

# Reliance industries

[Business](#), [Management](#)



Lecturer: Reliance Industries Limited is one of the leading companies in India, located in India's capital Mumbai. The renowned company is ranked 107 in the Fortune Global 500 list. This essay shall focus on the company's administration which is mainly comprised of the Ambani family, with the areas of interest being, family ties and the contribution of the family system to the success of the company. The company Reliance Industries was founded by Dhirajlal Hirachand Ambani and his cousin Champaklal Damani. The company rose along family lines with both individuals leading the company. Notably, there were incidents where disagreements and lack of cooperation were experienced, but the administration got to its feet and moved together as a unit. According to The Telegraph (2010), a disagreement emerged between the Mukesh and Anil Ambani, and the matter was taken to court for a ruling to be issued. The brothers had come up with a deal that was meant to divide the country's gas field. According to The Telegraph (2010), Anil sought for Mukesh to honor a deal that had been initiated by their mother on the buying of gas for a period of 17 years, at a lower price than the one set by the government. Notably, in reference to the details above, parents also have a role in the creation of feuds in any family setup. In this case, brokerage that is mainly meant to benefit a certain generation of people may not favor the following generation. Communication in any family business is carried out on a face to face basis where considerations are made in reference to the family ties with less deliberations involved. The Ambani family according to The Times of India is a big family which is largely accounted for by the culture and values attached to big families by the Indians. Through their practice the business is

only retained within the confines of the family with minimal or crucial additions made from outsiders. Like any family setup, succession of any business is left to the sons in the family. That is why according to the The Telegraph (2010), control of Reliance Industries Limited was left to Mukesh and Anil Ambani in 1986 after their father suffered a stroke. Sibling rivalry emerged as a result of conflict relating to ownership. The issue was aggravated, but luckily the matter remained within the family scope, and the issue was settled. The succession battle according to analysis was not successful. Mukesh Ambani in an interview stated that there were complications experienced during the transition period. Issues relating to a power struggle and ownership were experienced. In the event that any member of a family is taken to court due to disagreements, it's trivial that the family structure is not performing its mandate. Company interests were put first, disregarding the structure of the family. The Telegraph (2010), paints the reality of the matter, which ends up with one of the brothers losing in the case. Clearly, the bond between Anil and Mukesh Ambani was destroyed by the case, with Anil branding Mukesh as a 'Cooperate greed'. Similarly, the tussle led to the splitting in ownership of companies with Anil heading the the phone company and finance arm while Mukesh headed the oil, gas and petrochemicals. Both brothers established different names, for their respective group of companies. From a business point of view Mukesh's group of company gained highly from the court battle. As indicated by the The Telegraph (2010), Mukesh's company stock in the Mumbai Stock exchange rose 4.56 per cent to 1,057 with Anil's company stock reducing by 18.29 per cent to 55.85 rupees. A frantic effort made to mend the

relationship between the two brothers did not materialize with Mukesh dismissing the matter as not a mere family issue, and proceeded to forward the matter to the company's shareholders. Trivially, Dhirajlal Hirachand Ambani would not have been pleased by the direction taken by both parties, since he had founded the company along a strong family root and it would not have been his wish to see the private matters dragged to the public limelight. His main aim behind entrusting his sons with his company was to ensure that they combined their efforts for one goal, not splitting the company into two and succumbing to their individual interests. Family cohesion and stability are some of the elements employed in order to ensure understanding and closeness with respect to the family dynamics. Family members should always learn to respect the ideas and opinions of each individual, since they are all linked up by the same motive. The Ambani family should have sought to iron out their issues outside the public glare since the matter at hand only involved both parties. The issue not only affected the performance of one of the businesses, but it also interfered with a strong sibling bond cultivated throughout the years. Therefore it is noble to consider other avenues while solving family feuds, to retain understanding and unity in any family setup. Work Cited " Family feud that threatened to destabilize India settled in court." Telegraph [United Kingdom] 7 May 2010: 2. Print. Muncherji, Nina, Gopal Krishnan, and Upinder Dhar. Partners in Success: Strategic Hr and Entrepreneurship. Ahmedabad: Institute of Management, Nirma University of Science and Technology, 2009. Print. Haasen, Adolf, and Gordon F. Shea. New Corporate Cultures That Motivate. Westport, Conn: Praeger, 2003. Internet resource. Destefanis, Sergio, and

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