. Aabha's son).

I mean if the family succession is taking place at decent intervals, decent time intervals and not immediately, because as I said, [there] are so many family run organizations in [this city]. I have seen positive that the son or the grandson if immediately drafted into a vice president role in his first year or her first year...I don't think the internal members take that lightly, they feel that they have been working so hard, why can't they also take

other responsibility or at least that person or the grandson should have worked for x number of years and then come up gradually. So that is definitely, but in here [at Grand Hall University] at least we have not face that problem so far. Because even if I wish to be in that position solely, but I know that I have to grow my mettle first. Same for my sister...So my, my mother she was Director of [Grand Hall] healthcare, then she climbed up the rank when she became the deputy director, then the principal director, now she is pro-chancellor. As similar to my father, he was the director, now dean...So I mean obviously everyone will come up from scratch.

Dr. Vihaan shares that there is a “right way” to facilitating family-based succession. Family-based succession should be a gradual process with members of the family entering the university at lower-level positions, then filling higher positions as they “grow [their] mettle” as Dr. Vihaan explains. This is corroborated by Dr. Aabha who in her interview explained that the family must begin their engagement at GHU “at the grass-root level to understand the system, to see whether they're really interested, to see whether they are capable of, and then really make them climb up in positions of governance.” Only by taking the grass-root approach can the family avoid stakeholder backlash that according to Dr. Vihaan’s quote above presumably exists in other family-run institutions in India.

In review, family members at Grand Hall University deal with nonfamily stakeholder concerns about family-based succession by (a) proving their capacity as leaders based on merit and through action and (b) filling leadership positions only after building experience and knowledge at lower levels of the organizational hierarchy. With these findings, we may now fill in the appropriate cell in the right column of Table 2.2 below, which is part of Table 1.9 shown earlier. The next step is to examine the decision-making behavior I just clarified through the lenses of socioemotional wealth theory and stakeholder theory.

Table 2.2 The Family’s Decision-Making Approach (with respect to renewal and within the governance reality of stakeholder diversity)

| <b>Governance realities of GHU</b> | <b>Factors resisting family-centric SEW</b> | <b>Family’s decision-making approach</b> |
|------------------------------------|---|--|
|------------------------------------|---|--|

|   |  |   |
|---|--|---|
| Stakeholder diversity with different needs, priorities, and interests | Nonfamily stakeholders who do not respect younger family members expected to succeed familial incumbents | Proving leadership capability through action and merit and by filling leadership positions only after building experience at lower levels of the organizational hierarchy |
|---|--|---|

Source: Author

### *Application of SEW Theory*

In applying socioemotional wealth theory, the question becomes whether the family's approach to alleviate stakeholder concerns about succession is connected to preserving or augmenting their stock of socioemotional wealth. The answer is yes. We may understand the family as making decisions to protect their capacity to remain in power as well as protect their capacity to continue influencing university affairs. Thus, the decision-making approach of the family is connected to preserving or augmenting the SEW dimensions of renewal and family influence. However, the family's decision-making approach is only explained by the positive view of SEW. As explained, this view assumes that managerial families proactively engage stakeholder concerns and needs in order to remain in power. Managerial families in commercial settings are understood by the literature to appeal to stakeholder concerns to avoid situations where stakeholders question the family's authority and in worse cases exile them from the organization. Indeed, this reasoning can be extended to explain how the Prem family makes decisions about their managerial involvement at GHU. Family members at GHU suggest that there is a "right way" to facilitate family-based succession, which presumably is designed to satisfy stakeholder concerns. In fact, I conclude that the family's approach to succession does satisfy stakeholder concerns. Nearly all of the nonfamily interview participants including Dr. Prisha, Dr. Keya, Dr. Kalinda, and Dr. Aditi expressed their approval of the family-based

succession model. They all agree that the family is well qualified and deserving of their leadership positions. This was shown to be the case in chapter 8.

### ***Application of Stakeholder Theory***

Stakeholder theory is also suitable to explain the family's decision-making behavior to remain in power. This is because, as mentioned, the family is subscribing to a "right way" of family-based succession that is designed to satisfy stakeholder concerns. Thus, both the positive view of SEW theory and stakeholder theory explain the family's decision-making approach to succession.

### **The Family's Approach to Decision-Making where Government Regulatory and Social Pressures are Pronounced**

This section aims to clarify, if not already done so in the earlier chapters, how the Prem family approaches decision-making within the governance reality of stringent regulatory rules and ordinances and where social pressures are pronounced. Since both family influence and renewal (family-based succession) were found to be resisted within this governance reality, I will investigate how the family approaches decision-making in the two contexts of (a) where limits are placed on what the family can and cannot do and (b) where family-based succession is undermined.

### **Family Influence**

In chapter 8, I discussed government controls as prescriptions ultimately articulating good governance practices. I also explained that the family is expected to subscribe to good governance practices and that a violation of government prescriptions would result in disciplinary action. Relative to these understandings, the question therefore becomes does the family subscribe to good governance practices? The following quote from written information provided by Dr. Prem suggests that indeed the family does.

A public institution must not only be beyond reproach, it must appear to be so. Decisions at [Grand Hall University] are taken after consultation with everyone concerned. At the mega level there are various committees—the Management Committee and the Planning and Monitoring Committee. At the middle level there are various standing committees, advisory bodies, academic councils and eminent personalities. At the operational level there are directors, senior faculty and even newly recruited greenhorns. All have a say in the matter. There are clear operational guidelines. All appropriate measures are taken, in conformity with the highest principles of public probity. (written information by Dr. Prem)

According to Dr. Prem, “operational guidelines” are not only clear but also followed with respect to decision-making. The operational guidelines to which Dr. Prem refers to articulate how decisions are to be handled. I argue that these guidelines were developed in consonance with the expectations of the UGC. As we learned in earlier chapters, the UGC expects the formation of several governing authorities (e.g., Managing Committee and Academic Council) at deemed-to-be institutions and expects that governing authorities work together, while not infringing upon the powers of each other, to reach decisions. According to Dr. Prem’s quote above, this expectation seems to be satisfied. Dr. Prem makes explicit that decisions are taken only “after consultation with everyone concerned” and “in conformity with the highest principles of public probity.” Here, I loosely interpret “public probity” to encompass expectations laid down by the government. Dr. Prem is essentially explaining that rules are followed and in a manner that satisfies the expectations of society (which we may understand as including the government).

The following is another quote that shows that the family follows “operational guidelines.” Dr. Aabha (Pro-chancellor) explains:

I started something called the [Grand Hall] Center for Healthcare. So I believed that international universities abroad have a very strong health management system for students and the staff, we never saw something like this in India or an Indian university. So that's something new that I brought back, and I said let us start something like this in [Grand Hall], but that also, I just can't go up to my father and say I want to start something like this. I put up this proposal in front of the board of trustees, and I had to make a presentation and prove to them that this is something that was required, and then they approved it.

Dr. Aabha shares how she established the Center for Healthcare. She established the center by not relying on her father, but by adhering to governance protocols. Based on what we learned in earlier chapters, we may understand these protocols to be informed by the UGC. According to UGC regulations, decisions are expected to be handled on governing authorities where members each have and can cast one vote. Decisions are thus reached by majority rule. In the scenario above, Dr. Aabha's proposal was presumably approved in this way, by members of the Managing Committee casting votes. Thus, Dr. Aabha may be understood as simply following UGC protocol.

Nonfamily interview participants corroborate that the family follows "good" governance protocols. The following quotes are from Dr. Kalinda (senior administrator), Dr. Keya (Director of an institute), and Dr. Kiaan (Professor).

Dr. Kalinda: So what happens is, invariably the Vice-chancellor and Pro-chancellor for certain things which I'm dealing with directly, they will definitely say, "Please refer to her." If they go directly. But I won't say that informal networking does not happen. It happens...Then the Pro-chancellor will say, "In principle, I told you yes, now follow the processes."

Dr. Keya: You see. They [family] run it as professionally as possible. That you follow all norms and practices, so that you get an expertise, that people are empowered to speak.

Dr. Kiaan: No, I don't think, because [Grand Hall] works in a protocol...In a protocol. Even, I have a part of...I experienced when [Dr. Aarav], he's a family member. His son and daughter, they are also part of some of the portfolios in the university...They never bypass anybody...Nobody is here doing some wrong things, or some violation of the rules. I don't find anybody like this....

Above, we learn from all three interview participants that the family follows rules, rules that presumably are informed by the broader regulatory framework in India. Dr. Kalinda shares that the family, while confirming that informal networking does happen, inevitably encourages university personnel to engage the necessary channels to get a proposal approved. Similarly, Dr.

Kiaan shares that the family never bypasses anybody and Dr. Keya shares that the family runs the institutions as professionally as possible. In sum, we may say that the family approaches decision-making within the reality of stringent government accountability by referencing the rules of the university (and ultimately the government).

We learned from chapter 8 that accountability pressures also exist in the form of societal criticism. We already know one way in which Dr. Prem reacts to social pressures. In chapter 7, we learned that Dr. Prem resisted attacks from society regarding his choice to develop a plot of land for the university. Indeed, this is an example of the family resisting societal pressures. The family makes a decision to push its agenda regardless of what society thinks.

Dr. Prem is also found to conform to social demands. Consider the following quote from written information provided by him.

A couple of founder members demanded position in institutes, which had to be complied with. Both of them found themselves quite out of their depth and on the complaints launched by parents and students, had to be relieved of their responsibilities. [Grand Hall] was departing from its merit-oriented culture and was already paying for compromising its core values. (written information by Dr. Prem)

To give some context, this quote clarifies how Dr. Prem reacts to societal pressures arising from a situation I described in chapter 8. As I explained, Dr. Prem was forced by two Managing Committee members to accept some students not on the basis of merit, but on the basis of their connection to the Managing Committee members. The students may be either family or family friends of the members. Complying to this demand landed Dr. Prem in hot water and he and his family found themselves a target of public criticism. Both parents and students launched attacks on GHU as well as on the Prem family for “departing from [the university’s] merit-oriented culture.” The key takeaway from this quote is that Dr. Prem made a decision to relieve the



Managing Committee members of their responsibilities—because of societal pressures. Thus, this decision may be understood as an example of conforming to societal demands.

In review, the family is found to approach decision-making in the reality of stringent government accountability and social pressures by (a) referencing university protocols that are understood to be in line with government regulations and (b) depending on the situation, either conceding to the demands of society or take an opposite approach of challenging society. With these findings, we may now fill in the appropriate cell in the right column of Table 2.3 below, which is part of Table 1.9 shown earlier. The next step is to examine the decision-making behavior I just clarified through the lenses of socioemotional wealth theory and stakeholder theory.

Table 2.3 The Family’s Decision-Making Approach (with respect to family influence and under government and social accountability)

| <b>Governance realities of GHU</b>  | <b>Factors resisting family-centric SEW</b>  | <b>Family’s decision-making approach</b>  |
|---|--|---|
| Stringent government controls (regulations and policy) steering deemed universities and societal perception | Stringent government regulations that carry consequences in the event they are violated; Public backlash regarding GHU decisions | Decision-making in the context of following university protocols and depending on situation, heeding or not conceding to the demands of society |

Source: Author

### ***Application of SEW Theory***

In applying socioemotional wealth theory, the question becomes two-fold. First, does the family seek to protect or augment SEW wealth when approaching decision-making in the context of following rules? I raise the same question regarding the family’s reaction to societal pressures. Does the family seek to protect or augment SEW when either conceding to or challenging social demands?

First, I investigate if the family's conforming behavior to the government meets the assumptive logic of SEW theory. I infer that it does and does not, according to the view taken. At face value, family influence is essentially being restricted within a regulatory framework that articulates how the family should act. Stringent government regulations may discourage the family from making decisions unilaterally. Stringent government regulations effectively narrow the decision-making choices of the family to follow what the government deems as good governance practices. The family is expected to make decisions via shared governance modalities, with the input of a broad stakeholder base, and via governing authorities (decision-making bodies) working together, as required by the government. In other words, the government may be understood as dictating some of the decision-making behaviors of the family. Indeed, this does not fit with the idea that the family can make decisions from a position of power, as assumed by Gomez-Mejia et al. (2007). Thus, a first consideration may lead to the conclusion that SEW theory is not fitting to explain the family's decision-making approach, that the family is not motivated by the pursuit of family influence.

However, I do not ignore the possibility that the family is conforming to government regulations and following university governance protocols as a means to remain in power. Satisfying government expectations may be a way for the family to continue their managerial involvement and preserve and augment SEW in perpetuity. Indeed, the government is a powerful stakeholder group with the power to even appropriate the Trust if rules are violated. Thus, socioemotional wealth theory according to the positive view of SEW may be a suitable framework to explain why the family follows government rules when approaching decision-making.

We may extend the above reasoning to infer that the family concedes to societal pressures as a way to avoid situations threatening the family's ability to remain in power. Society indeed has the power to damage the reputation of the university and the family who shares an identity with the university. In fact, as Dr. Prem explains, society was doing just that. He says that he "was a target and not a day passed without an article, often editorial, criticizing [Grand Hall University] and [him and his family]." This quote comes from written information provided by Dr. Prem.

Finally, I examine whether SEW theory explains the family's approach to challenge society. In the scenario where the Dr. Prem does not give into social demands, we may understand his behavior as ultimately protecting his interests. In written material, Dr. Prem explains that he fought to defend his position (for purchasing the land) because of a noble purpose (which I will not get into at the risk of revealing the identity of GHU). However, the nature of the purpose does not change the fact that Dr. Prem was ultimately protecting his interests. He wanted to use the land for a very specific purpose, according to a vision he had, and nothing would get in the way of that. In this way, we may say socioemotional wealth theory explains the strong-arm approach Dr. Prem takes to fight public backlash. Dr. Prem by resisting societal pressures was indeed seeking to protect or augment his ability to do what he wanted (family influence). SEW theory also makes sense to explain this approach because Dr. Prem was fighting to protect his reputation. He said that his "character had been assassinated," and that he was "left with no other alternative than to fight the case" and recoup his reputation. Thus, he was also fighting to protect the SEW dimensions of 'identity.'

### *Application of Stakeholder Theory*

The central tenet of stakeholder theory is that firm leadership values the legitimacy of different stakeholder groups in decision-making and integrates their perspectives while satisfying their expectations (Freeman, 1984). The question we ask is thus two-fold. Are the members of the family integrating and satisfying the needs and interests of nonfamily stakeholders when the family approaches decision-making in the context of following rules and protocols? The second question to ask is whether the family's reaction to societal pressures is connected to satisfying the needs and interests of nonfamily stakeholders.

First, I investigate if the family's conforming behavior to the government meets the assumptive logic of stakeholder theory. Interview data suggest that the family satisfies the needs and expectations of the government indirectly, by following clearly defined institutional protocols that I argue are developed in line with government expectations about university governance and management. Interestingly, having clearly defined rules that drive management behaviors is a stakeholder concept. According to Freeman (1984), there must be clear rules that govern the relations between the stakeholders and the organization. In this case, the rules in question govern the relationship between GHU and the stakeholder group of India's government. GHU is expected to honor the relationship it maintains with the government by following the rules and regulations laid down by the government.

The Prem family may also be understood as satisfying nonfamily stakeholder expectations when conceding to societal pressures. Society is a stakeholder that places expectations on how the Prem family should act, as I explained in chapter 8. And according to data presented in this chapter, the family seems to satisfy societal expectations. Dr. Prem shares that he *had* to relieve the two managing committees of their responsibilities because of complaints launched by parents and students.

Finally, we examine the family behavior of resisting social demands through the lens of stakeholder theory. Earlier, we inferred that Dr. Prem's action may be understood as ultimately protecting his interests. He was satisfying his affective need to use the land according to what he deemed was right. We may therefore conclude that Dr. Prem's actions were not motivated from an interest of satisfying nonfamily stakeholders. The interest that prevailed was not that of the society's, but that of Dr. Prem's. Thus, I conclude that stakeholder theory does not explain Dr. Prem's behavior to fight environmentalists and government officials in court.

### **Renewal**

We learned from Dr. Aabha that controlling the Trust in perpetuity is an important family goal. However, we learned in chapter 8 from Dr. Prisha (Dean) that the government is frustrating the family's effort to remain in an ownership/management position. The government created a ruling that prohibits family-based leadership, which effectively disrupts family-based succession. Dr. Prisha further explained that one family-run university circumvented the ruling by appointing a nonfamily member as a figurehead while the family continued to steer the university from a distance. When asked how this ruling is being circumvented at Grand Hall University, Dr Prisha replied with the following:

It's not circumvented...We have brought stay to that rule through the court and we are continuing with the status quo...It's prevented by bringing a court order...when the court issues stay, the existing policy continues and not the ministry policy which prohibits family members in helm...

We learn that the family has decided to fight the central government ruling with a court order. This court order supposedly nullifies the new ruling by allowing the existing policy (which allows family members to lead institutions) to remain in effect. With this finding, we may now fill in the appropriate cell in the right column of Table 2.4 below, which is part of Table 1.9

shown earlier. The next step is to examine the decision-making behavior I just clarified through the lenses of socioemotional wealth theory and stakeholder theory.

Table 2.4 The Family's Decision-Making Approach (with respect to renewal and under government and social accountability)

| <b>Governance realities of GHU</b>  | <b>Factors resisting family-centric SEW</b>             | <b>Family's decision-making approach</b> |
|---|---|--|
| Stringent government controls (regulations and policy) steering deemed universities and societal perception | A government ruling prohibiting family-based leadership | Family fights the ruling in court        |

Source: Author

### *Application of SEW Theory*

In applying socioemotional wealth theory, I raise the question of whether the family's action to fight the ruling prohibiting family-based succession is connected to the preservation or augmentation of their stock of socioemotional wealth. The answer is clearly yes. The family is fighting to preserve its ability to remain in power (and motivated by the possibility of losing other SEW, such as family influence). Indeed, this finds theoretical anchoring in socioemotional wealth theory.

### *Application of Stakeholder Theory*

In applying stakeholder theory, I raise the question of whether the family's behavior to fight the government on its ruling integrates and satisfies the expectations of nonfamily stakeholders, in this case the government. It does not. The family's action does not satisfy the needs of the government, but those of the family.

### **The Family's Approach to Decision-Making within the Governance Reality of Shared Governance**

This section aims to clarify how the Prem family approaches decision-making within the governance reality of shared governance. To note, the family's decision-making approach within

this reality may already be clear based on the interview data provided throughout this study.

Indeed, we may say that the family approaches decision-making by sharing governance based on what we learned in chapter 6 and 8, and in earlier sections of this chapter. If anything, the data and discussion provided in this section will further corroborate what may already be apparent.

Also, I only focus on family influence since no interaction was found between this reality and the SEW dimension of renewal (family-based succession).

### **Family Influence**

In chapter 8, I argued that the family and other top leadership members are expected to take a back seat and not intervene in decisions deliberated in the academic decision-making chain. I also explained that the faculty are in a position to challenge leadership when perceiving the leadership to be encroaching upon their academic decision-making autonomy and agency. Relative to these understandings, the key question I raise is whether the family actually participates in the shared governance culture. Does the family meet the expectations of other stakeholders with regard to sharing governance? Some data indicate that shared governance expectations are being met by the family. Consider the following quotes from Dr. Aabha's (Pro-chancellor) and Dr. Prem's (Chancellor) interviews.

Dr. Prem: Before appointment of director of any institution, we think ten times. We look at where he has served, but once we select the person as director, we give him total academic freedom...not financial...academic, and he is [to] bother only about academics. Financial problem he may not bother...we take that responsibility...if some student fight in court against him, we fight on his behalf...because total academic autonomy given to all directors...they think they are custodians of their institutions...they take ownership.

Dr. Aabha: Absolutely, because see my father always says that while the person is sitting in his chair, trust him [or her] 100 percent. The moment you don't trust him, then he should not be sitting in the chair. Right? So it has to be a total trust in someone that you appoint...unless you have this kind of, and these are exactly the values and principles that I really respect, because it's not easy to sit in chairs of governance and not really govern. So today when I sit here...as a CEO, I won't visit an institution unless I'm invited there,

for months, because I have trust and faith that the director of that institution will be doing her or his best...in [Grand Hall], there's more of a decentralized governance. So academic autonomy is given to all the directors to function on a day to day manner.

Both Dr. Aabha and Dr. Prem are essentially describing the bifurcation of powers (the two decision-making chains) shared between the leadership and the faculty. The Trust handles decision related to financial and legal matters as Dr. Prem explains, and academic matters of importance become the domain of faculty. Dr. Aabha shares that she trusts in faculty 100 percent and that academic autonomy is given to all of the directors (who represent the faculty body). We may thus say that the family respects the authority of others (faculty) when approaching decision-making within the reality where decision-making is bifurcated. Nonfamily interview participants corroborate this in earlier chapters. For example, Dr. Prisha was noted with sharing that when she was made director, she became the whole and soul of the institute, meaning that leadership gives her full autonomy to make decisions on her own. Dr. Prisha further notes the following in response to a question about the family's leadership style:

I see that exposure, he [Dr. Prem] has never graduated from the US, but he can think like Harvard. I think that internal expansion and openness to delegation. Openness and delegation, which you delegate and you don't distrust. You delegate and you trust. Out of 100 things he delegated, one mistake might have happened because that individual failed him or he misread. Misreading happens even with the machine, but the fact that he delegated, he created so many leaders. He allowed their energy to enrich his experiment.

Dr. Prisha corroborates the family's account that the family respects the authority of decision-makers in the faculty. She shares that Dr. Prem delegates responsibilities and trusts those who have decision-making responsibilities.

I also explained in chapter 8 that family members may find unilateral decision-making a challenge because nonfamily stakeholder create dissent on governing authorities (decision-making bodies). Some quotes were highlighted to support this. For example, in a quote from Dr. Prisha's interview, we learned that nonfamily stakeholders raise issue with the views of the



family on governing authorities. She is noted with further saying that the role of faculty is “to deliberate, to facilitate discussion, to create dissent” on governing boards “if there is any area which is neglected.” How then, within this reality where faculty create dissent on governing authorities, does the family approach decision-making? The following quotes from Dr. Aabha’s interview provides some insight into how the family participates in decision-making on governing authorities. She responds to a question about what the family does in situations where there is stakeholder dissent.

We [family] have to convince them [nonfamily stakeholders] of course. We have to, as I said, we don't take any decision or don't frame any policies unless we discuss. So, whether it's in our Academic Council or whether it's in the meeting of the directors, or deans, so there are discussions that happen, and then policies are framed. So it's never like a top-down approach where you say this should happen...We always come up with discussions, so even if we think of something for example, we want to try to follow faculty, we want to lay a policy, then we will kind of take opinions from institutions that already are attracting foreign faculty and take their views and then frame the policy...It's never a top down approach, always in consultation.

According to Dr. Aabha, the family takes a collaborative approach to decision-making where the views of faculty are taken into consideration and integrated into the framing of policy. As Dr. Aabha explains, this approach is consistent across Academic Council meetings or meetings with directors or deans. Decision-making on governing authorities is always facilitated within a context of discussing matters with other stakeholders represented.

In another part of her interview, Dr. Aabha confirms that the family takes a democratic approach to decision-making.

Once in two months, I can say regular meetings with the directors of institutions, again this is chaired by the vice-chancellor. So we [family] give enough respect to the chair, just because I attend the meetings and I am the daughter of the chancellor and also...So I will not sit in chair. I will sit there in the meeting as a member, but she will be in chair to carry out the proceedings, because we believe that respect has to be given to the chair. So anyways, we have these regular meetings with directors, and it's absolute democratic discussions...There is so much discussion that happens that is a vibrant discussion and there are so many times things that they might not agree with the Vice-chancellor and the

management, but there is a very heavy discussion. Nearly all decisions, again, this is what my father has taught us. He always believes that decisions should come out of democratic discussions and not really something that is very central.

We further learn from this quote that Dr. Aabha participates in (horizontal) decision-making on governing authorities as a member and not as the Pro-chancellor or the founder's daughter. Like every member, she not only gives respect to the Vice-chancellor who chairs meetings, but also engages other members through "vibrant discussion." Thus, we may say that the family approaches decision-making as any other nonfamily stakeholder member, not by exerting family or leadership status, but by participating in discussion. Nonfamily interview participants corroborated this in previous chapters and earlier in this chapter. They explained that the family during meetings is willing to listen and discuss matters, even if ideas are rejected.

Finally, in chapter 8, I argued that members of one governing authority must make decisions with sensitivity to the needs and demands of the members of other governing authorities. This is because governing authorities work together democratically to facilitate decision-making. I provided some indirect interview data to support this inference. Dr. Kiaan shared that proposals sent up the Board of Management are always "agreeable" and never flat out rejected. My understanding is that within this reality, where members of one governing authority respect the needs of the members of other governing authorities, the family as members of governing authorities must also make decisions with sensitivity to the needs of members on other governing authorities. Unfortunately, there is not enough direct evidence in the interview data to confirm and corroborate this inference. However, we can speculate this to be true based on the interview quotes presented throughout this study. We learned from Dr. Aditi that academic decision-making is not autocratic, but democratic and ground-up. This means that governing authorities, and the members of these authorities, at higher levels within the

organization do not infringe upon the powers of those located at lower levels. Rather, they all—governing authorities and the people on these authorities (including family)—work together democratically. We also learned that within this ground-up approach, faculty at bottom levels of the organization are the real decision-makers when it comes to academic decisions. We may assume this to mean that those located higher up (administration like the Vice-chancellor and top leadership like Dr. Aabha) are agreeable to the inputs provided by faculty found on governing authorities at lower levels of GHU. Third, we learned that the family makes every effort to abide by university protocols including those governing decision-making processes. Dr. Prem shares that decisions are deliberated on governing authorities and committees from lower to upper levels of the organizational hierarchy, and that decisions are reached only after consulting all the members of GHU.

Thus, in this reality where academic decision-making is not autocratic and top-down, but democratic and ground-up and where the family strives to observe university protocols, we may say that the family approaches decision-making by respecting the academic decision-making process in place and respecting the inputs of faculty at lower levels of the organization. In other words, the family does not monopolize the (academic) decision-making process, but contributes to it as any other nonfamily stakeholder at GHU.

In review, shared governance is practiced at GHU through three modalities. One way in which shared governance is practiced is by the faculty having professional authority and controlling the academic decision-making chain. The administrative decision-making chain is controlled by the Trust that centralizes various administrative services. In this reality, we found that the family approaches decision-making by respecting the authority of decision-makers controlling the academic decision-making chain. The second way in which shared governance is

practiced is by nonfamily stakeholders participating in decision-making on governing authorities (via horizontal governance processes). As explained, horizontal governance processes replace hierarchical leadership with collaboration, coordination, shared responsibility for decisions and outcomes, and a willingness to work through consensus (Ferguson, 2009). In this reality, the family approaches decision-making as any other nonfamily stakeholder on governing authorities, by participating as members and in the context of discussion and collaboration. The final way in which shared governance is practiced is by different governing authorities (located at different levels of the organizationally hierarchy) working together democratically to reach decisions. In this reality, I concluded that the family approaches decision-making by respecting and participating in the decision-making process as any nonfamily stakeholder. With these findings, we may now fill in the appropriate cell in the right column of Table 2.5 below, which is part of Table 1.9 shown earlier. The next step is to examine the decision-making behavior I just clarified through the lenses of socioemotional wealth theory and stakeholder theory.

Table 2.5 The Family's Decision-Making Approach (with respect to family influence and within the governance reality of shared governance)

| <b>Governance realities of GHU</b>  | <b>Factors resisting family-centric SEW</b>  | <b>Family's decision-making approach</b>                                 |
|---|--|--|
| Two decision-making chains  | Expectations placed on the family by faculty to not interfere in decisions related to the academic decision-making chain | Decision-making by respecting the authority of nonfamily decision-makers |
| Decisions are deliberated on governing authorities with broad stakeholder representation  | Nonfamily stakeholders who create dissent on governing authorities   | Decision-making through collaboration and discussion                     |
| Decision-making is facilitated via multiple governing authorities working together democratically and via a ground-up mechanism | Nonfamily stakeholders at lower levels who are the real decision-makers  | Decision-making by respecting the input of faculty                       |

Source: Author

### *Application of SEW Theory*

In this section, socioemotional wealth theory is applied to three decision-making behaviors: decision-making by respecting the authority of nonfamily decision-makers; decision-making through collaboration and discussion; and decision-making by respecting the inputs of faculty.

I first examine decision-making by respecting the authority of nonfamily decision-makers through the lens of SEW theory. The question becomes the following: Does the family reference the loss or gain of socioemotional wealth when approaching decision-making by respecting the authority of nonfamily decision-makers? The answer is yes and no. The answer is no because it is clear that by sharing decision-making with faculty the family is not motivated by an interest to

protect or increase family influence. Quite the opposite. Respecting the decision-making authority of nonfamily decision-makers is about sharing influence—not protecting or augmenting it. As explained earlier in this chapter, this diverges from the normative decision-making patterns of families in ownership positions according to the family firm literature. Whereas managerial families in commercial settings do everything in their power to avoid the sharing of influence, the Prem family is found to share influence by respecting the authority of other decision-makers. Thus, SEW theory is ill-adapted to explain the family's decision-making behavior with respect to family influence. However, the answer may also be yes because the family may be respecting the authority of nonfamily decision-makers as a means to remain managerially involved. This behavior, as explained in previous sections, is consistent with the positive view of SEW. Families in ownership positions ensure that stakeholders remain satisfied so that the family's motivation and status as leaders is not questioned by stakeholders. Satisfying the needs and expectations of stakeholders is crucial to giving the impression that family-based leadership works. Only in this way can the family remain managerially involved and continue to reap the affective rewards tied to socioemotional wealth.

Next, we examine decision-making through collaboration and discussion (on governing authorities) through the lens of SEW theory. In this case as well I conclude that socioemotional wealth theory is both suitable and ill-adapted to explain the family's decision-making behavior, depending on the view we take. We may say that SEW theory is not fitting according to the negative view of SEW where firm employees are on the receiving end of business practice contradictions (e.g., lower salaries, untimely promotions, suppression of decision-making power) because of self-serving family behaviors. Indeed, this view is ill-adapted to explain the family's approach of engaging nonfamily stakeholders through collaboration and discussion. The

nonfamily stakeholders of GHU are not on the receiving end of business practice contradictions (in this case the suppression of their decision-making power); rather, they are empowered to speak their minds via horizontal governance modalities that replace hierarchical leadership (the family's authority) with collaboration and shared responsibility for decisions and outcomes. This is confirmed by Dr. Aabha who says that top-down approaches are never used and that the family will even "try to follow faculty." Thus, the activities of discussion and collaboration are more about ceding and sharing influence and allowing nonfamily stakeholders to drive decision-making than about protecting or augmenting it. We may also say that SEW is suitable according to the positive view. The fair treatment of nonfamily stakeholders on governing authorities may be a way for the family to remain managerially involved.

Finally, we examine the decision-making approach of respecting faculty input through the lens of SEW theory. Here too for the same reasons as above we may say that the family's decision-making behavior cannot be explained by SEW theory. The family's input is but one of many contributions coming from a broad stakeholder base as proposals move up the academic decision-making chain. By respecting this process and the faculty who are sending up the proposals, the family approaches decision-making in a way that does little to protect or augment family influence. In the vertical decision-making process, they cede some of their influence to nonfamily stakeholders, especially those located at lower levels of the organization. These faculty were described by Dr. Aditi as the "real decision-makers." Again however, the positive view of SEW may be salient, for the very same reasons as explained earlier.

Within the realities of all three shared governance modalities, the family is understood to share influence rather than concentrate it. Nonfamily stakeholders are empowered to contribute to the decision-making machinery of GHU, and also make decisions on their own. And

depending on the view of SEW we take, we may say that SEW theory is either suitable or ill-adapted to explain the family's decision-making approaches. Of course, SEW theory would only be suitable to explain the family's pursuit of other SEW besides family influence.

### ***Application of Stakeholder Theory***

We first examine decision-making by respecting the decision-making authority of faculty through the lens of stakeholder theory and ask the question of whether this decision-making behavior integrates and satisfies the expectations of nonfamily stakeholders. The answer is yes. The act of trusting stakeholders to carry out responsibilities is fundamentally a stakeholder approach. According to Brummer (1991), management shares and entrust responsibilities to stakeholder groups as part of a what he refers to as the 'collegial model.' Thus, when Dr. Aabha and Dr. Prem trust the faculty to carry out their responsibilities, they are demonstrating a principle of stakeholder theory.

We may also interpret the family's decision-making behavior (respecting the decision-making authority of faculty) through the lens of power as defined by stakeholder theory. According to Freeman (1984), when stakeholders are understood to have a high degree of competitive threat, or the capacity or power to resist the dominant values and practices of the organization, leadership is encouraged to cede the ownership of the decision-making process to these groups. In other words, managers are encouraged to grant stakeholder groups more autonomy to drive firm governance transactions and processes (Freeman, 1984). This theoretical reasoning seems to capture the state of affairs at GHU. The family grants complete academic freedom to faculty—who not only seek decision-making autonomy (as shown in chapter 6), but also have decision-making power (as shown in chapter 8).



I next examine decision-making through collaboration and discussion through the lens of stakeholder theory and ask the question of whether this decision-making behavior integrates the ideas of and satisfies the expectations of nonfamily stakeholders. The answer is yes. As mentioned, cooperating and discussing matters with nonfamily stakeholders are activities not about protecting the interests of one group, but about integrating the opinions and ideas of a broad stakeholder base. The interests of multiple groups are represented in decision-making. We learned from Dr. Aabha that decisions are reached and policies are framed only after having stakeholders give their inputs within a context of discussion and consensus. Further, collaboration and discussion are understood by the literature (Birnbaum, 2004) to satisfy the expectations of faculty. This is because faculty care more about the perceived fairness of their participation in decision-making rather than the outcome of any decision. Thus, even if faculty ideas were rejected by the family, faculty expectations may still be satisfied on the basis that they were able to participate in the decision-making process. Dr. Kalinda, in praising the family for their openness, seems to corroborate this.

Finally, I examine decision-making by respecting the input of faculty through the lens of stakeholder theory. As explained, the family's input is but one of many contributions coming from a broad stakeholder base as proposals move up the academic decision-making chain. By respecting this process and the input of faculty who participate in this process, the family approaches decision-making in a way that gives others, especially those located at lower levels of the organizational hierarchy, a chance to influence decision-making based on their interests and expectations. In this way, the family is satisfying the needs of nonfamily stakeholders (especially faculty at lower levels of the organizational hierarchy). Thus, stakeholder theory is a good fit to explaining this decision-making behavior.

In sum, all three shared governance approaches may be explained by stakeholder theory. The principles of shared governance harmonize quite nicely with those of stakeholder theory, which essentially defines decision-making as an inclusive and collaborative process where employee participation is not only practiced, but necessary to achieve organizational goals (Brummer, 1991; Freeman, 1984; Freeman & McVea, 2001). Likewise, shared governance is discussed in the literature as a necessary strategy to advance the organizational goals of higher education institutions (Birnbaum, 1988; Brubacher & Rudy, 1997; Heaney, 2010; Hirsch & Weber, 2001; Kerr, 2001). Universities are in the business of education. Only through shared governance (namely faculty empowerment in decision-making) can the university be held accountable to satisfy its intended objective. This is certainly the case at GHU as Dr. Prisha shares in her interview. She explains that faculty empowerment in decision-making is essential because it fulfills the organizational objective of catalyzing output (good research and good teaching).

### **Is this the Whole Picture?**

While not exhaustive and certainly not capturing all of the decision-making circumstances of GHU, the decision-making scenarios highlighted above provide some clarity as to how the Prem family negotiates decision-making within multiple overlapping governance realities. While decision-making is a complicated affair that changes based on circumstances, the Prem family mostly takes a cooperative, nonconfrontational approach to decision-making. However, while this finding (and others discussed above) captures a significant part of decision-making at GHU, it does not relate the whole picture of family decision-making patterns at GHU. There are two other factors to consider based on the interview data, which shed further insight into how the family negotiates decision-making.

### **The Administrative Decision-Making Chain**

Throughout this study, I made clear that there are two decision-making chains. One concerns decisions related to academics and the other concerns decisions related to the administrative services centralized by the Trust. The former has been discussed at length throughout this study. For the most part, it has been the focus of all of the chapters including this one.

We learned that within the academic decision-making chain, the family approaches decision-making with sensitivity to the needs of nonfamily stakeholders. Nonfamily stakeholder interests and inputs are integrated as the family takes a cooperative approach to decision-making. Further, autonomy is given to nonfamily decision-making authorities, and in cases where the family takes a strong position on their ideas and views, decision-making is still facilitated in the context of dialogue.

This section provides some clarity on how the family negotiates decisions related to nonacademic matters, the affairs centralized by the Trust. Key among them are human resources and finance. For the most part, even these decisions are handled by the family in consultation with nonfamily stakeholder outside of the Trust and based in the university. Even these decisions may be explained by stakeholder theory. Take, for example, decisions related to university finances. Dr. Aabha (Pro-chancellor) explains below how budgets are approved.

We have a budget scrutiny committee which is chaired by the Vice-chancellor, I'm there on the committee as a member, then you have the dean, academics and admin, and then we have some experts on site, a chief of finance and so on...So that time, the director will come and give a prospective plan of what he wants to do for that year, what kind of students he will get, what kind of fees that he will charge, what are the expenses he will make...So there, there's a lot of threadbare scrutiny to say this is where you can reduce your expenses, you could increase it on research, but you cannot do this, you can do that...Some back and forth discussions, and then once those budgets are approved we give autonomy to the directors to spend within their budget. Of course, with approvals from

the chief of finance, because you need to look at particular activities at just the right kind of money that they're spending and so on, maybe the chief of finance will even give suggestions too. Say they want to purchase something you will say some other institution also wants to purchase, so best is to go to the centralized purchase department so that you get better rates and so on.

Above, we learn that budget approvals as well as purchasing decisions, all related to the financial affairs of the university, are scrutinized on a budget committee consisting of family and nonfamily personnel of Grand Hall University. Nonfamily personnel include the Vice-chancellor, deans, and other faculty. As Dr. Aabha explains, decisions are reached after “some back and forth discussions” between these stakeholders and those representing the interests of the Trust such as Dr. Aabha and the chief of finance.

Decisions related to human resources are also facilitated in the same fashion. Consider the following quotes from a university document.

Rules and Regulations shall be prepared by both BoM [Board of Management] of [GHU] and Managing Committee of [Grand Hall] Society in consultation with and in concurrence of each other. (University document)

It is hereby notified for information of all concerned that the Managing Committee of [Grand Hall] and Board of Management of [Grand Hall University] have approved the designations, norms of minimum qualification and work experience, job descriptions, grades and applicable basic pay. (University document)

Creation of Posts for [GHU] and its Constituent Institutes: Board of Management (BOM) of [GHU] is the Competent Authority for creation of posts for [GHU] and its constituent institutes. However, the University shall take any further action after creation of the post including filling the post by appointment thereof, only after due consultation with [Grand Hall] Society as additional recruitment/s involves financial implications. (University document)

In the quotes above, we may infer that members representing the Trust (e.g., Dr. Aabha) work together with university staff and faculty (e.g., Vice-chancellor) to facilitate human resource activities centralized by the Trust. These activities relate to determining HR policy and job-related criteria, and creating and filling new positions. This is perhaps why Dr. Aabha

emphasizes in her interview that the Trust must work congenially with the university. She explains:

The relation between the board of trustees [managing committee] and the university is quite tricky in the sense that it should be congenial. Otherwise, if that doesn't work well, which means the principal director which is me, and the vice chancellor have to work like the wheels of a garden hose, we have to run parallel, and you don't run fast. You know the moment we are at conflict right?...the university will crash.

However, not all university affairs centralized by the Trust are handled in the fashion of consultation (with nonfamily stakeholders). Some decisions are handled unilaterally. For example, decisions related to employee malpractice or moral turpitude seem to be made without the vibrant and heavy discussion that may be found in the academic decision-making process.

Dr. Prem (Chancellor) below relates his experience regarding decisions of this type.

Yes yes, you see sometimes what happens, when you give total autonomy to the directors, after five years ten years, he feels he is taller than institution. So he started disobeying instructions from central office. And when that happens, I give them one warning. If he again repeats, I am a bad person. I am a butcher. So he is out.

According to Dr. Prem, unscrupulous activities call for the swift exercise of his authority. There is no discussion and consultation with nonfamily stakeholder on governing authorities or through other officially-sanctioned shared governance modalities. As the “butcher,” Dr. Prem implies that he has the power to make such decisions on his own.

Decisions related to the hiring and appointing of leadership staff may also be made without discussion involving nonfamily stakeholders. As explained in earlier chapters, Dr. Prem appoints the Pro-chancellor and Vice-chancellor. This is his choice to make. The following is what Dr. Aabha shares when asked if there were other candidates considered for the Pro-chancellor position.

No, no, no. So the Pro-chancellor position is a position that is appointed by the Chancellor, like the Vice-chancellor is appointed by the Chancellor.

Furthermore, the Chancellor has the power to resolve disputes pertaining to appointments made by others. The following is a quote from a university document.

The report of the Selection Committee will be put up for consideration and further appropriate action by the Appointing Authority. If the Appointing Authority is unable to accept the recommendations of the Selection Committee, it shall record its reason/s about it and submit the case to the Chancellor/President whose decision shall be final.  
(University document)

Finally, there is a possibility that appointments and promotions concerning family members are made without engaging the necessary channels related to hiring—that is, without formally integrating nonfamily stakeholder inputs and views. Consider the following from Dr. Kiaan’s interview. He reveals that discussion, or as he puts it “two-way talk” around family-based succession does not happen.

Suppose there are top management people, and some like me, professors and others, there should be opportunity to explore my visions...There should be a two-way talk...Both leader and follower...There should be some dialogues...Discussion. Yes, that leadership will work out. Rather than this autocratic, because what I want, this has to happen. This concept should be there.

When asked to clarify whether he meant that it would be nice at Grand Hall University if there were to be more dialogue around choosing leaders, he replied with the following.

Yes. Correct. There should be dialogue, there should be discussions, there should be opinions...So they are more successful...More dialogue should be there. Then family, maybe other leadership positions...Unless, what I will tell you, one single wrong step may go through the deterioration, understand?

I inquired further about what he meant by “so they are more successful” and “one single wrong step may go through deterioration.” He explained that there should be more discussion and planning around training the next generation. To clarify, Dr. Kiaan is not challenging the eventual appointments of younger generation family members to leadership positions. As he reveals in another part of his interview, he strongly believes that the family should remain in control, that the family is the only stakeholder group that can uphold the traditions, values, and

vision of the university. In fact, this is more or less the sentiment of every interview participant I interviewed (as I revealed in chapter 7). Rather, my point is that Dr. Kiaan is arguing that family-based succession could be better planned. He is expressing concerns about the level of his involvement, or perceived fairness of decision-making as Birnbaum (2004) would put it, in ensuring that incoming family members are best fit for the job.

It is important to point out that conversations between family and nonfamily members around succession planning is not entirely absent at GHU. I highlighted earlier a conversation that Dr. Prisha had with the family about preparing the younger generation and sending them to schools like Harvard for leadership training. This conversation, however, seems to have taken place in an informal capacity and is perhaps only occurring between the family and nonfamily stakeholders in higher positions. Dr. Kian, who is found at the departmental level, may not be privy to such conversations or have less opportunities to engage the family informally.

The following quote from Dr. Prisha (Dean) also reveals that family-based appointments may be differently handled from nonfamily-based appointments. When asked how family members come to fill management positions, whether the family-based appointments follow HR protocols, she responds with the following.

It's a very difficult question to answer...For example, we have some universities in [this city] where, what you are [asking], that kind of hypothetical situation happens [family-based appointments not following protocol]. But in [Grand Hall], if you see...Take for example [Dr. Aarav]. He is the dean of [one of the faculties]. I can't imagine another, more accomplished person in that level. It is only coincidental that he is the son-in-law of the family.

It is interesting to note that Dr. Prisha cannot or did not answer the question. She redirected to talk about Dr. Aarav's level of competency. Indeed, he seems very qualified according to his biography on GHU's website. However, the ambiguity of Dr. Prisha's response is a point to discuss. We may infer either that Dr. Prisha does not fully know the process by which family

members are appointed or that she knows but for whatever reason has decided not to share.

Regardless, it seems reasonable to infer that family-based appointments are differently handled from nonfamily-based appointments. It may be that the family does not need the formal approval of nonfamily stakeholders when appointing family to leadership positions. Indeed, further data suggest this to be case. We learn in the quotes below, two from written material by Dr. Prem and one from Dr. Aabha's interview, that the appointments of Dr. Aabha, Dr. Nishita, and Dr. Aarav are made possible because Dr. Prem so desired.

About the same time, my daughter [Nishita] returned to India after a prolonged stay in the USA. She is a computer science professional and had plans to start her own information technology company. I persuaded her to put the cause of [Grand Hall] ahead of her own ambitions... (written information by Dr. Prem)

After [Dr. Aarav] and [Dr. Aabha] returned from [working in a different city], they decided to invest their savings in a gynecology hospital. For some time I was a silent observer but then decided to take them into confidence. I told them that it was my desire that [Dr. Aabha] should devote her time and energies to [Grand Hall]...[Dr. Aarav] accepted the position of Deputy Director of [a center at GHU]...In the meantime, [Dr. Aabha] joined [Grand Hall] Society as Deputy Director. (written information by Dr. Prem)

Dr. Aabha: So then I became a deputy director, he [Dr. Prem] was a principal director, then it was many years and I became the joint director, in about five years, then he [Dr. Prem] said that now you should be an executive chair and I should just be the president.

I would like to focus on the language used by Dr. Aabha and Dr. Prem. Dr. Prem says that it was *his desire* for his daughter, Dr. Aabha to work at Grand Hall. He also says that *he persuaded* his other daughter, Dr. Nishita, to also work at Grand Hall. This language suggests that Dr. Prem may have the authority to hire them or perhaps more pointedly the authority to guarantee their appointments. We also can draw the same insight from Dr. Aabha's quote. Her father was described as saying that she *should* be an executive chair. The use of "should" carries some connotation that Dr. Prem has the authority to promote Dr. Aabha or rather can make her promotion happen. I would like to importantly point out that Dr. Aabha's promotion (and for that



matter the appointments of all family members) is not solely based on family ties. As shown in chapter 8, interview participants all believe second generation members to be competent and qualified for leadership positions. It may be that Dr. Prem also thinks of his daughters and his oldest daughter's husband as being best fit for the job.

In sum, the family seems to have more influence over decisions related to the affairs centralized by the Trust. Through the lens of SEW, we may say that the SEW dimension of family influence is stronger in the administrative decision-making chain than in the academic decision-making chain. We may also conclude that when the Dr. Prem asks family members to join GHU that he is in fact seeking to protect the family's stock of SEW. Their involvement would not only concentrate the family's stock of family influence, but also enhance other SEW such as identity and emotional attachment. The family's identity with GHU and the emotional attachments they have for each other would grow stronger as a result of more family members having direct managerial involvement. Thus, SEW wealth theory has relevance to explaining some of the decision-making behaviors in the administrative decision-making chain.

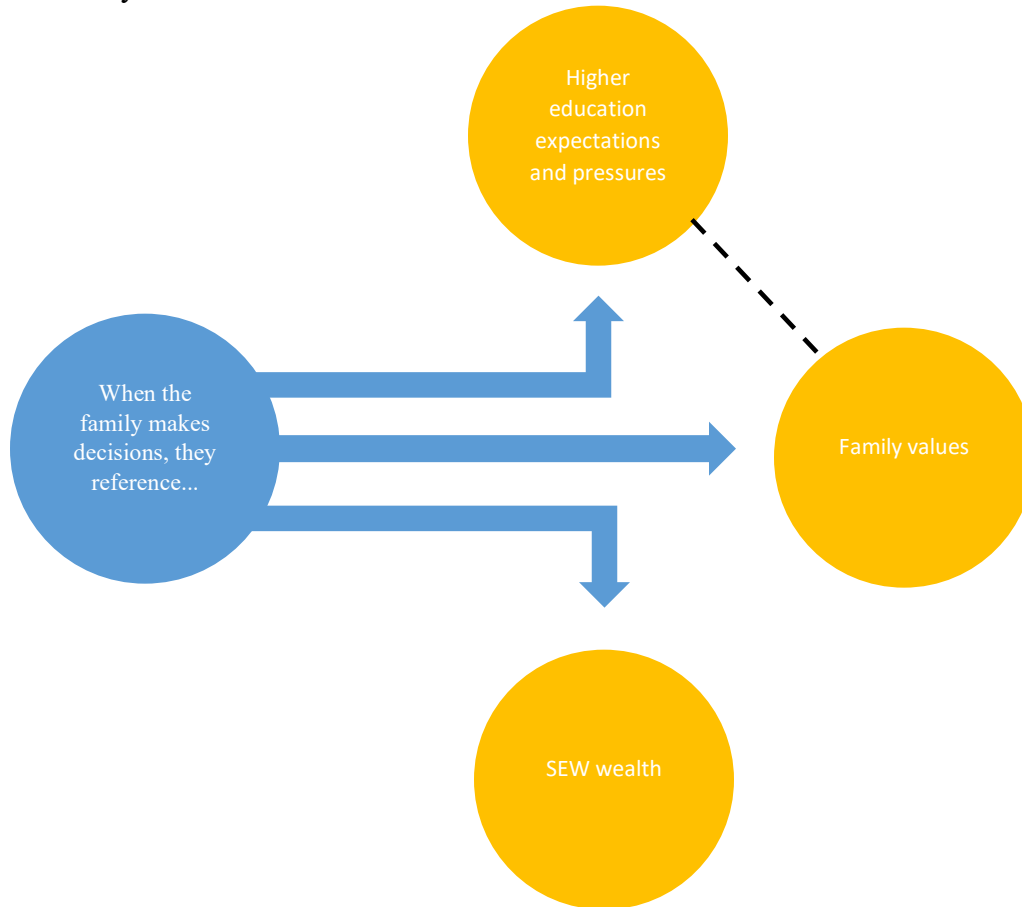
### **Family Values as a Driver of Decision-Making**

There is one final theme emerging from the data that sheds further light on family-based decision-making behaviors at GHU. The data reveal that another family dimension, besides the desire to pursue socioemotional wealth, is also found to be driving decision-making. This dimension is the value system of the Prem family. To be clear, a family's value system is related to SEW and SEW theory. According to several scholars (e.g., Sorenson et al., 2009; Zellweger et al., 2011), the SEW model naturally stems from the reality of family businesses where families are driven to make choices based on their values, or dominant principles. According to SEW theory, the dominant principles are related to pursuing SEW. In other words, the family values

the preservation of SEW “as an end in itself that goes beyond any economic reward” (Berrone et al., 2012, p. 272).

However, in the case of GHU, the data point to a unique set of values (outside of the need to pursue SEW) driving decision-making. In other words, this value system is external to the need to derive SEW. Figure 2.6 below visualizes this family value system. Importantly, the figure situates it as a criterion that the family references when making organizational decisions. Also shown are the stock of SEW the Prem family possesses and the set of expectations and pressures placed on the family by the overlapping governance realities at GHU. These are also situated as criteria that the family references when making decisions. The point of Figure 2.6 is to show that in addition to the findings discussed thus far that there is a third dimension driving decision-making.

Figure 2.6 Criteria Driving the Decision-Making Behaviors of the Managerial Family at Grand Hall University



Source: Author

Figure 2.6 relates another important point as denoted by the dotted line running between the criteria of ‘family values’ and ‘higher education expectations and pressures.’ The data reveal that the family value system aligns with what the governance realities of GHU demand from the family. In other words, the family is found to value faculty autonomy, shared decision-making, professional and ethics-based behaviors, all needs tied to the academic culture, and importantly the family believes in education as both a goal in itself and a means to transform society. Written material by Dr. Prem (Chancellor) confirms this. Dr. Prem explains:

As a scientist, I am fully convinced of the importance of research; as an educational

entrepreneur I want to know how to meet society's need for higher education. Currently this need, in my view, is for the dissemination of existing knowledge. (written information by Dr. Prem)

The scientist in me has generated a listening culture. I keep an open mind and let it absorb the ideas that enter. Some of [Grand Hall's] best institutes were established not because of careful market research, but I let people freely express their ideas to me. I like to think that I am a democrat at heart and in deed. Various forums in [Grand Hall] give plenty of opportunities to the faculty and the staff to articulate their views. Our principle is similar to that of Toyota's. One of the Toyota Management Principle is, 'Make decisions slowly by consensus, thoroughly considering all options; implement them rapidly.' There is plenty of discussion. Decisions are arrived at carefully. (written information by Dr. Prem)

The quotes above suggest that Dr. Prem (and his family) possesses values that align with the needs of the academic culture. Dr. Prem considers himself a scientist and democrat who operates from the principle of valuing decision-making through listening and discussion. We may understand that this value system formed over time during Dr. Prem's tenure as a faculty member before founding his institution. He is a teacher at heart, as Dr. Prisha (Dean) and Dr. Kiaan (Professor) point out in their interviews. And as a teacher he is perceived to "respect [other faculty] and "allow everyone to grow around him" (Dr. Prisha, interview). The following is further corroborating material that the family values what GHU and its governance culture need.

Dr. Aabha: Not really. Because [Grand Hall] has had really strong values that are percolated from the top, which is from [Dr. Prem], the creator. So I think in his system of governance it's very democratic, and that's why I think there's been a very similar flow of his vision towards stakeholders.

Dr. Aabha: There is so much discussion that happens that is a vibrant discussion and there are so many times things that they might not agree with the vice -chancellor and the management, but there is a very heavy discussion. Nearly all decisions, again, this is what my father has taught us [the GHU community]. He always believes that decisions should come out of democratic discussions and not really something that is very central.

These quotes demonstrate that Dr. Prem values democratic decision-making. In fact, Dr. Aabha implies that Dr. Prem has shaped the culture of collegiality at GHU. She says that strong values

“are percolated from the top” and that Dr. Prem is the “creator” of the system of governance in place. In the following quote, Dr. Aabha relates a story where these values play out in practice.

So the function of the healthcare center is to carry out a new health check up on all the students. We call it an annual wellness checkup, and ensure that all students are well. So this year we thought that if the hospital is going to start being commissioned probably in October, so once the hospital starts, we will have an annual health check-up for all of our students in the hospital. So the [Grand Hall] Center for Healthcare presently has stations or its presence on all the campuses, you know in [this city] spread across the city. So on every campus, we have a healthcare center. So now we said that there's no need to have so many healthcare centers and duplicate this whole medical checkup because there's so many doctors, you have to be invited, a lot of space gets occupied and so on. So we said we'll have the annual health checkup at the hospital...So when I said this, my father said "Which means that students will travel for just the health check-up all that distance, because there will be some students going from here, from the law campus and on." So I said yes...But he said "Have you discussed this with the other directors?" And I said but I don't think there's anything that needs discussion, because if you have a hospital then obviously you should have the health checkup at the hospital. So he said "No, you will take this up with the directors and if they feel it's uncomfortable to send their students all the way to the hospital, then I don't think you should do that.”

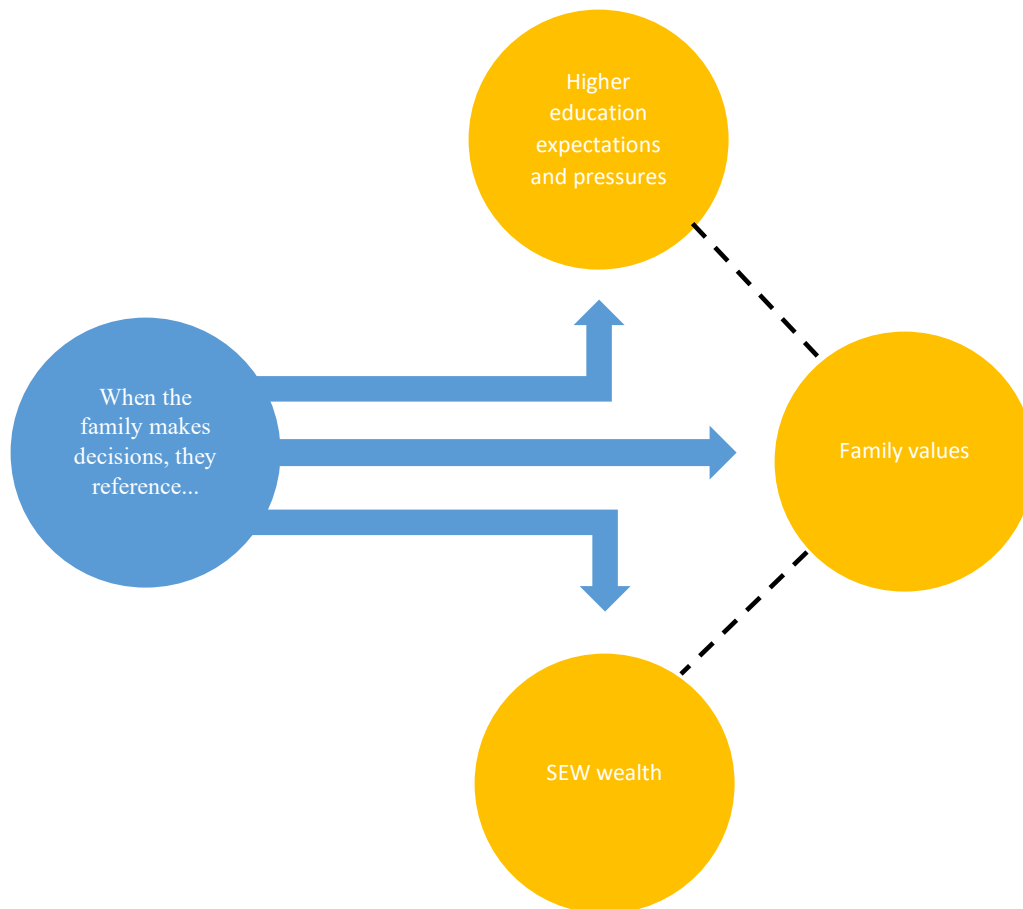
The above quote describes an interaction between Dr. Aabha (Pro-chancellor) and Dr. Prem (Chancellor). Dr. Aabha sets out to make a decision without involving nonfamily stakeholders. However, we find that Dr. Prem pushes against the idea and implores that Dr. Aabha reconsider. This interaction is another example suggesting that Dr. Prem values democratic decision-making and the opinions of others.

It is important to point out that I am not naively suggesting that the family value system replaces the family’s desire to pursue SEW when the family makes decisions. There may be instances where the family makes decisions to both protect the ability to remain managerially involved and act on the value system they possess. In other words, the two are not mutually exclusive, but may be working together to drive decision-making behaviors. For example, we learned from chapter 7 that the family wants to keep the Trust in the family. What is interesting to note is the reason behind this intent. According to Dr. Aabha, it is important to keep the Trust

within the family because the Trust establishes the vision for and upholds the values of the university. We may therefore infer that the family wants to remain in control because it wants to keep the university accountable to its mission—by animating the organizational culture according to the values the family possesses. Therefore, in this case, the family may be referencing both SEW criteria (renewal) and its value system. In other words, the family may be acting from an interest to protect their capacity to remain in power and also operating from their value system of making sure that the university does not stray from its culture of shared governance and ethics-based leadership.

We may thus modify Figure 2.6 by drawing another dotted line between the two criteria of ‘family values’ and ‘SEW wealth.’ The modified figure is shown below (Figure 2.7). This is certainly an interesting finding. As shown, we may essentially understand the family value system as reconciling the two theoretical frameworks of SEW theory and stakeholder theory. In other words, it is quite possible that the family in certain decision-making scenarios are referencing all three criteria systems. Take for example the scenario where the family protects the dimension of renewal by alleviating stakeholder through cooperative decision-making behaviors. In this scenario, we may say that they family is referencing all three criteria systems. The family is pursuing renewal. Also, the family is satisfying the expectations of nonfamily stakeholders. And finally, the family may be operating from their value system that upholds decision-making through listening and discussion.

Figure 2.7 Criteria Driving the Decision-Making Behaviors of the Managerial Family at Grand Hall University



Source: Author

### Conclusion

In this chapter, I first addressed the primary research question: How does the managerial family of GHU approach decision-making in a context where inherent governance realities may place limits on their ascribed authority. As expected, I found that the Prem family generally takes a cooperative, nonconfrontational approach to decision-making across the governance realities and decision-making scenarios highlighted. Nonfamily stakeholder concerns and ideas are heard, valued, and integrated when reaching decisions—through varying governance modalities empowering nonfamily stakeholders. The overarching theme of this chapter is that the family

negotiates most decisions by proactively engaging stakeholders in a collegial atmosphere where university affairs are discussed and governance responsibilities are shared. Another major theme lifted from the findings is that the family negotiates decision-making by respecting the decision-making autonomy of nonfamily stakeholders (faculty and the administration).

I then discussed the findings (family decision-making behaviors) through the two lenses of socioemotional wealth (SEW) theory and stakeholder theory. As expected, I found stakeholder theory to be a more robust theoretical framework than SEW theory in explaining family decision-making patterns at GHU. As shown in Table 2.6 below, stakeholder theory accounts for five out of the six decision-making scenarios highlighted in this chapter (denoted by ‘yes’). This makes sense because the decision-making approach consistently taken by the family is one of engaging stakeholders through discussion and empowering stakeholders in decision-making. This approach is consistent with stakeholder principles. However, socioemotional wealth theory conclusively accounts for only three decision-making scenarios, also shown in Table 2.6. Two of these decision-making scenarios relate to the family’s intent to protect the SEW dimension of renewal (family-based succession). Preserving the model of family-based succession at GHU is an important goal of the Prem family—important enough to fight the government in court.



Table 2.6 Socioemotional Wealth Theory vs Stakeholder Theory

| <b>Governance reality</b>              | <b>SEW theory</b>       |                | <b>Stakeholder theory</b> |                |
|--|-------------------------|----------------|---------------------------|----------------|
|  | <i>Family influence</i> | <i>Renewal</i> | <i>Family influence</i>   | <i>Renewal</i> |
| Organizational complexity              | Maybe                   | N/A            | <b>Yes</b>                | N/A            |
| Stakeholder diversity                  | Maybe                   | <b>Yes</b>     | <b>Yes</b>                | <b>Yes</b>     |
| Government and societal accountability | <b>Yes and Maybe</b>    | <b>Yes</b>     | <b>Yes and No</b>         | No             |
| Shared governance                      | Maybe                   | N/A            | <b>Yes</b>                | N/A            |

Source: Author

To note, there is a possibility that SEW theory may explain a broader range of decision-making approaches, but according to the positive view of SEW. I speculated that family members, by taking a cooperative approach to decision-making, is in fact seeking to protect or enhance other SEW besides family influence—but by first making sure that they are in a position to seek them. In other words, the family may be using cooperative decision-making approaches to demonstrate their capability as effective leaders. This would certainly give the impression to nonfamily stakeholders that the family deserves its leadership status. However, I am in no position to confirm this in my dissertation. Thus, where SEW theory may explain decision-making, three of the cells in Table 2.6 are marked with ‘maybe.’ For all intents and purposes, ‘maybes’ may be treated as the theory not having relevance to explaining the phenomenon.

The poorer fit of socioemotional wealth theory is consistent with my expectations. Namely, the theoretical premise of SEW theory falls apart when applied to the family’s cooperative decision-making approach. It was clear that the family in cooperating with nonfamily stakeholders (through discussion or conforming to rules) is not seeking to protect or increase family influence. Rather, I argued that the act of cooperating means the sharing or ceding of influence, and the satisfaction of nonfamily stakeholder needs. Certainly, this does not

fit the premise of SEW theory where the family is understood to act in self-serving ways, and frame problems and make decisions with the aim of satisfying family-centric needs.

Furthermore, SEW theory, unlike stakeholder theory, fails to capture the power relations of GHU. In other words, SEW theory fails to explain *why* the family takes a cooperative approach to decision-making. I argued that the cooperative approach is necessary in a context where different stakeholder groups have decision-making power (or competitive threat) and can use their power to resist the views and decisions of the family. Such circumstances behoove the family to take a non-confrontational strategy in decision-making, not to mention allow nonfamily stakeholders to drive governance processes and transactions.

As closing remarks, it is important to point out that decision-making at GHU is a complicated endeavor requiring different approaches according to different circumstances. The decision-making scenarios highlighted in this chapter of course do not represent the full spectrum of circumstances that may be found at GHU. However, they do show that decision-making at GHU can change based on specific needs arising from within different governance realities. Decision-making also changes based on decision type where the family may have more influence to make decisions that favor the protection or augmentation of family-centric SEW within the administrative decision-making chain. What does however seem to remain constant is the undergirding family values driving decision-making. In all the decision-making scenarios, the family may operate from a value system that promotes cooperative decision-making behaviors among faculty and staff. The family values a democratic approach to decision-making.

## CHAPTER 10: DISCUSSION AND CONCLUSION

### Introduction

The purpose of this study is investigating and profiling the decision-making behaviors and intent of families involved in higher education ownership or management. The study's thrust comes from the assumption that families involved in nonprofit higher education ownership or management may behave differently from the dominant theoretical assumptions of the family firm literature. Families in higher education, specifically in traditional university settings, may reference other criteria besides socioemotional wealth when framing problems and making decisions. Decision-making may not be entirely based on whether or not there is a real or perceived risk to losing socioemotional wealth, or the nonfinancial endowments of family firms (Berrone et al., 2012). Rather, families in the nonprofit higher education context may negotiate decision-making with additional sensitivity to the realities of the academic governance culture. As expected, interviews and documents suggest this to be the case within one family-owned or -managed university in India. Most of the decision-making patterns of the managerial family in this university may be differentiated from those in family-owned businesses in the commercial context. However, some mirrored what we may find in the commercial context.

In this chapter, I discuss the findings of this dissertation in the context of broader themes, and relative to their import to theoretical contribution, practice, and further research. As part of this discussion, a focus is on contextualizing Grand Hall University to understand its place and character within the global landscape of family-owned or-managed universities as well as the broader private higher education topography. I will also differentiate GHU from family-owned businesses in the commercial setting. Contextualizing GHU in these ways is important to clarify

the significance of this study, which is a large focus of this chapter. The limitations of this study will also be addressed.

### **Summary of Findings**

Several findings were discussed across the previous four chapters. Interviews and documents suggest that Grand Hall University possesses what I referred to as prototypical higher education characteristics, characteristics of the higher education governance culture as understood by the literature (i.e., Birnbaum, 2004; Cohen & March, 1986; Gutmann, 1999; Newman et al., 1996). Like most universities around the world, GHU is large and complex; has stakeholder diversity and interests plurality; is expected to comply to regulatory requirements and pressures; and seemingly employs shared governance modalities and structures. GHU was also found to typify the key trappings of family-owned businesses. These trappings are in the form of what Berrone et al. (2012) refer to as socioemotional wealth, or the nonfinancial endowments of the organizational created from the family's managerial involvement. Thus, GHU is neither entirely a university nor entirely a family-owned business. GHU may be best understood as a hybrid organization possessing dual characteristics, or simply a family system and a higher education system.

As expected, interviews suggest that these systems may be conflictive. In other words, data suggest that the managerial family of GHU, the Prem family, is restricted in what they can or cannot do by several factors tied to the higher education system, or as discussed in previous chapters governance realities. These factors include subcultures that frustrate leadership efforts to establish institutional coherence; nonfamily stakeholders who have decision-making power and use their decision-power to contend family in top leadership on their views and with respect to implementing institutional policy; stringent regulatory requirements that carry dire

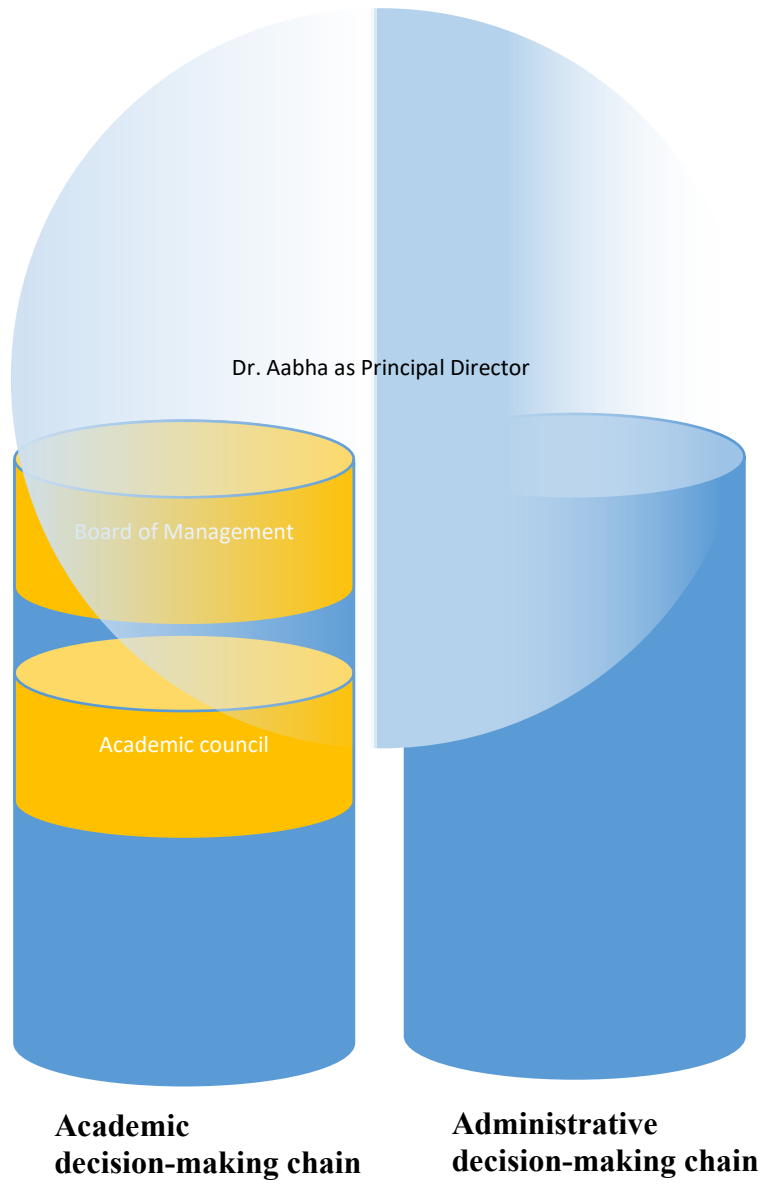
consequences if violated; public backlash regarding decisions that GHU makes; shared governance modalities and structures that favor the involvement and participation of different stakeholders in the decision-making process.

Finally, I clarified how the family approaches decision-making or makes decisions within the governance realities outlined above. The important question raised was how the family negotiates organizational decision-making at GHU—given the aforementioned factors that may limit their decision-making agency? Interview data suggest that the family, in part motivated by a positive value system, generally takes a cooperative, non-confrontational approach to decision-making when negotiating the overlapping governance realities of GHU. Nonfamily stakeholder concerns and ideas are heard, valued, and integrated—through varying governance modalities—when reaching decisions. The overarching theme of the findings is that the family negotiates most decisions by proactively engaging stakeholders in a collegial atmosphere where university affairs are discussed and governance responsibilities are shared—even when the ideas and views of nonfamily stakeholder groups are rejected. Another major theme lifted from the findings is that the family negotiates decision-making by respecting the decision-making autonomy of nonfamily stakeholders (both faculty and administration). The family takes a “hands-off” approach to decision-making regarding certain decisions.

However, interviews and documents also suggest that the family, by assuming multiple leadership roles, has opportunities to influence a broader range of organizational affairs (than nonfamily staff), in both academic and administrative decision-making. For example, as Principal Director, Dr. Aabha influences decisions related to those affairs centralized by the Trust (finance, estates, etc.). Dr. Aabha is also a member of the Board of Management. In this capacity, she may contribute to decision-making related to academics. A key point is that family

influence pervades both academic and administrative decision-making chains as a result of family members occupying multiple leadership positions. Figure 2.8 below shows how family influence pervades both academic and administrative decision-making chains. Dr. Aabha's influence in decision-making is represented by the clear circle spanning the two blue cylinders, one representing the academic decision-making chain and the other representing the administrative decision-making chain. Since I found that family influence may be stronger in administrative decision-making, the color gradient of the circle, representing Dr. Aabha's influence, is stronger on the right side where key administrative decision-making takes place. The stronger gradient represents stronger family influence.

Figure 2.8 The Diffusion of Family Influence in Grand Hall University



Source: Author

### **Significance of Findings and Theoretical Implications**

Upon initial consideration, the findings of this study may not appear significant. In fact, quite the opposite. The findings seem to confirm what we (the higher education academic community) already know—that decision-making in higher education is a complicated and an often-politicized affair involving different stakeholders seeking to push personal agendas. And also that decision-making is shared. Indeed, this is consistent with the literature (Cohen & March, 1985; Birnbaum, 2004; Bolman & Deal, 2017). Thus, we come to understand Grand Hall University as resembling any other traditional university. This certainly makes sense because GHU after all is a university.

However, the findings become significant when considered relative to how GHU differs from the prototypical higher education institution. While GHU shares some characteristics with nonfamily types (e.g., there is a nonprofit board of trustees), GHU is fundamentally different from nonfamily types because of one defining characteristic. The defining characteristic of GHU is that it is ultimately managed by a family unit whose members (a) have a strong ownership position through their leadership roles and (b) seek to remain managerially involved by passing the authority to manage the institution to successive familial generations.

The fact that GHU is run by a family may be sufficient grounds to assume that the family of GHU makes decisions according to current theorizing found in the family firm literature. As explained, the family firm literature assumes that families in an ownership position frame organizational problems and make decisions based on the real or perceived loss or gain of what Berrone et al. (2012) call socioemotional wealth (SEW), or broken into its five components: family influence, identity, binding social ties, emotional attachment, and renewal. Berrone et al. further state that pursuing SEW is an end goal in itself and more important than pursuing profit,



or satisfying any other organizational goal for that matter. Thus, socioemotional wealth theory essentially argues that families in ownership positions make decisions ultimately in self-serving ways that are understood to benefit the family system—often at the expense of proper organizational functioning and the fair treatment of nonfamily employees (Lansberg, 1983; Zientara, 2017). Gomez-Mejia et al. (2010) further argue that families owning firms do everything in their power to avoid sharing influence. They do this as a way to not only protect the SEW dimension of family influence, but also remain in power to protect or enhance other SEW in perpetuity.

However, the findings of this study suggest that most of the decision-making patterns of the Prem family diverge from what is understood to be the theoretical norm. Indeed, the theoretical reasoning where families operate in self-serving ways does not fit the decision-making patterns suggested by interview data. The family not only takes a cooperative, nonconfrontational approach to decision-making where stakeholder needs are valued and met, but also grants significant decision-making autonomy to other decision-making agents (i.e., faculty). Thus, the Prem family may be understood as sharing their stock of family influence with nonfamily stakeholders, instead of hoarding it. This study finds significance on this point. The family's divergent decision-making patterns suggest that family-based organizational decision-making at GHU less resembles those found at family-owned businesses than those found in traditional higher education settings. And thus, organizational decision-making at GHU cannot be fully explained by SEW theory. The theoretical underpinning of SEW theory fall apart when applied to the higher education context. The reasons as to why it falls apart is also made clear in this study. The primary reason, as mentioned, is because it does not capture the Prem family's altruistic decision-making behaviors. The family is found to share family

influence, not protect it. Further, SEW theory fails to capture the power relations of GHU. In other words, SEW theory's assumption that families in ownership or leadership positions operate from a position of absolute power (Gomez-Mejia et al., 2007) falls apart in an organizational context where power is distributed among a plurality of stakeholder groups. This limitation must not be ignored because understanding how power is shared among stakeholder groups sheds light on why the family (a) takes a cooperative, nonconfrontational approach to decision-making and (b) allows nonfamily stakeholders to drive governance transactions and processes.

Importantly, the limitations of SEW theory identified in this study prompt the emergence of new theoretical understandings for family-based decision-making behaviors in higher education. If anything, they prompt us to modify or expand on the theoretical premises of SEW theory so that we can appropriately and comprehensively understand how families involved in higher education management operate. However, it is important to point out that SEW theory is still needed to describe family-based ownership or management in higher education—despite its limitations. While not accounting for the cooperative decision-making approach the Prem family takes, it does account for other decision-making involving the protection of other SEW. It was clear in chapter 9 that the Prem family makes decisions to protect their capacity to remain managerially involved. Protecting the SEW dimension of 'renewal' is important to the Prem family—important enough to even fight the government in court on a ruling prohibiting family-based leadership. Further, I provided some reasoning to suggest that the Prem family may be taking a cooperative, nonconfrontational approach to decision-making as a necessary step to protect or enhance other SEW besides family influence. If in fact this is the case, then SEW theory would be more relevant. However, I cannot substantiate this inference based on the data collected for this dissertation. Proving this may be something for future research.

The key point is that SEW theory is still relevant despite its limitations. Thus, I do not naively suggest that we discard SEW theory and replace it with new theoretical understandings outside of the SEW framework. I'm only suggesting, as mentioned, that we expand on the theoretical premises of SEW theory. In the next section, I discuss stakeholder theory as a complimentary framework that addresses the conceptual limitations of SEW theory, relative to the findings.

### **Stakeholder Theory as a Complimentary Framework**

As explained, decision-making at GHU is a complicated endeavor requiring different approaches according to different circumstances. Like socioemotional wealth theory, stakeholder theory does not explain all the family's decision-making approaches identified in this study. Generally, stakeholder theory does not apply where SEW theory is found to be a good fit. This of course is barring the possibility that the family satisfies stakeholder concerns as a necessary step to protect or enhance other SEW besides family influence. If this is in fact the case, there would be greater overlap between SEW theory and stakeholder theory in explaining family-based decision-making patterns. However, as I said, this cannot be proven in this study.

Thus, we are left with what can be demonstrated, and based on interviews, the key point is that stakeholder theory, while not accounting for all of the decision-making patterns, is robust enough to capture decision-making patterns in most of the decision-making scenarios highlighted in this study. More pointedly, stakeholder theory is well adapted to explain the cooperative, non-confrontational decision-making approaches taken by the family. Stakeholder theory was even shown to be relevant in certain scenarios where SEW is found to be pursued by the family. For example, both SEW theory and stakeholder theory overlap in explaining how the family remains managerially involved in the reality where stakeholders have skepticism of younger generation

family members. The family takes a “right way” approach to family-based succession where they also satisfy the expectations and needs of nonfamily stakeholder groups. The robustness of stakeholder theory is shown below in Table 2.7, which was already shown in chapter 9. As shown, there are more decision-making scenarios where stakeholder theory is relevant (denoted by ‘yes’).

Table 2.7 Socioemotional Wealth Theory vs Stakeholder Theory

| Governance reality                     | SEW theory              |                | Stakeholder theory      |                |
|--|-------------------------|----------------|-------------------------|----------------|
|  | <i>Family influence</i> | <i>Renewal</i> | <i>Family influence</i> | <i>Renewal</i> |
| Organizational complexity              | Maybe                   | N/A            | <b>Yes</b>              | N/A            |
| Stakeholder diversity                  | Maybe                   | <b>Yes</b>     | <b>Yes</b>              | <b>Yes</b>     |
| Government and societal accountability | <b>Yes and Maybe</b>    | <b>Yes</b>     | <b>Yes and No</b>       | No             |
| Shared governance                      | Maybe                   | N/A            | <b>Yes</b>              | N/A            |

Source: Author

Further, stakeholder theory’s relevance to explaining family decision-making patterns at GHU is not just rooted in the satisfaction of the theory’s primary assumption, which is the integration of views from a broad stakeholder base and stakeholder satisfaction (Freeman, 1984). Stakeholder theory is also relevant because of several other related reasons. For one, I found that stakeholder theory explains the reality where the family delegates decision-making authority to nonfamily stakeholders. According to stakeholder theorists (e.g., Brummer, 1991), the activity of delegating power is part of a collegial model of governance where management shares decision-making responsibility with stakeholder groups. I also found that stakeholder theory is a good fit to explaining the connection between shared governance and GHU’s goal of advancing the

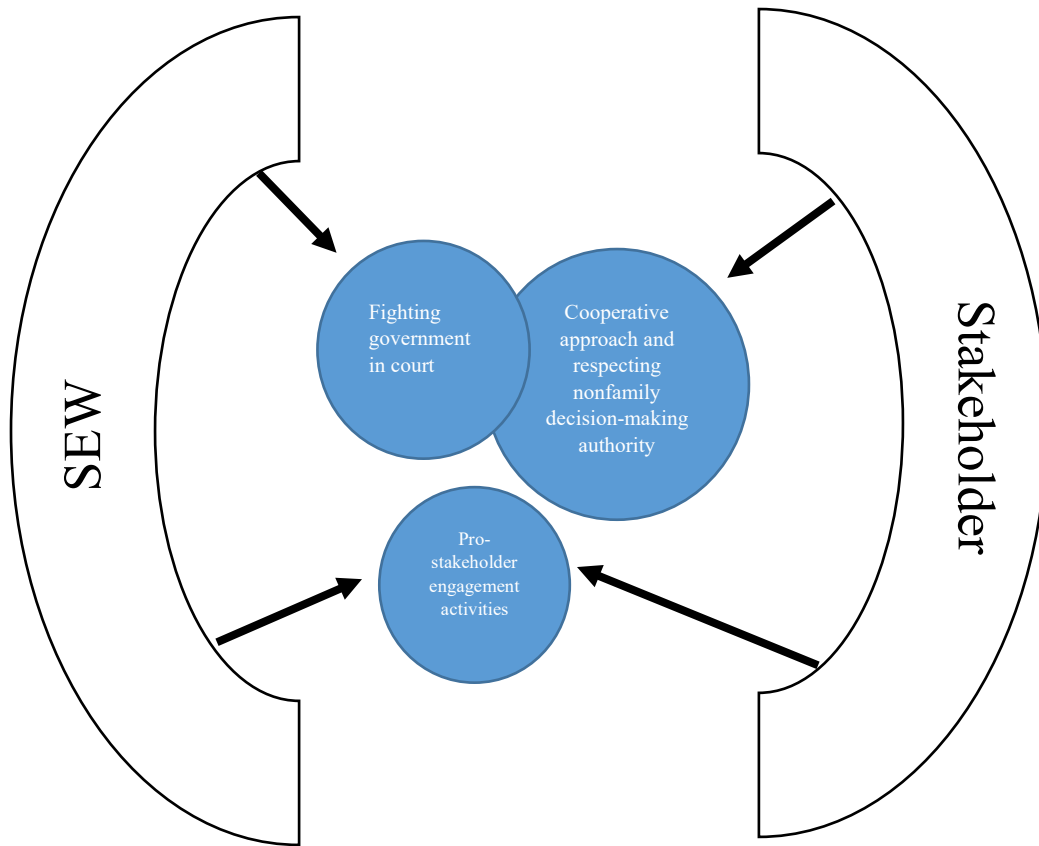
mission of higher education. According to stakeholder theorists (e.g., Brummer, 1991; Freeman, 1984; Freeman & McVea, 2001), employee participation in governance is necessary to achieve organizational goals (Brummer, 1991; Freeman, 1984; Freeman & McVea, 2001). Thus, we may say that shared governance does not seek to satisfy the goals of just one stakeholder group, but the organizational goals that multiple stakeholders groups come to shape.

Finally, and perhaps most important, stakeholder theory is found to capture the power relations of GHU, which in turn explain why the Prem family takes a cooperative, non-confrontational approach to decision-making in most of the decision-making scenarios. As Dr. Aabha was noted with saying in her interview, “The relation between the board of trustees [Managing Committee] and the university is quite tricky in the sense that it should be congenial. Otherwise, if that doesn't work well...which means the Principal Director which is me, and the Vice-chancellor have to work like the wheels of a garden hose, we have to run parallel, and you don't run fast. You know the moment we are at conflict...the university will crash.” In other words, a cooperative, non-confrontational approach is needed if the aim is to avoid inter-stakeholder conflict and disrupting the proper functioning of the university.

All of the reasons above point to an important understanding. They suggest that stakeholder theory fulfills an important and even necessary function in complimenting SEW theory by addressing the limitations of SEW theory. Where SEW fails to capture the power-based relational dynamics of GHU and the family's reactionary patterns to the power of nonfamily stakeholder groups, the need of stakeholder theory to understand family-based governance in higher education becomes prominent. Thus, I propose that both theoretical frameworks are needed to understand family-based decision-making patterns in higher education.

As shown in Figure 2.9 below, the decision-making approaches the family takes (denoted by the circles in the middle of the figure) are explained by both theories. The big circle represents the cooperative, nonconfrontational approach to decision making where family influence is shared, not protected. As explained, this decision-making approach is explained by stakeholder theory, denoted by the arrow running from the stakeholder framework to the circle. This circle is bigger than the others because the family seems to rely on this approach the most. The smaller circles represent the other decision-making approaches clarified in chapter 9 (e.g., strong position approach). As shown, there are instances where both SEW theory and stakeholder theory overlap in explaining family decision-making behaviors (denoted by arrows coming from both SEW theory and stakeholder theory frameworks). The key point of this figure is that both theoretical frameworks are needed to explain the basket of family-based decision-making approaches found at GHU. Ultimately, this figure suggests that SEW theory is not comprehensive enough to explain family-based decision-making in traditional university settings. This study thus expands on the family firm literature and proposes that stakeholder theory must also be applied.

Figure 2.9 Comprehensive Theoretical Framework to Understand Decision-Making in Family-Owned or Managed Universities



Source: Author

### **Generalizability of Findings**

An important question I am compelled to raise is whether the theoretical framework shown in Figure 2.9 can be applied to other family-owned or -managed higher education institutions (FOMHEIs). In other words, are the findings of this study generalizable to the global landscape of FOMHEIs. The answer is yes and no. The answer is yes if we are to consider FOMHEIs like GHU. In other words, both theoretical frameworks are required to explain family-based decision-making at universities that possess both prototypical higher education and family-based traits. Only when both sets of characteristics are present, can we assume that decision-making will similarly be a complicated and often contentious affair involving multiple stakeholder groups and based on discussion and consensus (similar to what I found at GHU).

However, the answer may be no when considering FOMHEIs with more pronounced family-based traits (where family-based traits overpower such characteristics like shared governance). In other words, the answer is no when the families of their universities are more controlling and use top-down, autocratic approaches to decision-making. In such cases, the family may be in a better position to protect and enhance their stock of SEW, and make decisions aligned with satisfying family-centric interests, rather than the interests of the organization. They may even run their universities in ways that depart from the mission of higher education. My general understanding is that most family-run institutions globally, in both the nonprofit and for-profit sectors, are not like GHU and have managerial families that take top-down approaches to decision-making. Indeed, this is the suggestion made by Altbach et al. (2020). While the case studies discussed in their book are all exceptional universities with families having an enlightened orientation to management, many of the chapters discuss the general landscape of FOMHEIs as having reputational disadvantages connected to outdated modes of leadership.



Thus, the findings of this study may only apply to a narrow group of FOMHEIs that are like GHU.

The possibility that the answer can be yes or no in connection with leadership style/approach raises an important consideration. It raises the consideration that generalizability depends on the family value system. In other words, the findings of this study are only applicable to the decision-making behaviors of families who have positive value systems promoting relationships based on mutual understanding, trust, respect, and cooperation. These families may use their positions (use their influence) to achieve organizational goals, goals not connected to benefiting the family system alone. These goals may be tied to creating a collegial culture in which nonfamily stakeholder groups feel welcome and valued as members contributing to the decision-making machinery. In other words, some families may want to remain managerially involved to ensure the success of the institution according to principles largely accepted by the academic community (as in the case of GHU). Thus, the pursuance of SEW is not, as Berrone et al. (2012) explain, an end goal in itself, but a means to achieve other objectives. In this way, the value system of the family is consistent with the needs of the academic culture.

However, the findings of this study are not applicable to families whose value system are more aligned with satisfying self-serving needs and/or using the university to push non-educational agendas. Altbach et al. (2020) suggest that these types of FOMHEIs abound globally. While not a monolithic group (indeed, there are for-profit FOMHEIs that take education very seriously), the clearest example of such FOMHEIs are those with a profit orientation. For-profit FOMHEIs have been generally discussed in Altbach et al. as organizations associated with corporate governance styles and operating with the ultimate objective of satisfying shareholders. Other examples come from Agarwal (2009) who says that private

deemed institutions in India are mostly family-run and that many of them have political leanings and/or manipulate admission requirements to collect huge sums of money through entrance exams. Furthermore, Agarwal points out that many of the managerial families in India appoint Vice-chancellors from among the members of the family, presumably to protect and enhance family influence. This indeed can be contrasted with GHU where a nonfamily member occupies the Vice-chancellor position.

### **Implications to Practice**

The implications to practice are evident based on the discussion above. FOMHEIs where families employ questionable business practices and approach decision-making autocratically may draw useful lessons from this dissertation. It may not be a coincidence that Grand Hall University is a top-ranking private institution in India. My understanding is that in large part the university's success may be ascribed to the family's approach to governance and decision-making. Valuing the members of the academic community and granting significant academic autonomy may have invariably contributed to the success of GHU. I infer this mostly on Bloom and Rosovsky (2011) who tie the success, positive reputation, and quality of universities to a number of characteristics. These include institutional autonomy and self-governance; qualified leadership; a commitment to academic freedom and shared governance; and meritocratic selection of faculty and students. All of these characteristics seemingly exist at Grand Hall University.

Of course, I am not naively suggesting that a university's success depends singularly on the family's value system and leadership approach. There are other factors at play (e.g., funding and business acumen of the family and other leaders in the organization). It would be interesting to pursue further research to parse out the impact of each of these factors including leadership

style and value system relative to organizational success. However, I believe that the family's approach to leadership is key. Indeed, the higher education literature ties shared governance to institutional effectiveness (Birnbaum, 1988; Brubacher & Rudy, 1997; Heaney, 2010; Hirsch & Weber, 2001; Kerr, 2001). At the very least, a family who values shared governance may be taking the appropriate first steps to ensure organizational success.

This dissertation may also provide governance and policy lessons for FOMHEIs like GHU, where shared governance is valued and practiced and where different stakeholders share in the responsibilities of decision outcomes. Family-based succession is a sensitive topic and a tricky business. The family must balance their intent to remain managerially involved with the suspicions and often critique of nonfamily constituents. Understanding this may be helpful when planning family-based succession strategies. Managerial families may consider involving different stakeholders, even faculty at the departmental level, in succession planning, rather than relying on the collective wisdom of the family and top leadership surrounding the family. Indeed, this was raised as a concern in one of the interviews. Such a process where family-based succession is discussed formally among different stakeholders may further legitimize family-based succession in addition to the approaches taken by the Prem family.

### **Limitations**

The key limitations of this dissertation are several. An obvious limitation is that the findings of this dissertation represent a subjective reality according to the information I could glean from university documents and what the interview participants chose to share. In other words, this dissertation, as Mertens (2009) would put it, is only an estimation of reality based on the data available. To address this, it would have been beneficial to collect more data through conducting additional interviews and relying on additional sources (e.g., observation) to

corroborate information. However, time and resource constraints did not allow for this. Also, it is my understanding that conducting more interviews at GHU would not have resulted in significant changes to the findings. I argue this based on an early observation I made about the interview data. I observed that diverging perspectives did not abound in the interview transcripts. This may indicate that I reached data saturation with the ten interviews I conducted. In other words, it is my understanding that I would have collected more of the same data if I were able to conduct additional interviews at GHU.

Another important point related to the above is on the way in which I gained access to interview participants. As mentioned, Dr. Aabha, and a colleague of hers, helped me set up most of the initial interviews. While this help was immensely appreciated, this approach might have precluded the collection of data offering contrasting perspectives. Dr. Aabha may have connected me to people loyal to the family, members of GHU that may only share positive insights on the family and GHU. There are a couple of factors mitigating this possibility. First, Dr. Aabha connected me with key leadership staff that I sought to interview in the first place. So even if I could have gained access in another way, the composition of interview participants would have not changed significantly, meaning that findings would not have changed all that much. Second, I gained access to two of GHU employees on my own, without Dr. Aabha's help. I believe these two interview participants, together with Dr. Danielle, the outside informant, may be understood as controlling for the possibility of collecting overly biased data. All three interview participants, for the most part, corroborated the interviews of those arranged through Dr. Aabha and her colleague.

It is also important to point out a missed opportunity that could have yielded additional contrasting perspectives, if any. I had a chance to connect with a former employee of GHU that

worked closely with top leadership. This person, however, declined the invitation to participate in my dissertation, with no specific reasons given. I can only speculate that this is a missed opportunity. This person may have provided a contrasting perspective.

Further, I must not ignore that the findings and discussion were in part shaped by the subjectivities of the researcher, by personal biases that have been shaped in my childhood growing up under my grandfather and father. With a conviction to develop areas devoid of postsecondary options and industry, my grandfather founded a number of educational institutions in the provincial areas of South Korea. Among these institutions are a four-year university and a two-year college. While my grandfather is no longer with my family, his legacy lives on in the work of my father who now is the president of the university.

Being a member of a family that runs a university, I could not help but to discuss the findings according to my worldview of FOMHEIs. I believe that FOMHEIs are an important and significant part of the higher education systems in which they operate. This is how I have come to understand FOMHEIs, as I observed my grandfather and father in their work to build not businesses, but institutions of higher learning. Having this understanding, I feel the need to validate, empower, and recognize the stories of families like that of my father and grandfather. This is especially the case given the current climate where FOMHEIs are generally regarded as being of low quality and even worse, sites of corruption (Altbach et al., 2020). Having such a positionality, where I find myself pushing against this negative discourse, I inevitably sought to produce a contrasting view of the general characterization of FOMHEIs.

Thus, this dissertation leaned toward illuminating a similar story to that of my grandfather and father's, and I took an approach to examine a very specific type of FOMHEI where I expected to learn about "good" governance practices. Certainly, I could have taken a

different approach by examining FOMHEIs of a different character as identified in Altbach et al. (2020). There are for-profit FOMHEI ventures where governance resembles that found in the corporate sector or even nonprofit FOMHEIs where families have a stronger influence in decision-making. Perhaps said differently, there are FOMHEIs with more pronounced familiness characteristics where the goals of the family may indeed diverge from those of the universities they run. Regardless, the point I want to underscore is that my involvement as a researcher shaped the production of findings. Indeed, just as I chose the research site, I also was able to determine other aspects of my dissertation. For example, I developed the research questions. It was also my choice to highlight certain areas of interview transcripts over others, even though I took steps to present a data-driven holistic and realistic portrayal of the ownership context in higher education as much as possible.

Another limitation, which was also already mentioned, concerns the calculation of decision-making power for each of the stakeholder groups at GHU. I explained that power levels were calculated based on limited data, from a very small group of interview participants. A concern was raised about the representativeness of this group. I assumed that the power distribution would change if a larger sample was used to calculate power levels. However, it was not feasible to do so in this study. Future studies should address this limitation and make sure that criteria are met to use a larger group.

Second, there were a number of instances where given the unavailability of relevant data I used only one or two quotes to infer a finding. Such inferences are of course less substantive than those corroborated by quotes from multiple interviews and/or other sources. Future studies should address this limitation by either interviewing more people or revisiting the questions I developed with the aim of modifying them to increase their data catchment power. Or, with time

permitting, the interviews themselves could be lengthened. In this way, researchers can ask more follow-up questions. Unfortunately, for this study, I was not in a position to conduct more interviews due to time and resource constraints.

Another limitation concerns the possibility that other factors besides the family's managerial involvement explain the family-based traits at GHU. One key factor that may need much more attention to in this regard is the Indian culture. The Indian culture, for example, may partly explain why the family pursues family-based succession. I say this based on some anecdotal evidence found in material written by Dr. Aabha. She seems to discuss family-based succession as being connected to the Indian culture. She says:

The Indian family system is more united. In the West, children are likely to leave their families at the age of 18 and become more independent. The profession of the father is only rarely continued by the son or daughter...The values of the family are passed down from one generation to the next along with the family business or profession...(written information by Dr. Aabha)

Based on this passage, as well as some interview data echoing the same, we may infer that the culture of India has some part in explaining the presence of 'renewal' at GHU. Also, the Indian culture may in part explain why members of the GHU community treat each other, as well as visitors to the institution, with trust and respect. The culture of India is "famously described as a land of legendary hospitality, bolstered by a cultural and religious spirit of tolerance" (George, 2009, p.30). India is a region where being hospitable to others is a cardinal virtue and almost a religious duty, rooted in Vedic Hinduism and carried over to contemporary India (George, 2009). It may be that the GHU community, most having grown up in the Indian culture, are hospitable as a result of the cultural capital passed down to them from their parents' generation. This is certainly a possibility, and something that is echoed by some interview participants. For example, both Dr. Prem (Chancellor) and Dr. Kiaan (Professor) have been noted with saying that

the family like culture is a reflection of the Indian culture. Even the mission statements of GHU are animated by a part of Indian history, encouraging the GHU community to inculcate and promote the spirit of 'Vasudhaiva Kutumbakam' meaning the world is one family. This phrase may be originally found in the Maha Upanishad, an ancient Sanskrit text teaching the ideas of Hinduism, and engraved in the entrance hall of the parliament of India. Thus, the phrase is perhaps universally adopted, and put into practice, by not just the community of GHU, but by the Indian people in general.

These factors certainly give the impression that the family-based culture found at GHU can in part be explained by the history and culture of India. However, it is my understanding the family-based culture at GHU is imputable considerably to the family's managerial involvement. As discussed in chapter 9, Dr. Prem was explained by interview participants to create the culture of shared cooperation and mutual trust. This is corroborated by multiple interview participants. Thus, both the family's managerial involvement and the Indian culture may together explain some of the family-based traits at GHU. Future studies may want to investigate the nexus of the Indian culture and the family system to better parse out the impact of each factor on shaping the culture within Indian family-run universities. With this clarification, I would be in a better position to differentiate FOMHEIs from their nonfamily counterparts in higher education.

### **Future Research**

Given the novelty of studying this topic, the potential research paths are varied, and many. Some would be related to this study. For example, as I mentioned in chapter 9, I could not prove whether the positive view of SEW applies to a broader range of decision-making behaviors. Future research could explore whether this is the case by asking more focused questions. Indeed, if proven, the findings of this study may lose some significance because SEW



theory would be in fact a theoretical framework that could explain most of the decision-making behaviors of the Prem family. Importantly though, even in this case, stakeholder theory would still be needed as SEW theory does not explain the family's approach to sharing influence.

Another research path could be in investigating how the family uses informal networking and the social capital they cultivate as a means to enhance the effectiveness of organizational decision-making. According to Birnbaum (2004) and Kezar (2004), what they refer to as *soft governance*, or the interactional and relational dimensions of governance, has higher utility than formal governance processes and mechanisms in expediting decision-making without compromising the organization's ability to produce effective outcomes (from the decisions being made). Certainly, this is something to explore at family-owned or -managed universities where social capital, created from the family's managerial involvement, may be in abundance. How the family leverages the social capital they create to the benefit of the organization is indeed a promising area to study.

A third research path may be in investigating whether there is a link between the families' managerial involvement and the success of the universities they run. Such a link could very well exist based on some theoretical reasoning found in the family firm literature. According to many scholars (e.g., Ashwin et al., 2015; Carnes & Ireland, 2013; Churchill & Hatten, 1987; De Massis, Frattini & Lichtenthaler, 2013; Habbershon & Williams, 1999; Kraiczy et al., 2015; Miller & Le Breton-Miller, 2005; Penney & Combs, 2013; Zahra et al., 2004; Zahra et al., 2008), family-owned businesses use their idiosyncratic resources (in this study we understood these resources as SEW) to give them a competitive advantage in the marketplace. Proponents of this view (e.g., Habbershon & Williams, 1999) argue that efficient decision-making tied to a such SEW such as trust and loyalty, and tacit knowledge, among family

members result in the firm's ability to respond to market changes readily and rapidly.

Interestingly, a few interview participants mentioned that decision-making at GHU is quick and efficient. A future study could take this as a focal point to investigate if and how efficient decision-making contributes to organizational success.

Future research could also employ other theoretical frameworks (in tandem with SEW theory) besides stakeholder theory to study family-based decision-making behaviors in traditional university settings. As explained early on in this study, I chose stakeholder theory for (a) its past application in higher education (e.g., Alves et al., 2010; Avci et al., 2015; Chapleo & Simms, 2010; Jongbloed et al., 2008; Marić, 2013; Wagner et al., 2008) and (b) its comprehensiveness to accounting for the major higher education organizational properties identified in the literature review. And as expected, stakeholder theory is indeed a good fit. It addressed all of the limitations of SEW theory and especially where SEW theory failed to account for the power-based relations of GHU. However, this does not mean that stakeholder theory is the only relevant theoretical model that can be applied together with SEW theory.

While not as comprehensive as stakeholder theory, there are indeed other theoretical frameworks that make sense. One that may be as relevant as stakeholder theory is stewardship theory. This theory explains that there may be goal congruence between owners, or those in top leadership positions, and managers (Davis et al., 1997). Owners who take a stewardship approach to governance care less about employing internal controls favoring unequal power relations than they are about minimizing the power distance that may exist between owners and managers (Austin & Jones, 2015; Davis et al., 1997). In other words, stewardship-oriented leaders desire to flatten hierarchy and work with managers, and empower them, rather than control them using strict monitoring mechanisms and centralized governance structures. Further,

they act like stewards because goal congruence between them and non-owner personnel is vital to minimize organizational conflict and move the firm in a direction of long-term survivability. Thus, stewardship theory like stakeholder theory assumes an integrative and cooperative orientation to governance, and considers such an orientation to have higher utility compared to individualistic and self-serving behaviors (Davis et al., 1997). It also ties cooperative behaviors to organizational success. It certainly thus could be adapted to higher education organizational context where democratic decision-making behaviors are employed to advance the academic mission. Describing all the theoretical frameworks that may be adapted to describe family ownership governance in higher education is beyond the scope of this study. The point is that other relevant theoretical models exist and that they could provide different insights into family-decision-making behaviors in higher education.

### **Conclusion**

Family-owned businesses generally have a positive reputation. They are known for the warm and hospitable service they (presumably) provide, and the trust and loyalty undergirding the family-like culture found there. In fact, many family-owned businesses are proud to advertise their status as a family-owned business for this very reason. The family status carries some currency in the commercial context.

However, within the context of higher education, the reputation of family-owned universities and colleges may be less positive, and even eroding in some countries (like Korea and Japan). I make this inference mostly based on anecdotal evidence found in Altbach et al. (2020). Many of the case chapters in Altbach et al. discuss the general landscape of FOMHEIs as having reputational disadvantages. The poor reputation of FOMHEIs is tied to leadership that not only push non-educational agendas (related to profiteering or politics), but also employ

questionable and opaque management practices. The book also points out that FOMHEIs globally are generally of low quality, which may further contribute to their poor reputation.

Unfortunately, the negative repute of FOMHEIs is a general characterization that even high performing and highly ranked FOMHEIs have trouble escaping. This dissertation, in seeking to push against this negative discourse, highlighted the story of one FOMHEI that may defy the general characterization. And indeed, there is some reason to believe that GHU qualifies as such a FOMHEI. The leadership at GHU is devoted to the educational mission. They value democratic decision-making and commit to managing the institution as professionally as possible. Importantly, interviews suggest that the family mostly approaches decision-making using a cooperative, nonconfrontational approach where multiple stakeholders share in the responsibilities of decision outcomes. In this way, the deep managerial involvement of the Prem family (and desire to keep the institution within the family) is not rejected by nonfamily stakeholders, and broadly the academic culture. I am inclined to further infer that family involvement is embraced at GHU. The nonfamily stakeholders of GHU have in their interviews expressed their deep respect for Dr. Prem and his family, for the commitments and sacrifices they make and contributions to education. To a large extent, respect held for the family is traceable to the family's value system. The family value system legitimizes leadership status.

The deep and continued managerial involvement of the family in university affairs has other implications. On the one hand, the family's continued managerial involvement sustains the vision and values driving the university culture at GHU, as several interview participants explained. However, on the other hand, there is inevitably a cost. This cost is related to what may be understood as a tension between the family's intent to remain managerially involved and the presentation of GHU as a place where preferential treatment is not given to any single group.

Indeed, interview and document data suggest that some preference is given to family members over nonfamily candidates when filling top leadership positions. Dr. Vihaan, and his sister, is expected to climb the organizational hierarchy and Dr. Aabha filled leadership positions that were left vacant by her father. We may say that it is not a coincidence that family members occupy multiple leadership positions and come to fill nearly half of the seats on the Managing Committee. In this way, GHU is inevitably a family-owned or -managed organization that places a high premium on protecting the family's interest to remain in control. Through the lens of socioemotional theory, we may say that the family is invested in protecting the SEW dimension of 'renewal.' And in this reality, nonfamily constituents may have fewer opportunities for upward mobility in the organization. This is indeed a unique reality relative to how leadership is chosen in nonfamily institutions, where typically there is a competitive vetting process involving many candidates and a serious consideration of these candidates relative to what they can offer.

Which process is right? It is difficult to say, and perhaps this dissertation is not in a position to cast any judgments. There are benefits to either approach. Take the family-based succession model for example. As mentioned, the interviews suggest that incoming family members can continue the traditions and practices of the university culture created by older generation family members. This is seemingly valued at GHU as interview participants share. Furthermore, the family firm literature argues that family members are more emotionally invested in seeing their organizations succeed (Berrone et al., 2012). Having familial successors thus is an opportunity that the family can certainly take advantage of—of course with the right training and guidance. However, there may be downsides. Traditions may continue at the expense of change. In many situations, change can be a good thing. Change can be refreshing and beneficial to a work culture, especially where change is needed. While interviews suggest

that Grand Hall University is far from needing such change, Dr. Aabha seems to recognize the importance of it where and when needed. She shares in her interview that “as times grows....[the family has] to look at newer models of governance...” Indeed, this opens up the possibility that the family-based succession model at GHU could in principle be disrupted down generational lines, depending on what the family deems best for the university.

But for now, the current model of succession at GHU makes sense, and works. By subscribing to a “right way” of family-based succession, the Prem family seems to have eased any tensions that may exist related to filling leadership positions by family members. By all appearances, nonfamily participants at GHU seem content toward the succession model at GHU. In large part, their acceptance of the Prem family is based on their perception of the family’s ability to lead the institution. The family is largely perceived by interview participants as being qualified, competent, and committed. And while younger generation members have yet to prove their capabilities as a leader, the expectation is that they will eventually walk the path of their parents. They are expected to receive relevant education, gain relevant experience, and operate in the university as intellectual equals to nonfamily personnel. The purposeful training of these family members is thus key to legitimizing the family’s continued involvement at GHU. We may even say that the training of younger generation family members is the deciding factor to the survival of not just GHU, but all FOMHEIs. The reputations of FOMHEIs will inevitably and in large part depend on the families’ capability to effectively run them.

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## APPENDICES

### Appendix A: Electronic Recruitment Letter to Interview Participants

Dear (title of interview participant):

Warm greetings. I hope this email finds you well. I am a doctoral candidate at Boston College in the US.

Having already spoken with [Dr. Aabha], and receiving consent, I will be visiting [GHU] early April (April 3-18) to conduct research related to my dissertation.

Briefly, my dissertation focuses on exploring the management of a university under family-based leadership. Specifically, I'll be looking at how the managing family approaches organizational decision-making in an environment with academic sensitivities (and stakeholders that support the academic mission). I attach in this email further details regarding the study's purpose should you require more information.

As a Dean of a Faculty (and a member of the Academic Council), your leadership position and insight on organizational decision-making at [GHU] would be invaluable to my work. I wonder if you would be interested in fielding some questions during my visit in April related [GHU's] organizational structure/decision-making process? The interview should last about one hour. You will be among 10-12 interview participants.

If you are interested and available, please let me know. I would be most grateful as organizational decision-making at family-managed or -run institutions is a topic very close to my heart!

I am aware that you are very busy so I completely understand if you cannot participate for any reason. I keenly looking forward to your reaction and please do not hesitate to raise any questions or concerns that you might have at this point.

Sincerely,  
Edward Choi  
Doctoral Candidate  
Boston College

## **Appendix B: Interview Protocol (for nonfamily)**

### **Background questions**

1. Could you briefly describe the expertise and responsibilities related to your position(s) at this university?
2. Could you briefly describe how you came to fill your position?
  - a. How long have you been in this position?
3. Do you have a personal vision for this university? In other words, do you have personal objectives and interests, as a (faculty, staff, board, etc.) member?
4. How would you describe the DR. Prem and his family's vision for the university? In other words, can you share how the founder and his family influences the vision for GHU?

**For the next set of questions, I'd like to learn about the decision-making culture here. So decision-making related to university-wide impact. Key decision. Also about the organizational structure and some processes related to hiring and promotion.**

5. (present blank paper and pen) Could you briefly describe the organizational structure, or the hierarchy of reporting structure? To help you along, here's a blank sheet of paper where you can visualize the reporting structure, specifically related to who reports to you, whom you report to, and whom your supervisors report to?
  - a. What positions do family members related to the founder occupy in this structure, in the board, in top management positions?
  - b. What positions do nonfamily personnel occupy, in the board, in top management positions?
  - c. Can you describe if there is any informal networking or reporting that occur within this structure? In other words, is the reporting structure strictly followed?
6. Could you describe how leadership positions are filled at GHU? In other words, could you describe the customs/policies around hiring leadership/management personnel?
  - a. Who decides on the people for leadership positions?
  - b. Can you tell me more about your own experiences with promotion and advancement in the university?
  - c. Can you tell me more about the opportunities to negotiate your salary?
7. How you would describe the leadership at GHU?
  - a. Approaches to key decision-making, style?
  - b. Centralized or decentralized?



**In the next set of questions, I'd like to learn about the family dynamic (relationships) at this institution. These questions may cause some discomfort because of their personal nature. If you do not want to answer any of them, please let me know and we can move on.**

1. Can you describe a situation where family members at GHU had disagreement among themselves about school decisions, activities or direction?
2. Can such family disagreements last for long periods of time, say weeks or months?
3. Can you describe situations where disagreement among family members affect or spill over into university operations?
  - a. If yes, can you describe what type of university operations were affected?
  - b. If yes, impact nonfamily personnel?

**In the next and final set of questions, I'd like to learn about leadership succession at GHU.**

17. At family-owned or -managed universities, one of the key characteristics is family-based succession, the passing of the institution to following familial generations to control.
  - a. Are you familiar with this concept?
  - b. Would you say that GHU follows the family-based succession model?
18. Can you describe any challenges or tensions related to family-based succession?
  - a. How is family-based succession perceived by faculty?
19. Can you describe any benefits related to family-based succession?
20. What are some key attributes that an effective successor should possess?
21. In the tradition of succession at GHU, would the current process prioritize the personality traits you just described?

## Appendix C: Interview Protocol (for family)

### Background questions

22. Could you briefly describe the expertise and responsibilities related to your positions at this university?
  - a. Board of management, managing committee, pro vice chancellor/dean
  - b. Were there other candidates considered for the position of dean?
  
23. Could you briefly describe how you came to fill your positions?
  - a. How long have you been in this position?
  
24. Do you have a distinct and personal vision for this university?
  - a. What is your idea of organizational success considering this university?
  - b. Are there times when your vision conflicts with that of other stakeholders (e.g., faculty, non-leadership staff, the board)?
    - i. Can you describe a situation where there was conflict?

**For the next set of questions, I'd like to learn about the decision-making culture here. So decision-making related to university-wide impact. Key decision. Also about the organizational structure and some processes related to hiring and promotion.**

25. (present blank paper and pen) Could you briefly describe the organizational structure, or the hierarchy of reporting structure? To help you along, here's a blank sheet of paper where you can visualize the reporting structure, specifically related to who reports to you, whom you report to, and whom your supervisors report to?
  - a. Can you describe any informal networking or reporting that may occur within this structure?
  
26. (explain stakeholders as all the groups and individuals that can affect, or are affected by, the accomplishments of [an] organization's objectives. Also explain key decisions as those affecting university wide operations, which may be related to the budget, academics, strategic directions). Who are the key stakeholders involved in making key decisions at the university?
  - a. Can you think of any external stakeholders?
    - i. Perhaps Ministry of Human Resources Development, University Grants Commission, accreditation agencies, state government?
  - b. How are they a part of key decision-making at GHU?
  
27. What are two key challenges related to making key decisions at GHU?
  
28. At GHU, how important is it to share governance or management responsibilities among different stakeholder groups?
  - a. Why is it important to share governance responsibilities?

- b. Can you describe your level of trust in delegating important decisions to other stakeholder groups?
  - c. What kind of decisions are delegated to other groups?
- 29. Can you recall a situation where other stakeholder groups resisted or challenged you on a key decision?
  - a. How did you handle the situation?
- 30. At GHU, how important is it to make sure that different stakeholder groups within the university agree on university matters, policies, direction?
  - a. Why?
- 31. What are the avenues for democratic participation (e.g., townhall meetings, academic council, etc.) for faculty, staff and leadership and other stakeholder groups?
- 32. (present list) Could you rank these university constituents in order from top to bottom, top with the most influence or power in decision-making?
- 33. What types of stakeholder groups are most difficult to work with when making key decisions?
  - a. Can you provide an example when you were met with resistance around a key decision or university direction?
- 34. Do different departments and programs within GHU have their own policies, protocols and customs?
  - a. How would you describe the level of coordination between different departments around (research, administrative tasks, etc.)?
  - b. Can you describe whether or not it is easy for the leadership to implement university wide policy or take the university in a certain direction?
    - i. Why or why not?

**In the next set of questions, I'd like to learn about the family dynamic (relationships) at this institution. These questions may cause some discomfort because of their personal nature. If you do not want to answer any of them, please let me know and we can move on.**

- 4. Who are the family members with whom you have found to disagree most often at GHU?
  - a. What is the nature of these disagreements?
- 5. Can you recall a situation when familial disagreement lasted for a long period of time, months?

- a. What were the reasons for it lasting long or for it being addressed quickly?
6. Can you describe situations where disagreement among family members affect or spill over into university operations? In other words, I wonder if you could describe how the family system (which includes family relationship, family emotions, etc.) interacts with university operations? Is there always a clear line between the family and university systems?
- a. If yes, can you describe what type of university operations were affected?
  - b. If yes, impact on nonfamily personnel?

**In the next and final set of questions, I'd like to learn about the leadership succession process.**

35. At family-owned or -managed universities, one of the key characteristics is family-based succession, the passing of the institution to following familial generations to control and operate.
- a. To what extent is there an expectation placed on you to continue to family legacy?
    - i. Are you being groomed in a sense?
  - b. Would you say that continuing the family legacy and keeping the university within the family is an important goal at GHU?
36. Could you describe the succession process at your university?
- a. How do you plan for it?
  - b. What procedures or policies, if any, are officially place that safeguard it?
37. What are some key attributes that an effective successor should possess?
38. In the tradition of succession at GHU, would the current succession process prioritize the personality traits you just described?
39. What challenges do you perceive to family-based succession?
- a. Are there any stakeholders that resist it? Or you expect to resist it when the time comes? Why or why not?



## Appendix D: Consent Form



### **Boston College Consent Form** **Boston College, Department of Higher Education**

**Informed Consent to be in study** Family-Owned or -Managed Higher Education Institutions: A  
Special Kind of University Governance

**Researcher:** Edward Choi

**Study Sponsor:** none

**Type of consent:** Adult Consent Form

#### **Invitation to be Part of a Research Study**

You are invited to participate in a research study. You are being asked to participate because either your professional experiences with organizational decision-making and leadership position in and/or familiarity with your university's organizational culture make you a reasonable participant in this study.

#### **Important Information about the Research Study**

Things you should know:

- The purpose of the study is to investigate the decision-making behaviors of family-based leadership within the higher education governance culture where nonfamily stakeholders abound. If you choose to participate, you will be asked to either:
  1. participate in a single 60-minute interview, in either your office or any other location of convenience, during which you will be asked to discuss your thoughts, perspectives, and feelings on the topic of this study. The interview will last 60 minutes. Additional time may be spent if you decide to review your interview logs at some point in time after the interview; or
  2. participate as a person being observed on your interactions and discussion with other leaders of the university community in an organizational meeting. In this case, the length of your participation will depend on the duration of the meeting. Additional time may be spent if you decide to review the field notes related to the meeting at some point in time after the meeting.
- Risks or discomforts from this research include possible discomfort when answering certain questions, specifically related to questions seeking participant opinions about other stakeholder groups with respect to their involvement in decision-making.

- The study is expected to provide you with insights from which policy/practice lessons may be drawn to illuminate and enhance your work as someone employed at a family-owned or -managed institution.
- Taking part in this research project is voluntary. You don't have to participate and you can stop at any time.

Please take time to read this entire form and ask questions before deciding whether to take part in this research project.

### **What is the study about and why are we doing it?**

The purpose of the study is to learn about the decision-making behaviors of family-based leadership within the higher education governance culture where nonfamily stakeholders abound. This research direction is a novel pursuit. The topic of family-based leadership, while extensively investigated in commercial settings, has never been examined within the context of nonprofit higher education where there is a strong mandate to advance the academic mission and pay attention to pressures coming from nonfamily stakeholders supporting the academic mission. This study is expected to reveal new theoretical understandings around family-based leadership decision-making, which may depart from dominant theoretical reasoning found in the family firm literature focusing on the commercial business setting.

The total number of people in this study is expected to be 10-12 interview participants and 5-10 meeting participants. There is overlap between these two groups. Interview participants may also be meeting participants.

### **What will happen if you take part in this study?**

If you agree to take part in this study, you will be asked to either:

1. participate in a single 60-minute interview, in either your office or any other location of convenience, during which you will be asked to discuss your thoughts, perspectives, and feelings on the topic of this study. The interview will last 60 minutes. Additional time may be spent if you decide to review your interview logs at some point in time after the interview; or
2. participate as a person being observed on your interactions and discussion with other leaders of the university community in an organizational meeting. In this case, the length of your participation will depend on the duration of the meeting. Additional time may be spent if you decide to review the field notes related to the meeting at some point in time after the meeting.

Based on your further consent (and the consent of other meeting participants with respect to meetings), the interview or organizational meeting will be audio recorded.

### **How could you benefit from this study?**

You might benefit from being in this study because this study may provide you with insights from which policy/practice lessons may be drawn to illuminate and enhance your work as someone employed at a family-owned or -managed institution. Notably, you may learn about both effective and ineffective governance practices in an environment where the two systems of family and business values clash and interact. Finding a balance between these two systems with respect to managing a university or working with family leadership may be a key takeaway for you.

### **What risks might result from being in this study?**

There are some risks you might experience from being in this study. They are possible discomfort when answering certain questions, specifically related to questions seeking participant opinions about other stakeholder groups with respect to their involvement in decision-making.

Related to this is informational risk. While the final report will de-identify all sensitive and personal information, there is always a risk that someone having familiarity with the university's organizational structure can identify the individual forming the opinion. However, this risk is mostly related to top leadership level positions where position titles are exposed (such as the Pro Chancellor or Chair of the Academic Council). The presentation of this information is necessary to discuss organizational decision-making in detail. All other positions and findings will be discussed in general terms. In other words, most of the findings will not be associated with any particular individual or position, but with the particular stakeholder group to which the individual has membership. Further, you, as a research participant, will be able to review interview logs or field notes related to meetings and have the opportunity to omit or revise any part(s) of the data that you feel does/do not represent you accurately.

Apart from the minimal risks outlined above, there are no other reasonably foreseeable risks associated with this study. There may be unknown risks, but nothing of a harmful, physically or emotionally invasive, painful, and embarrassing or offensive nature. Further, there is no perceivable reasoning to suggest that this study will have a lasting adverse impact physically or emotionally.

### **How will we protect your information?**

The records of this study will be kept private. In any sort of report I may publish, I will not include any information that will make it possible to identify you, except for the informational

risk described in the earlier section. All of the research records will be kept in a locked, encrypted electronic folder.

We will assign to each participant and your university a unique, coded identifier that will be used in place of actual identifiers. We will separately maintain a record that links each participant's coded identifier to his or her actual name (as well as institutional level information), but this separate record will not include research data.

All audio recording will be stored in the locked and encrypted folder. These will be deleted once transcribed to text, which will also be stored securely and electronically.

Mainly just the researchers will have access to information including audio files; however, please note that a few other key people may also have access. These might include my dissertation supervisor, Hans de Wit, the Institutional Review Board at Boston College, and internal Boston College auditors may review the research records. Otherwise, the researchers will not release to others any information that identifies you unless you give your permission, or unless we are legally required to do so.

Questions about confidentiality may be directed to either the researcher by email ([choief@bc.edu](mailto:choief@bc.edu)) or the supervisor ([dewitj@bc.edu](mailto:dewitj@bc.edu)).

### **What will happen to the information we collect about you after the study is over?**

All data collected will be used only for the purposes of fulfilling the requirements of my doctoral dissertation.

All data will be deleted at the completion of the study. Any hard copies of transcribed text (interview logs) and field notes taken by hand at the research site will be shredded once transformed to digital content.

We will not share your research data with other investigators.

### **How will we compensate you for being part of the study?**

You will not be compensated for this study.

### **What are the costs to you to be part of the study?**

There is no cost to you to be in this research study.

### **Your Participation in this Study is Voluntary**

It is totally up to you to decide to be in this research study. Participating in this study is voluntary. Even if you decide to be part of the study now, you may change your mind and stop at any time. You do not have to answer any questions you do not want to answer. If you decide to withdraw before this study is completed, please let me know how you would like us to handle any data collected from you.

If you choose not to be in this study, it will not affect your current or future relations with the University.

### **Getting Dismissed from the Study**

The researcher may dismiss you from the study at any time if it is in your best interests (e.g. side effects or distress have resulted).

### **Contact Information for the Study Team and Questions about the Research**

If you have questions about this research, you may contact Edward Choi by email ([choief@bc.edu](mailto:choief@bc.edu)) or phone (001.484.238.5347) or the supervisor by email ([dewitj@bc.edu](mailto:dewitj@bc.edu)) or by phone (001.617.552.4236).

### **Contact Information for Questions about Your Rights as a Research Participant**

If you have questions about your rights as a research participant, or wish to obtain information, ask questions, or discuss any concerns about this study with someone other than the researcher(s), please contact the following:

Boston College  
Office for Research Protections  
Phone: (617) 552-4778  
Email: [irb@bc.edu](mailto:irb@bc.edu)

### **Your Consent**

By signing this document, you are agreeing to be in this study. Make sure you understand what the study is about before you sign. I will give you a copy of this document for your records. I will keep a copy with the study records. If you have any questions about the study after you sign this document, you can contact the study team using the information provided above.

### **Consent to be Audio/video Recorded**

*I agree to be audio/video recorded.*

**YES** \_\_\_\_\_ **NO** \_\_\_\_\_

*I understand what the study is about and my questions so far have been answered. I agree to take part in this study.*

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Printed Subject Name

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Signature

Date