

## Investment priorities of northeast Indian SMEs family business entrepreneurs based on BOCR aspects

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### ABSTRACT

The study proposed a multi-criterion decision model from benefit, opportunity, cost, risk aspects of SME family business to develop logical investment priorities for northeast Indian family entrepreneurs. The data was collected from 368 northeast entrepreneurs and analytical hierarchy process was applied to develop weights and priorities of every criteria and sub-criteria. The study found employment opportunity; business growth; reputation; stability and succession planning as top priorities. The findings provide heuristic judgment for entrepreneurs and infer to entrepreneurs while taking strategic investment decisions and also to local governments, policymakers, and industrialists. Further, the limitations and research directions were presented.

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## 1. Introduction

The family business is enormously growing in the world as they boost both local and global economies. However, past researchers revealed many family businesses were adversely affected at different stages due to multiple reasons. However, entrepreneurs must take cognitive decisions from a holistic business perspective. As per the International Family Business Research Academy, the family firms account approximately for 80 to 95 percent of the world economy. India is a country with abundant natural resources, human capital, land, and technology. However, the economic growth and development are not equal in all regions, rather have an imbalance in various states of the country. The Northeast part of India which includes eight different states namely Tripura, Assam, Arunachal Pradesh, Manipur, Sikkim, Nagaland, Mizoram, Meghalaya are considered to be Southeast Asia's gateway as they border neighboring countries like Burma, China, Nepal, Bangladesh, and Bhutan. This region covers 0.26 million Km<sup>2</sup> areas geographically accounting for 7% of Indian land and approximately 4% of the Indian population (Das and Ali, 2003). Despite this Indian region being richly endowed with natural resources, the majority of people remain under the poverty line. Even presently this region is economically lagging because of inefficient usage of natural resources, lack of political emphasis, and imbalanced economic development, high illiteracy rate, lack of transportation facilities. Consequently, these situations paved way for inflation, corruption, unemployment, local protests, lack of equilibrium between demand and

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supply, unavailability of information technology, services, tourism, manufacturing, and industrial developments. As a result, the northeast region is still facing a lot of challenges in regular commercial activities and depending on other states of India for its economic development. This region can expedite its economic growth only when it explores balanced opportunities across all the eight states.

More broadly, the family enterprises move around the synthesized connection amidst family and business (Tourunen, 2009a). SMEs are still in a dilemma while taking decisions related to establishing family businesses without a piece of proper knowledge on cost-benefit aspects. Past research also affirmed to sustain the business for generations and prosper the well-being of generations with an attitude of stewardship. Despite dramatic changes, most of the family firms were being persisted for generations to excel in business operations. While few owners are thoughtfully exploring growth opportunities and diversifying into various industries, some other businesses are faltered due to wrong investments decision. Research by Family Firm Institute (2013) demonstrated just 30 percent of family businesses are survived to the immediate next-generation, 10% continued till the third generation and only 3% operated by the fourth generation. Nevertheless, a family business is characterized by unique benefits and risk factors. Some family firms with big family size include governance, decision-making, business performance, lack of finance, business strategy issues, operations concern or succession issues (Daniell & Hamilton, 2010; Family Office Exchange (FOX), 2007; Ward, 2004; Reid & Adams, 2001; Gudmonson et al., 1999). Previous studies discretely studied risk behavior, risk types, aversion and risk management strategies, problems, and prospects of a family business, their advantages and disadvantages, challenges, and opportunities. However, they fail to give a holistic overview and their priorities on various criteria of benefits, opportunities, cost, and risk (BOCR) aspects. As all the criteria are independent with equally significant, it is essential to explain the most important criteria for making strategic investment decisions while establishing SME family enterprises. Also, the family business literature lacks a prioritization or multi-decision analyzing benefit, opportunity, cost, and risk perspectives. They also failed to strategically realize the purpose of establishing such business ventures. With this research gap, the study was conducted in bridging the knowledge recess among various manifestos of northeast family businesses to gain strategic considerations in a long-term vision. Despite facing a lot of hurdles in business activities, the entrepreneurs also foresee cost-cutting in business. Therefore, cost-benefit analysis becomes a powerful tool to assess an extensive range of business prospects. Moreover, the cost-benefit analysis is proven to calculate and produce promising results against the accompanying costs of investment. The research revealed prioritizing cost-benefit and opportunity-risk areas can guide the entrepreneurs to accomplish strategic business goals and sustain growth. Therefore, prioritizing the BOCR is imperative and crucial to bridge a gap between a firm's investment and expected outcomes to proactively position appropriate strategies. This helps the managers to mitigate recognized costs and risks issues while organizing themselves for unidentified once.

This study is developed into different sections. Firstly, we present the background and importance of SME across India's northeast region. In the next section, we thoroughly examined the literature of northeast SME's covering the BOR factors they come across currently. The third section presents the data collection and Analytical Hierarchy Process (AHP) as a research methodology to analyze criterion and sub-criterion for establishing SME family business. The fourth section demonstrates the results and discussion followed by limitations, practical implications, and conclusion of the study.

## 2. Literature Review

Firstly, not much research was conducted on family business particularly in the northeast region of India. Hence, this topic is still in the nascent stage in its research studies and lacks literature on Northeast family business, entrepreneurship, and economic development. Deb (2013) stated the northeast region is tremendously perspective for growing rural entrepreneurship mainly benefiting the rural youth and women. The same is mentioned by many past researchers, who conducted studies on rural entrepreneurship in Manipur (Dadina & Dey, 2015). Bhattacharjee and Das (2013) studied the rural business, society culture, political and economic background, demography aspects in the northeast. Sharma (2015) studied on Assam's rural tourism and also focused on women entrepreneurs who trade on weaving, food processing. Devi (2014) studied from Assam and Manipur perspectives and demonstrated that micro-finance supports the financial needs of the poor and women entrepreneurs in the emergency period increasing their standard of living. As per Fourth, All India Census of micro small and medium enterprises reported the top first three states of India namely, Meghalaya with 39.31%, Mizoram with 35.91%, and Manipur with 30.49% are owned by women enterprises. Past researchers predominantly studied about rural business developments, tribal and women entrepreneurship, microfinance for entrepreneurship growth (Basu & Adak, 2018; Das, 2010; Singh, 2016). There were no studies that analyze the cost-benefit and risk-opportunities of family businesses. Hence, this study envisioned to explore and highlight the BOCR factors of the northeast region. However, the study also considered literature of other small family businesses, rural entrepreneurship pursuing the global context, and identified the gaps in comparative practices in terms of BOCR factors that may assist in capturing various sub-criterion for a better decision making in a broad aspect.

### 2.1 Benefits of Northeast family business

Raju Dasgupta (2014) explored the prospects and problems of entrepreneurship in the Assam region and found that micro-enterprises in rural regions enumerates value to the natural resources and creates job opportunities for the citizens. The local

citizens are highly motivated to become entrepreneurs with the hope to continue family business for future generations which can create employment opportunities and support their family financially (Gómez-Mejía et al., 2013; Westhead et al., 2011). Among these, few other motives are self-dependent, utilize self-capacity, promote self-employment, attain self-esteem in the society (Raju Dasgupta, 2014). However, rural residents look forward to motivation, morale, and financial support from the local government. Elo-Pärssinen and Talvitie 2010 in his study identify five aspects of family-oriented business namely loyalty, business stability, tradition, dependency, and trust. The family members determine the leading member of the business who usually have knowledge and longevity leadership to take-up the business stably (Elo-Pärssinen & Talvitie 2010). Unlike in non-family firms, the family business has a higher sense of responsibility and commitment which will lead to better understanding the industry, local and neighbor markets, build strong customer relationships with the effective sale of products. While non-family business count on hitting quarterly goals, the family business stays on business with endurance and long-term outlook conceding a good strategy and decision making (Elo-Pärssinen & Talvitie 2010)

### *2.2 Opportunities of Northeast family business*

Raju Dasgupta (2014) also stressed various prospects for entrepreneurs stating its importance to empower businessmen as it provides sustainable development in the northeast region. Further, rural enterprises can advance the utilization of the local labor effectively, generate income for families, improving the standard of living. Since the family firms existed long before for decades in their local community, they can earn a good reputation and be competitive in the market by better understanding their customers and address their needs satisfactorily (Elo-Pärssinen & Talvitie, 2010; Paasio & Heinonen, 1993). Further, this may prevail in them to grow easily in their business and assists them to actively participate in local associations and organizations by extending the well-being of the society. This will fetch them new ways to integrate and affiliate their business with others in times of crisis. Tourunen (2009b) emphasized adaptation and information sharing in family firms, when the ownership and management are vested in one hand of a family there will be cohesiveness and better control of the resource. Also, comparatively with non-family business, the decision-making is fast and firms can adapt easily to the economic and environmental changes. On the other hand, any internal conflicts in the family not necessarily spoil the relations, rather will strengthen the business operations positively and facilitate to transform into new procedures and possibilities with transparency in communication (Tourunen, 2009a)

### *2.3 Cost issues of Northeast family business*

Raju Dasgupta (2014), while presenting the problems and prospects of entrepreneurs identified that most of the SME family business owners run short of own capital investment and look forward to financial support from the local government or any authorized agencies. On the other hand, local governments have developed exciting schemes for the advancement of tribal entrepreneurs. However, due to the weak associations with current financial systems, the tribes are not able to utilize them at right time (Basu & Adak, 2018). This is one of the reasons why most of the rural and SME family businesses are shut down sometime later soon after they establish a business. The northeast India region is geographically located around the mountains and also due to unfavorable weather with excessive rainfall are obstructing the natural transportation facility to a great extent (Basu & Adak, 2018; Das, 2010; Singh, 2016). Because of this reason, the transportation of commodities is becoming a primary issue in the region, consequently increasing the commodities price including raw material, production, and manufacturing costs and leading them to face tight market competition. Due to the very limited availability of plain lands the land cost is reaching the skies if they desire to set up factories and industries. Entrepreneurs also have to pay huge tax and satisfy the financial demands of locals in terms of fund development, while crossing the border of neighboring states. Failing of which will not allow them to get permission to cross the border. Also due to the unavailability of skilled and semi-skilled labor, entrepreneurs pay huge wages even for normal labor leading to the rise in huge labor costs.

### *2.4 Risks of Northeast family business*

Traditionally family business entrepreneurs perceive business risk from the aspect of performance, capital investment, and insurance (Bernard, 2014). Altman et al. (2010) categorized family business risks as financial (business accounts, assets information, profits retained measures, working capital and leverage) and non-financial risks (number of people controlling, funded, or individually owned business, business diversification). On average, a family business can span up to 24 years after considering the attitude of generations towards risk concerns, growth, and issues of sustainability (Argüden, 2011; Senegović et al., 2015). Research by Family Firm Institute (2013), proved gradually the percentage of family business will diminish from generation to generation where 30% of business will continue till the second generation, 10% feasible to the third generation and 3% only will be operated by the fourth generation. Investopedia, 2013 illustrated the business risk can also be from lower profits than what is expected by the entrepreneurs. Visser and Scheers (2018), explored various risks managed by a family business. Compliance risk administers tax laws and other regulatory environments. Process risk involves overrule disciplines and key steps in the business process and follows their perception in the investment process. Resource risk deals with the deployment of scarce resources, limited information access which may result in poor decision making. Competence risk is the

biggest problem faced by competitors in the same business field. Succession risk is the continuity of business by future generations with greater responsibility and commitment. Relationship breakdown and cultural risk are involved in the family conflict on various issues. Venturing risk is a major concerned with unexpected outcomes and performance variance while looking for new opportunities for the betterment of business performance. Technology and ecosystem risks come from information theft and considering wrong advice without proper knowledge on related issues. Raju Dasgupta (2014), asserted the major problem for entrepreneurs in the northeast region is heavy the competition from their counterparts in the society they live in because of the small consumer market. According to the All India Census of Small Scale Industrial Units organized by the Director of Industries and Commerce of Assam, one of the reasons for the shutdown of small scale industries is the lack of finance, marketing problem and unable to withstand the heavy competition. There also exist other reasons like lack of confidence, knowledge, skills, and training, absence of recognition and appreciation, fear of failure, lack of organized markets, huge corruption, and share for middlemen. The region's entrepreneurs currently face a lot of challenges with tight competition, increased cost of raw-material, utilities, chemicals, lack of proper management, lack of knowledge about the global market. Niemelä (2006), argue there exist family conflicts in any type of business and also with a family business. However, due to robust relationships among the family members, they cannot fire the apathetic and uninvolved employees in the business. Sometimes such tolerance is seriously detrimental for the business. In another way, due to family conflicts, legal and financial problems in the family firms, there is a high risk of considering strong succession plans. Paasio and Heinonen, (1993) and Elo-Pärssinen and Talvitie (2010), also mentioned succession is a crucial strategic objective to integrate future generation family members into the business. Liptiz and Hauser (2016), stated perplexing roles of family members and the absence of communication in business are key risk factors in the succession of family firms. In the context of trust among family firms, there are high chances of unstructured governance where the members may not strictly adhere to the internal hierarchies, nor follow the extrinsic corporate laws. Also, most of the family businesses are reluctant to introduce outsiders in top management. Ultimately will assign any family member with less capability, experience, and skills in a job. Therefore, this nepotism will have a wide-ranging effect on the future execution of the firm (Elo-Pärssinen & Talvitie, 2010). In most of the family businesses around the world, the decision-making process is driven by family members. However, such decisions are the only experience based but not always reliable for a successful business. Rather entrepreneurs need to make logical decisions with the changing business environment, which is missing in family business literature. Therefore, with this broad objective, the criteria and sub-criteria were identified from the literature and listed in Table 1 and the proposed model is as shown in Fig. 1.

**Table 1**  
Identified Criteria and Sub-criteria for SME Family Business

Criteria	Sub-criteria	Criteria	Sub-criteria
Benefits (C1)	Business stability (C11)	Cost (C3)	Investment cost (C31)
	Financial support for family (C12)		Transportation cost (C32)
	Loyalty, trust, and dependency (C13)		Raw material cost (C33)
	Cohesiveness and commitment (C14)		Production/manufacturing cost (C34)
	Long-term outlook (C15)		Labor cost (C35)
	Fast decision making (C16)		Government Tax (C36)
Opportunities (C2)	Employment opportunity (C21)	Risk (C4)	Family conflicts (C41)
	Improved standard of living (C22)		Succession plans (C42)
	Good reputation (C23)		Unstructured governance (C43)
	Competitiveness (C24)		Nepotism (C44)
	Growth, integration & affiliations (C25)		Interstate permissions (C45)

Source: Computed by author

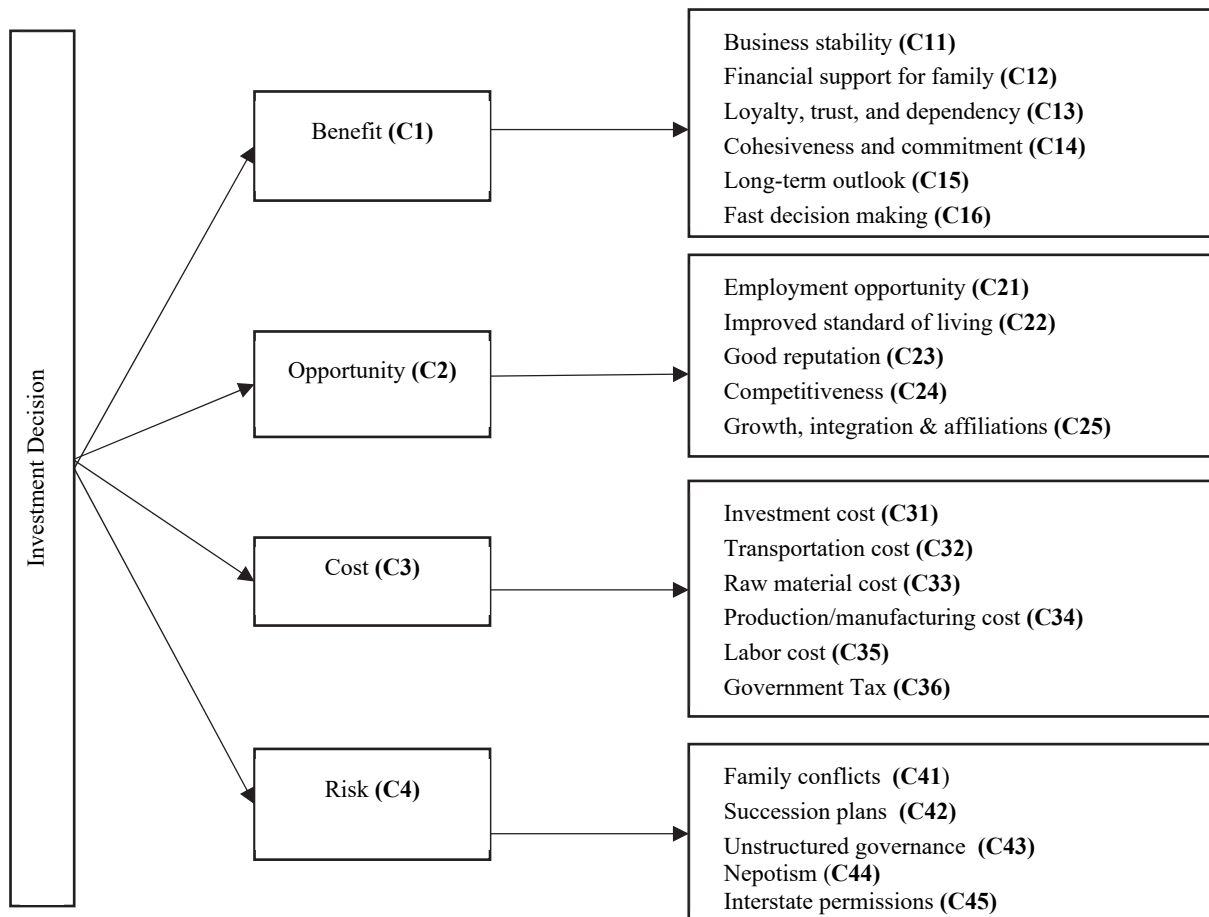
### 3. Research Methodology

To answer various research questions and bridge the research gap of this study, an AHP method as suggested by Satty (1980) was established to be the most applicable method for the entrepreneurs to choose appropriate strategic decisions by considering prevailing problems using multi-criteria decisions making. This technique generates the best decisions with the help of a mathematical combination of several judgments about a problem. It develops a multilevel hierarchical structure of available alternatives and calculates the weights and importance of each element by conducting a pairwise comparison (Saaty & Vargas, 1996). The ranking procedure is completed by allocating numbers from the comparison scale developed by Saaty (1980) which elucidates the importance of each alternative. Many past studies have used AHP as a powerful tool in mitigating complex research problems with good decisions (Khan et al., 2011; Khan et al., 2015; Antony & Joseph, 2017).

#### 3.1 Data Collection

A first-hand data was collected using a well-organized questionnaire from the SME entrepreneurs who are already operating the firms in the northeast region. 368 respondents from eight northeast states of India were considered. The study included women entrepreneurs, family business owners, rural area business owners for the study. The study used a stratified random sampling

method to assure each state entrepreneurs are represented in the sample population. Due to a lack of sufficient awareness and importance in accessing the emails among most of the firm owners in the northeast region, a well-structured questionnaire with both closed-ended and few open-ended questions were distributed directly to respondents and obtained 368 responses as shown in table 2. As proposed by Saaty (2000) in the AHP process, a five-point Likert scale was used in the questionnaire whose values were later converted based on relative importance as shown in Table 3.



**Fig. 1.** Research Model of Multi-Criteria Decision Making  
Source: Developed by author

**Table 2**

State-wise responses

S. No	Northeast State	No. of Respondents	% of Responses
1	Manipur	52	14.1 %
2	Sikkim	48	13.0 %
3	Mizoram	36	9.7 %
4	Nagaland	52	14.1 %
5	Assam	53	14.4 %
6	Arunachal Pradesh	43	11.6 %
7	Meghalaya	43	11.6 %
8	Tripura	40	10.8 %

Source: Analysis from primary Data

### 3.2 AHP Analysis and Interpretations

AHP technique developed by Satty Thomas L. (1980) involves in decision-making process for both qualitative and quantitative multi-criteria components. It has multiple alternatives in decision making by the application of sensitive mathematical calculations and judgment using a pairwise comparison on subsequent criteria.

**Table 3**  
The Scale of Relative Importance

Level of Importance	Description	
1	Equal importance	Two criteria contribute equally to the objective
2	Weak or slight	
3	Moderate importance	Experience and judgment slightly favor one activity over another
4	Moderate plus	
5	Strong importance	Experience and judgment strongly favor one activity over another
6	Strong plus	
7	Very strong or demonstrated importance	An activity is favored very strongly over another; its dominance demonstrated in practice
8	Very, very, strong	
9	Extreme importance	The evidence favoring one activity over another is of the highest possible order of affirmation

**Reciprocals of the** If activity i has one of the aforementioned non-zero numbers assigned to it when compared with activity j, then j has the reciprocal value when compared with i

Source: Saaty, T.L. 1980

The whole technique is conducted in a few steps. First, a hierarchical structure is established by fixing the goal at the topmost level, the attribute in the second level, and alternatives at the third level as shown in figure 1. Next, a pairwise comparison matrix is developed using the scale of comparative significance as shown in table 3 to give the prioritized values of various attributes concerning the goal. The inverse values 1/3, 1/5, 1/7,1/9 are used for inverse comparisons as shown in equation 1. The length of the pairwise matrix is equivalent to the number of criteria used in the decision-making process. The value in the pairwise matrix depends upon the decision-maker. The diagonal elements take the value of 1 as the same criterion is equally important to itself. After the matrix A is developed, normalizing the pair-wise comparison takes place by making it equal to 1 and their relative weights are found.

$$A = (a_{ij}) = \begin{bmatrix} a_{11} & a_{12} & \dots & a_{1n} \\ a_{21} & a_{22} & \dots & a_{2n} \\ \vdots & \vdots & \ddots & \vdots \\ a_{n1} & a_{n2} & \dots & a_{nn} \end{bmatrix} = \begin{bmatrix} 1 & a_{12} & \dots & a_{1n} \\ \frac{1}{a_{21}} & 1 & \dots & a_{2n} \\ \vdots & \vdots & \ddots & \vdots \\ \frac{1}{a_{n1}} & \frac{1}{a_{n2}} & \dots & a_{nn} \end{bmatrix} \tag{1}$$

The comparative weights are represented by eigenvector (w) according to the highest Eigenvalue ( $\lambda_{max}$ ) as:

$$\text{Average of weights.} = \text{Eigen weights} = \lambda_{max.w} \tag{2}$$

Saaty, T.L. (2000) demonstrated the relationship among evaluation matrix A and weight vector. The consistency which verifies the rationality of the matrix is checked by Eigenvalue. The normalized principal Eigenvector is also known as a priority vector. As the values are normalized, the total of all vector components must be equal to 1. The consistency index (CI) was calculated as the below formula in Eq. (3).

$$CI = (\lambda_{max} - n) / (n - 1) \tag{3}$$

$\lambda_{max}$  is the maximum variance and n is the number of priorities. Once the CI value was found, consistency ratio (CR) was calculated as CR = CI/RI. The Random Index (RI) as shown in table 4 was recommended by Saaty (2000). The acceptable upper limit of CR is 0.1 and if the final CR cross 0.1, the evaluation procedure must be repeated to increase the consistency.

**Table 4**  
Random Index (RI)

N	1	2	3	4	5	6	7	8	9	10
RI	0	0	0.58	0.90	1.12	1.24	1.32	1.41	1.45	1.488

According to Saaty (2000) CR of 0.1 is considered to be the upper value, however, it is accepted if less than 0.1. The overall ranking and priorities of the main criteria and sub-criteria are as shown in table 5. The CR of main criteria and respective sub-criteria were thoroughly checked which fell under acceptable range. Among all the four main criteria, the opportunity has the highest priority vector value of 48.3% followed by benefits 20.4%. This illustrates the family entrepreneurs' investment decisions are mostly driven by opportunities prevailing in the northeast regions and with the idea to create employment opportunities (C21) to their family members. This sub-criterion has achieved top priority among other criteria with an overall integrated priority of 18.22% as shown in table 6. This finding is also consistent with many past studies that micro-entrepreneurs enhance the value added to the rural human resources (Raju Dasgupta, 2014; Gómez-Mejía et al., 2013; Westhead et al., 2011). Since the family members develop a strong cohesiveness and bonding, they are more committed to work enhancing the growth entailed with better integration and affiliation (C25) seeking further opportunities of good reputation (C23) and being competitive (C24). It is also found the family businesses bring a lot of opportunities and benefits to the entrepreneurs apart from fulfilling the basic needs of their society. Few respondents stated the cost incurred on business is extremely high, while the opportunities they avail currently are very low but may stimulate the local economy and expedite them to grow into big organizations in near future and may overcome the current risk factors that are currently hampering in the region. However, while enjoying many benefits from family firms which resulted in the second-highest value among the main criteria priority vector, entrepreneurs aspire to have business stability (C11) in the future generations as a top priority among its sub-criteria. This can also further financially support their family members (C12). Though the region's family entrepreneurs struggle with cost issues, they rank it the third priority among the main criteria. Among this issue, the investment cost (C31) is most important to startup the business. Also, most of the firm owners stated they do not have sufficient support from the local government or any donors, rather they need to self-support themselves. Predominantly, they are facing extreme challenges to avail the raw-material as there is high internal demand in the northeast region though they are ready to purchase at a high cost (C33). Ultimately this is affecting adversely the production process and cost (C34) which is at third priority in sub-criteria. These problems are primarily coupled with the transportation cost (C32) because of the geographical location and bad infrastructure of transportation in the region. They also need to pay both government tax and satisfy the local fund developers of each state while crossing the borders.

**Table 5**  
Priorities of Main and Sub-criteria

Main Criteria & Priority (%)	Sub-criteria	Priority	Rank	Consistency	Overall Rank	
<b>Benefit (20.4%)</b>	Business stability (C11)	0.394	1	CI	0.0358	
	Financial support for family (C12)	0.233	2	RI	1.24	2
	Loyalty, trust, and dependency (C13)	0.105	4	CR	0.0289	
	Cohesiveness and commitment (C14)	0.132	3			
	Long-term outlook (C15)	0.062	5			
	Fast decision making (C16)	0.074	6			
<b>Opportunity (48.3%)</b>	Employment opportunity (C21)	0.377	1	CI	0.0667	
	Improved standard of living (C22)	0.082	5	RI	1.12	1
	Good reputation (C23)	0.228	3	CR	0.05	
	Competitiveness (C24)	0.037	4			
	Growth, integration & affiliations (C25)	0.276	2			
<b>Cost (14.6%)</b>	Investment cost (C31)	0.353	1	CI	0.0048	
	Transportation cost (C32)	0.075	5	RI	1.32	3
	Raw material cost (C33)	0.215	2	CR	0.0036	
	Production/manufacturing cost (C34)	0.184	3			
	Labor cost (C35)	0.137	4			
	Government Tax (C36)	0.036	6			
<b>Risk (16.7%)</b>	Family conflicts (C41)	0.188	3	CI	0.0459	
	Succession plans (C42)	0.363	1	RI	1.12	4
	Unstructured governance (C43)	0.284	2	CR	0.0409	
	Nepotism (C44)	0.063	5			
	Interstate permissions (C45)	0.102	4			
<b>Consistency Check</b>	<b>CI = 0.0336 RI = 0.90 CR = 0.0373</b>					

Source: Analysis from primary Data

The family firms well understand the business progression comes along with a lot of risks, which they are ready to take. However, if they think about the risk factor, they cannot grow further and remain as undeveloped states of India. This may further create a huge imbalance and variations in terms of economic development, already which is true to some extent currently. So, this main criterion is given the least importance in the priority vector. In this context, they give high priority to succession plans (C42) and unstructured governance of business (C43) which ranked first and second respectively in sub-criteria. Apart from moderately protecting the family relationships from various conflicts (C41) that may arise among the family members, they are also willing to hire skilled and experienced outsiders in higher positions for business success under the family member leadership. So nepotism (C44) was given the least preference over interstate permissions (C45) in sub-criteria of risk.

**Table 6**  
Integrated Ranking of Elements

Criteria & Priority (%)	Sub-criteria	Priority	Integrated Priorities	Integrated Ranking (%)	Rank
<b>Benefit (20.4%)</b>	Business stability (C11)	0.394	0.0804	8.04%	4
	Financial support for family (C12)	0.233	0.0475	4.75%	7
	Loyalty, trust, and dependency (C13)	0.105	0.0214	2.14%	14
	Cohesiveness and commitment (C14)	0.132	0.0269	2.69%	12
	Long-term outlook (C15)	0.062	0.0126	1.26%	19
	Fast decision making (C16)	0.074	0.0151	1.51%	18
<b>Opportunity (48.3%)</b>	Employment opportunity (C21)	0.377	0.1822	18.22%	1
	Improved standard of living (C22)	0.082	0.0398	3.98%	9
	Good reputation (C23)	0.229	0.1104	11.04%	3
	Competitiveness (C24)	0.038	0.0182	1.82%	16
	Growth, integration & affiliations (C25)	0.277	0.1337	13.37%	2
<b>Cost (14.6%)</b>	Investment cost (C31)	0.353	0.0515	5.15%	6
	Transportation cost (C32)	0.075	0.0110	1.10%	20
	Raw material cost (C33)	0.215	0.0314	3.14%	11
	Production/manufacturing cost (C34)	0.184	0.0269	2.69%	13
	Labor cost (C35)	0.137	0.0200	2.00%	15
	Government Tax (C36)	0.036	0.0053	0.53%	22
<b>Risk (16.7%)</b>	Family conflicts (C41)	0.188	0.0314	3.14%	10
	Succession plans (C42)	0.363	0.0606	6.06%	5
	Unstructured governance (C43)	0.284	0.0474	4.74%	8
	Nepotism (C44)	0.063	0.0105	1.05%	21
	Interstate permissions (C45)	0.102	0.0170	1.70%	17

Source: Analysis from primary Data

From Table 6, among the overall integrated priorities of sub-criteria, employment opportunity; business growth, integration, and affiliation; business reputation; business stability, and succession planning were given the top five priorities. These aspects demonstrate the heuristics judgments taken by SME family entrepreneurs while taking investment decisions under the present scenario in the region.

#### 4. Limitations and Practical Implications

This study proposed to estimate the weights of various criteria that affect the investment priorities of SME family business in the northeast region of India using the AHP technique which is popularly known as the multi-criterion decision method. The study is limited to generalize the findings only to the northeast states of India as their geographical conditions, weather, opportunity, cost, and risk factors differ from the rest of the states of India. However, the study provides very significant inferences to SME family business owners, industrialists, and even big family business entrepreneurs with the essential perspectives that need to consider logically while making investment decisions on the business. Further, it has deep insights for the northeast government and policymakers to understand the problems faced by the entrepreneurs and ease the regulations and assist them in developing the northeast economy.

#### 5. Conclusion

Family businesses have unique characteristics from BOCR aspects globally. Therefore, investment decisions also vary across the world based on their priorities. The study has examined the prospects, problems, benefits, opportunities, cost, and risks factors involved in the northeast business from the retrospective analysis of literature and primary data collection through



questionnaires from existing family business owners. As the decision making affects the business significantly, multiple criteria were considered and the priorities of each criterion and sub-criteria were studied by estimating the appropriate weights using the AHP method. The priority vector from pairwise matrix normalization provided the rankings of both main and sub-criteria. These alternative rankings along with weights were the heuristic judgments the entrepreneurs relate to taking investment decisions. Opportunities and benefits represent the top priorities among main criteria and from the integrated rankings, employment opportunity; business growth, integration, and affiliation; business reputation; business stability, and succession planning were found to affect greatly the investment decisions of the family entrepreneurs. The study has concluded, though the benefits and opportunities of family business are similar across the country, there is a huge variation in cost and risk aspects. Therefore, further researchers must broadly investigate on prioritizing alternative investment decision by adding some more relevant criteria. Similar studies can also be conducted in other regions of India to report comparative results and gain broad opinions about family business investment decisions. It will be interesting to study dynamic behavioral investment patterns of entrepreneurs and developing the best strategies to overcome the barriers of SME business investments.

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