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Determinants of Profitability and Success in Family-Owned Businesses: Evidence from Pakistan

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Abstract
Family-owned businesses play a central role in emerging economies, yet their profitability is often influenced by a combination of demographic and organizational factors. This study examines the determinants of profitability and business success in family-owned enterprises in Pakistan by analyzing how manager characteristics (age, gender, education, health status) and business features (liability, size, age, community support and management activities) shape perceived performance. Data were collected from 250 family-owned businesses using structured questionnaires, and analyzed through descriptive statistics, correlation, factor analysis and regression in SPSS. The findings reveal that age has no statistically significant effect on profitability, whereas health status has the strongest positive influence, followed by liability, education and gender. Regression analysis confirms that health, liability and education significantly predict profitability, while gender shows a weaker but present effect. The results suggest that businesses managed by healthy individuals with lower liability levels and relevant educational backgrounds are more likely to achieve sustained performance and continuity. These insights have practical implications for owners and consultants, highlighting the importance of promoting managerial well-being, financial discipline and skills development to strengthen business outcomes. The study contributes to the limited empirical evidence from Pakistan, offering a model that explains how demographic and business characteristics jointly influence profitability in family-owned enterprises and provides a basis for future work in emerging markets.

Keywords: *Family-owned business, Profitability, Management characteristics, Liability Health & Education*
JEL Codes: *M10; M12; L26*

Introduction

Family-owned business is one of the oldest forms of business in the world. In Pakistan, it is a business that is run by one or more family members, and the majority of the shareholders or stakeholders are members of the same family. Most of the ownership and control of the business lie within the family. The business is usually founded by a family member and is passed down through generations to younger members who remain within the family tree. For a business to be successful there are certain factors that help in achieving this, and these are what are referred to as the determinants of success. Family business is often characterized by succession of power or management, loyalty to the principles of the founder, family commitment, and dedication to ensure the survival of the business during difficult economic times in Pakistan (Novotná et al., 2022). Research has identified family-owned businesses as important drivers of the global economy, and many of the world's businesses were initially family-owned enterprises that later grew by welcoming investors and innovation. It is believed that the first family businesses were established in the United States during the period of the second industrialization. Today, in the United States, almost 85% of the businesses are either family businesses or began as family businesses. This indicates that, from the grassroots level, small to medium-sized family businesses have contributed to building the economy, and they continue to represent the largest majority of businesses globally and also in Pakistan (McKinsey, 2024; Mikušová, 2025).

One significant aspect of the family business is its ability to incorporate more than one member of the family, and in many cases, this helps reduce unemployment in Pakistan as well. It is often believed that family businesses are small and employ no more than 20 employees, but this perception is not accurate (Astrachan & Shanker, 2003). There are also large organizations that are family-owned, and what differs between them is the level of family involvement. Some families have full voting control over the business, others are directly involved in everyday activities, and some have both voting rights and active involvement in management (Arregle et al., 2024; Birdthistle, 2023). With increasing globalization, family businesses in Pakistan sometimes lose their prominence, being described as a backward way of doing business, as primitive, or as having a simple organizational structure that can reduce their competitive advantage in the market (Amran, 2011). Research has shown that family businesses currently face challenges in surviving within competitive markets, even though they have existed for many years. These challenges are not only related to succession but also to profitability and business success (Matambo, 2025; Novotná et al., 2022).

Problem Statement

Most research in the field of family business tends to compare family-owned businesses with other types of enterprises. However, the development of this topic remains very limited in Pakistan. Research shows that family businesses struggle to survive in the markets, even though many have existed for generations. It is not easy for any enterprise to develop and maintain profitability, and profitability is often influenced by the business owner. Different family businesses define success and profitability in subjective ways, and therefore the determinants may vary from one business to another in Pakistan (Hastenteufel & Staub, 2021; Yilmaz, 2024). Family businesses have a greater influence on the economy compared to many other types of businesses, yet they have been less studied. This creates a need to understand the determinants of profitability and success in family-owned businesses in Pakistan. These concerns motivated the researcher to study the determinants of profitability and success for family-owned businesses in Pakistan (Werner-Lewandowska et al., 2025).

Research Objectives

The main objective of this study is to describe the demographic variables of family business managers and family business features in Pakistan, and to determine how profitability is influenced by these variables. The main features include community support, managerial activities, health status, race, education, age, and gender. Family business characteristics such as cash-flow problems, business liabilities, business problems, business age, business location, and business size are also examined in the context of Pakistan (Minh Ha, 2022; Skrbkova et al., 2023).

Specific Objectives

- To determine the relationship between the characteristics of the owners of family-based businesses like gender, age and education on their profitability in Pakistan.
- To assess the impact of business features like liability, business age and problems on the profitability of the family-owned businesses in Pakistan.
- To identify the health of the family-owned businesses on the profitability in Pakistan.

Research Questions

The study is guided by the following research questions:

- What is the relationship between the characteristics of the owners of family-owned businesses, such as gender, age, and education, and their profitability in Pakistan?
- How do business features, including liability, business age, and business problems, affect the profitability of family-owned businesses in Pakistan?
- What is the effect of the health of family-owned businesses on their profitability in Pakistan?

Significance of the Study

The findings of the study are significant in adding to the existing body of research. The article provides room for future research on family businesses. The study findings are important for consultants and family businesses in learning more about the factors of business success and profitability. Managers who struggle with maintaining success and determining profitability will find the study productive. The management of family businesses will know the determinants of profitability and success, and how to deal with challenges for the continuity of the business. The study also identifies strategies for family businesses to remain competitive alongside other forms of business. It can help other researchers as a point of reference and form a further basis for more research in the areas that affect family businesses (Maharajh, 2024; Escaramís & Arbussà, 2025).

Limitations of the Study

The limitations of the study were as follows. There were constraints during the research due to limited financial resources when carrying out the research. The sample of interviewees to be interviewed by use of questionnaires included some respondents who were not very cooperative. Not all questionnaires were filled and returned as anticipated, since some of the respondents did not complete the procedure. Profitability and success were also a challenge to measure, since different family businesses determined success and profitability subjectively (Zaidi, Waqas & Mahmood, 2024; Werner-Lewandowska et al., 2025).

Literature Review

Research has identified family-owned businesses as gaining much interest and sophistication in study and development. Previous studies have indicated that many of the studies are based on already in-place theories. The Sustainable Family Business Model is widely applied in research concerning family business. The model was a development of system theory, suggesting that each variable is interdependent and has some impact on business profitability and success (Gjergji et al., 2025; Miroshnychenko & De Massis, 2022). Researchers have provided methodological approaches for the determination of business and family characteristics. Studies have suggested the use of representative samples to generalize the concepts of family business (Truchlíkova, 2021). Several studies concluded that a proportion of households contain an owner or manager of a family business (Campos-Nunez et al., 2024; Werner-Lewandowska et al., 2025; Escaramís & Arbussà, 2025).

Some findings contrasted with others, which suggested that many family members may create unique problems (Santos, Lisboa & Eugénio, 2022; Suder et al., 2024). The conceptual framework of the study is based on recognized theories applied in organizational research. The study adopts the approach of system theory. The theory determines family business on the set of goals, changes and rules. The model suggests that each variable is interdependent and has some impact on family business profitability and success. The research is developed through the Sustainable Family Business (SFB) model, which considers business systems and family systems as overlapping systems. For a family-owned business to be sustainable, successful business and functional family attributes need to be incorporated (Miroshnychenko & De Massis, 2022; Gjergji et al., 2025). The variables in this study consist of demographic characteristics of the manager and characteristics of the business. The relationships between these variables form the basis for hypothesis development.

Hypotheses Development

H_1: The education level of managers in family-owned businesses is significantly related to the profitability of the business in Pakistan.

H_2: The age of managers in family-owned businesses is significantly related to the profitability of the business in Pakistan.

H_3: The gender of managers in family-owned businesses is significantly related to the profitability of the business in Pakistan.

H_4: The liability level of family-owned businesses is significantly related to the profitability of the business in Pakistan.

H_5: The health of managers in family-owned businesses is significantly related to the profitability of the business in Pakistan.

The following is the conceptual model as applied in the research

Variables and their Influence on Profitability

Demographic variables in this study include age, gender, race, education and health status. It is believed that these factors affect the managers' ability for performance in a family business setup (Gjergji, et al. 2025). The study associates the success of the family business with the age of the manager. Older managers are believed to have more experience in dealing with the businesses than younger managers. Younger managers may introduce more energetic strategies and are very quick in learning and implementing new technology and strategies that make the business more profitable. Younger managers take higher risks compared to older managers, but older managers weigh growth and portfolio investment more carefully (Chea Menéndez, 2021; Kikuchi, 2025). The business can be more successful when there is a mixture of both young and older managers who share ideas and experiences. Research suggests that older managers tend to have more experience and are risk averse, while younger managers are faster to change and grab new opportunities, thus increasing performance (Chea Menéndez, 2021; Subhani et al., 2025). This forms the first hypothesis that older business managers may contribute to greater business profitability and success.

Research explains that there is a relationship between gender and family business success and profitability. Success may depend on where the business is located, as countries differ in gender-based expectations (Chalouhi & Khalife, 2013). Some societies believe that business environments are male dominated and only males should handle businesses, while others have equal fields. Studies state that female managers have to work harder in developing countries to prove they can run businesses successfully (Tran, 2022; Vieira, Neves & Nogueira, 2023; (Widagdo et al., 2023; Hernández-Linares, 2023). This forms the second hypothesis regarding whether male managers experience greater success than females in family business (Mikusova, 2025). Managers need balance in handling issues such as holidays; prayer breaks and religious customs (Giacomin, et al. 2022). Customers may react differently to religious or racial identification. Studies have shown that racism can negatively affect productivity, and managers are encouraged to be inclusive (Werner-Lewandowska et al., 2025).

Research shows that educated managers perform better than uneducated managers. Educated managers can perform tasks easily and efficiently, and have management skills that support productivity (Kotur & Anbazhagan, 2014). Less educated managers may have poor management skills that affect the business. Education forms the fourth hypothesis regarding productivity and success in relation to education (Tran, 2022; Minh Ha, 2022). Health status affects productivity. When the manager is sick, they cannot run daily operations effectively. Health hazards at work such as poor ventilation may cause illness. Unhealthy managers may cause businesses to lose revenue due to absence or poor decision making (Nyikos et al. 2021). Healthy managers increase productivity and success, as they make sound decisions. This forms the fifth hypothesis concerning whether managers with good health perform better in profitability and success (Werner-Lewandowska et al., 2025; Subhani et al., 2025). This section examines those business-related factors which influence profitability and success, including liability, business problems, business age, business location, and business size (Adams et al. 2004). These characteristics reflect operational realities of family-owned businesses and provide context to understand the relationship between business environment and perceived performance (Subhani et al., 2025; Escaramís & Arbussà, 2025).

Business liability is defined as legal obligations. For a business to succeed, it needs certain liabilities such as loans, insurance, and mortgages that the business can afford to pay. Businesses should be considerate before committing to any specific liability. Liabilities may be short term such as taxes, and long term such as leases (Jansen, Scholes, & Filser, 2023). The amount owed by a business at a particular time is normally presented in the balance sheet. A balance between operational need and financial burden helps businesses avoid unnecessary risks and maintain profitability (Subhani et al., 2025; Escaramís & Arbussà, 2025). Family businesses face a range of challenges including sibling rivalry, accountability, human resource management, power struggles, and succession issues (Soares & Perin, 2019). Leadership gaps may occur due to death, illness, or old age, yet the current leader may still hold on to power and refuse to pass responsibilities to others. Mismanagement of funds and resources may occur, and accountability may be compromised since family members are involved. These problems can negatively affect continuity, strategic development and financial outcomes (Werner-Lewandowska et al., 2025; Vieira, Neves & Nogueira, 2023). The age of the business influences survival and success (Tisu, et al. 2023). For a business to exist and survive in the economy, managers must practice good management and financial skills. Goals and objectives must be met consistently. Younger businesses have a higher rate of failure compared to older ones. As the business progresses, the rate of failure reduces, meaning new family businesses are more likely to fail than those that have been in the market for a longer time (Santos, Lisboa & Eugénio, 2022; Subhani et al., 2025; Brinkman, 2016). Affordability, utilities, and safety also play a role. The most important factor is where the target market is located and how accessible the area is (Escaramís & Arbussà, 2025; Werner-Lewandowska et al., 2025). The size of the family business depends on needs and objectives. Growth and expansion depend on performance. Capital is a determinant of size, as start-up resources influence initial scale (Stryckova, 2023). Over time, businesses may increase or reduce size depending on performance (Subhani et al., 2025; Santos, Lisboa & Eugénio, 2022).

Research Methodology

The research design was applied to establish logic and coherence of the data. A mixed research method was used, combining both qualitative and quantitative approaches. Mixed research methods were important in reducing weaknesses of a single research method, while allowing the researcher to generalize information concerning the determinants of profitability and success for family-owned businesses (Ahmed, Pereira & Jane, 2024; Fontana et al., 2024). Secondary data from other research was considered and used for reference. A work plan was established to manage time and ensure all areas were covered. The theoretical framework is visible in figure 1.

Theoretical Framework

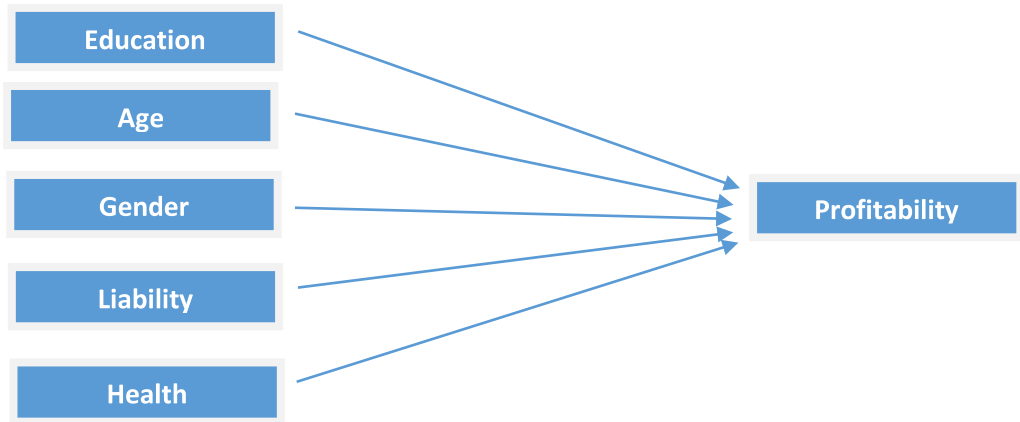

Figure 1: Theoretical Framework

Research Philosophy, Data Collection, Population & Sample Size

The source, development and nature of knowledge necessitated the choice of research philosophy. The researcher viewed the study through the lens of natural science and adopted the use of positivism. Through this approach, research hypotheses were determined and the independent and dependent variables were identified. The independent variables were the business characteristics and manager characteristics, and the dependent variables were the perceived business profitability and success (English & Fernandez-Sil, 2024). Data collection involved searching for important information needed for the research. The process was guided by research objectives (Kigozi, 2020; Ahmed, Pereira & Jane, 2024; Rosetter, 2025).

The target group consisted of individuals who manage family businesses. Approximately 200 individuals were sampled from different locations in the city. A large sample was used to enable generalization. Family business was defined as a business founded by a family member, where succession has moved from one member to another (Fontana et al., 2024). Purposeful sampling was adopted to bring the main idea of the study. About three towns were included in the sample and businesses were selected through simple random sampling. Structured questionnaires were used to collect information. After two weeks, some interviews were repeated to validate responses (Rosetter, 2025; Ahmed, Pereira & Jane, 2024).

Variables, Validity & Reliability Ethical Considerations and Data Analysis

A subjective measure was used: family business managers who were viewed as successful. This was a continuous variable. In the survey, managers were asked if they considered the business successful. Responses were measured on a scale from strongly agree to strongly disagree (Ahmed, Pereira & Jane, 2024). Independent Variables include Age, Gender, Education, Health and Liability. On the other hand, Dependent Variable is the Business Profitability. Some variables were continuous, while others were categorical. For categorical variables, gender was coded as male or female, and race as African or non-African. Business age was also categorical. Validity of interview responses was ensured through checking consistency in the research.

Responses were cross-checked with content of the study to prove accuracy and coherency. Audio tapes were used to collect interview responses and later transcribed. Each respondent was treated as unique and given room to choose a preferred location. Generalization was applied in cases of proved correlation between research content and interview responses (Hossan, Wolfs & Jesmin, 2025; Arslan, 2025). Reliability was tested using usability tests. Quality of information was evaluated through transferability, applicability, dependability, consistency and confirmability. A background check was done on companies to determine if the businesses were still in the market and who owned them (Hossan, Wolfs & Jesmin, 2025; Subhani et al., 2025). Participants were informed about the purpose of the study and confidentiality was assured. Respondents were given the freedom to withdraw at any point (English & Fernandez-Sil, 2024; Hossan, Wolfs & Jesmin, 2025). The process of analyzing data will be divided into two. Basing on the quantitative data the researcher will use Statistical Package for Social Science and based on the qualitative data the researcher will use thematic data analysis. The qualitative data will be analyzed through use of a descriptive method and the inferential method for the purpose of providing the model. The thematic data will be conducted through transcribing on the data and identification of the main patterns and themes. (Sarker et al., 2024; Subhani et al., 2025).

Results and Discussions

The research identified that family-owned businesses aim to achieve profitability and sustainability, and the success of these businesses depends on various determinants. The data revealed that age did not have a huge impact on the profitability or sustainability of family-owned businesses. The most important factor was the health of the manager. Health was followed by level of liability, then education and finally gender as determinants of profitability for family-owned businesses (Lanchimba, Welsh & Kaswengi, 2024; Le Moal et al., 2025).

The research data has been analyzed and the reliability test was conducted that is showing 0.808 or 80.8% that is showing the data is consistent. It is important for the analysis of the questionnaire that the research tool is properly assessed for having realistic and credible information. The 29 items have 80.8 % reliability which is good (Ahmed, Pereira & Jane, 2024). The table 1 shows the reliability statistics for the questionnaire and for all 29 questions the Cronbach's Alpha value was 0.808.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.808	29

Descriptive Statistics

The variables have the following mean values, standard deviation values, skewness and kurtosis. The values for skewness and kurtosis are within the normal acceptable range of -2 to +2 so that is appropriate. The table 2 is showing he descriptive statistics for the research variables.

Table 2: Descriptive Statistics

Variable	N	Mean	Std. Deviation	Skewness	Kurtosis
Gender	250	1.42	0.49604	0.329	-1.931
Age	250	2.44	0.67150	0.427	-0.016
Education	250	3.48	1.05868	-0.390	-0.211
Liability	250	3.86	1.02514	-1.321	1.964
Health	250	3.39	0.88643	-0.325	0.765
Profitability	250	3.86	1.02514	-1.321	1.964

Correlation

The variables of the study are analyzed for correlation that is used for assessing the relationship among the different variables. The variables are supposed to have some relationship but not too high of a relationship that will be bad. The determinants for the success of the family-owned businesses are important for the long run success of the businesses (Subhani et al., 2025; Santos, Lisboa & Eugenio, 2022). Table 3 is showing the correlation that is present among the variables of the study.

Table 3: Correlation of the Variables

Variable	Profitability	Age	Gender	Liability	Education	Health
Profitability	1					
Age	.302**	1				
Gender	-.079	.197	1			
Liability	.456**	.287**	.329**	1		
Education	.356**	.178	.326**	.561**	1	
Health	.580**	.323**	.052	.333**	.205*	1

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

There were 250 respondents that shared their opinions about the questions that were asked for the research. The variables have a strong relationship as they were significant p value is less than 0.05. The variables that are related to each other are good that is critical for the proper analysis of the research (Stryckova, 2023; Minh Ha, 2022).

Regression

The regression of the research is important for understanding the cause-and-effect relationship among the variables. The five independent variables for the study include education, age, gender, health and liability and the dependent variables is the profitability of the business. If the family-owned businesses are profitable due to these factors that will be good (Kusa, 2022). Table 4 shows the model summary for the regression analysis.

Table 4: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.702[a]	.492	.465	.40614

a. Predictors: (Constant), Health, Gender, Age, Education, Liability

The regression R is 0.702 which is good as the factors are having good relationship with the dependent variable. The 0.492 R-square value shows that the independent variables are explaining around 49% of the dependent variable. The family-owned businesses are constantly trying to understand the key factors that are leading towards the business success. Table 5 is showing the ANOVA analysis of the variables. This research can share important information for the businesses that should be followed in order to achieve more progress in the future (Arzubiaga et al., 2023; Stryckova, 2023).

Table 5: ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	**Regression**	15.026	5	3.005	18.219	.000[b]
	Residual	15.505	244	.165		
	Total	30.532	249			

Dependent Variable: Profitability

Predictors: (Constant), Health, Gender, Age, Education, Liability

The Anova table is showing that the model is a good fit as the p value is less than 0.05 that is critical for the credibility of the research. Table 6 is showing the coefficients of the regression analysis for all the variables.

Table 6: Coefficients[a]

Predictor	Unstandardized Coefficients (B)	Std. Error	Standardized Coefficients (Beta)	t	Sig.
Constant	1.622	0.342	—	4.740	.000
Education	0.145	0.070	0.188	2.077	.041
Age	0.097	0.073	0.105	1.318	.191
Gender	-0.225	0.067	-0.270	-3.379	.001
Liability	0.209	0.075	0.265	2.792	.006
Health	0.347	0.065	0.434	5.356	.000

The family-owned businesses are constantly trying to understand the key factors that are leading towards the business success. The regression R is 0.702 which is good as the factors are having good relationship with the dependent variable. The 0.492 R-square value shows that the independent variables are explaining around 49% of the dependent variable. This research can share important information for the businesses that should be followed in order to achieve more progress in the future (Wu & Qiu, 2025; Cordoba, 2024). The next important table is the coefficients table. The education, age, gender, liability and health are critical factors for determining the profitability of the family-owned businesses. The significance value for education, gender, liability and health are good that are less than 0.05.

The null hypothesis are rejected and the alternate are accepted. Just in the case of the age it was not having a strong or significant relationship in the analysis of the research. It is very much evident that except for age the other factors are considered very much important by the participants for the family-owned businesses. The most important factor is the health that is critical for achieving optimal performance. The next important thing for the business is to ensure that the liability is less that will be helping the family-owned businesses. The education is critical after the health and liability. The gender is next most important factor. The order in terms of priority that should be followed by the family-owned businesses is that they have to first focus on Health, then liabilities, then the education and finally the gender in order to maximize or increase the family-owned business profitability in the long run (Lanchimba, Welsh & Kaswengi, 2024; Werner-Lewandowska et al., 2025). The results suggested that when managers are healthy, they are more engaged in business activities, decision-making is more effective and business performance improves. Businesses with manageable levels of liability showed higher stability. Educational background contributed to skill utilization and operational decisions, while gender demonstrated the lowest influence among determinants identified (Cordoba, 2024; Pittino et al., 2021). These findings are critical for family-owned businesses as they provide insight into the characteristics that matter most. They also contribute to future research by presenting a relevant model which can be adapted to different contexts where family businesses operate (Family-involvement in ownership and management, 2025).

Discussion

This study contributes to the family business literature by highlighting the central role of managerial health in profitability within the Pakistan context, a determinant rarely explored in emerging markets. Unlike studies from Western economies where succession dominates outcomes, the findings show that the physical wellbeing of the owner-manager is a primary driver of continuity and performance. The information clearly revealed that age did not have a huge impact on profitability or sustainability of family-owned businesses in Pakistan (Vieira, Neves & Nogueira, 2023). The most important factor is health, followed by the level of liability, then education and finally gender, which determines the profitability of the family-owned businesses in Pakistan (Le Moal et al., 2025; Werner-Lewandowska et al., 2025). A family business is characterized by succession of power or management, loyalty to the principles of the founder, family commitment and dedication of the family members to ensure the survival of the business during bad economic times. Family businesses that have good relationships and practices do not struggle in performing in the market in terms of success and profitability and they easily overcome other competitors. This has meant that from the grassroots the small to medium sized family businesses in Pakistan have built the economy and they are the largest majority in the world as well (Lanchimba, Welsh & Kaswengi, 2024).

The study also identifies strategies for the family businesses to still remain competitive alongside other forms of business. The study can also help other researchers besides being a point of reference and can form a further basis for more research in the areas that affect family business. Some countries have gender-based issues and this affects business either in a positive or negative manner depending on which zone the business is set up. Western countries have no issues with gender and support doing business with both genders, while developing countries believe that the business environment is male-dominated and only males should handle businesses. Some even believe that it is bad luck to do business with the female gender and therefore this affects the success of the business (Vieira, Neves & Nogueira, 2023). The entrepreneur identifies demographic factors such as where the target market is and how accessible the place is as the most important factors to be considered (Stryčková, 2023; Escaramís & Arbussà, 2025).

Conclusion

The family-owned businesses in Pakistan are very much concerned about the determinants of profitability. It is important to understand the relationship among the different variables used in the study. The age, education, gender, health and level of liabilities are all critical factors for the profitability of the family-owned businesses. The research study was explanatory as it required the collection of 250 questionnaires from different respondents. The analysis was done using SPSS software for assessing the statistical information. The findings clearly showed that age did not have a strong or significant relationship in the analysis of the research. It is very much evident that except for age the other factors are considered very important by the participants for the family-owned businesses in Pakistan.

The most important factor is health that is critical for achieving optimal performance (Le Moal et al., 2025). The next important thing for the business is to ensure that liability is less, which will help family-owned businesses. Education is critical after health and liability, and gender is the next most important factor. The order in terms of priority that should be followed by the family-owned businesses in Pakistan is that they have to first focus on health, then liabilities, then education and finally gender in order to maximize the family-owned business profitability in the long run (Werner-Lewandowska et al., 2025). The information is critical for such businesses and also for future researchers who will be conducting research based on a similar research model.

Implications for Family-Owned Businesses in Pakistan

The most significant concept of the family business that tends to yield more income for the nation is the act of incorporating every member in the family and reducing the rate of unemployment. In fact, family members have the opportunity of making choices of their most comfortable areas to provide their input, which is not the same in other forms of business. It is believed that family businesses are small and have no more than 20 employees, which is not true in reality. There are big organizations that are family-owned and the family involvement is what differs. For instance, family businesses can either have no family influence, or have family influence and control. The managers struggling with maintaining success and determining profitability will find the study productive. The management of family-owned businesses in Pakistan will know what the determinants of profitability and success are, and how to deal with the challenges they are facing for the continuity of their business. The study also identifies strategies for the family business to remain competitive alongside other forms of business. The study can also help other researchers, besides the study being a point of reference, and it can form a further basis for more research in the areas that affect the family business.

Context of Gender and Culture in Pakistan

Some countries have gender-based issues and this affects business either in a positive or negative manner depending on the location where the business is set up. Western countries have fewer issues with gender and support doing business with both genders, while some developing countries believe that the business environment is male-dominated and only males should handle businesses. Some even believe that it is bad luck to do business with the female gender and therefore this affects the success of the business in Pakistan as well (Vieira, Neves & Nogueira, 2023). The entrepreneur identifies demographic factors such as where the target market is and how accessible the place is as the most important factors to be considered (Stryckova, 2023; Escaramís & Arbussa, 2025).

Limitations

Ethical consideration entails observing issues such as objectivity, honesty, respect, social responsibility, confidentiality, and non-discrimination. Ethical consideration also involves applying norms and standards to determine what is done rightfully and what is not expected to be done when collecting information. It helps determine the difference between what is acceptable and what is not acceptable. It also encourages an environment of accountability and reliability of information for other researchers (Hossan, Wolfs & Jesmin, 2025). The conceptual framework forms the hypothesis for the study. The study applies mixed research design analyzed through the use of thematic data analysis and statistical software for social science. The study has a limited scope and may give information on the described scope only.

Recommendations

The age was not having a strong or significant relationship in the analysis of the research. It is very much evident that except for age the other factors are considered very important by the participants for the family-owned businesses in Pakistan. The most important factor is health, which is critical for achieving optimal performance (Le Moal et al., 2025). The next important thing for the business is to ensure that the liability is less, which will help the family-owned businesses. Education is critical after health and liability. Gender is the next most important factor. The order in terms of priority that should be followed by family-owned businesses in Pakistan is that they have to first focus on health, then liabilities, then education and finally gender in order to maximize profitability in the long run (Werner-Lewandowska et al., 2025).

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