

Women in Family Business and Leadership

The CFB hosted its first Women in Family Business and Leadership event led by **Professor Maura McAdam**, Director of Entrepreneurship in DCU and author of *Female Entrepreneurship*. For this e-zine Maura explains gender fundamentals, the potential contribution of women in senior leadership positions, and how to create a more diverse inclusive workplace.



Historically women have played significant roles in family businesses for centuries albeit not visible ones due to social customs and family traditions. Accordingly, the role expectations prevalent in the domestic domain often follow women into the family business. However, one of the most significant trends that we have noticed at DCU Centre for Family business is the increased prominence of women in more public and visible leadership roles in family business.

Gender Fundamentals

Gender as a term was first introduced to distinguish between biological sex and socially constructed sex (Acker, 1992). However, in today's society gender and sex are used interchangeably, thus neglecting the original differentiation between the terms which emerged in the 1970s (Holmes, 2007). Rather than being a category that an individual belongs to or a property of an individual, gender is "a relationship which brings about redefinitions of subjectivities and subject positions over time, both as products and as producers of social context" (Calàs and Smirich, 1996: 241). So, gender refers to socially constructed roles, expectations and patterns which society has devised for each sex and distinctions made between masculine and feminine are socially constructed as opposed to physiological characteristics (Acker, 1992). Furthermore, the appreciation of gender as socially constructed acknowledges that society as opposed to nature determines femininity and masculinity (Holmes, 2007). The notion of gender as socially constructed is thought to have been initiated by the work of Simone de Beauvoir, who famously stated, "one is not born but rather, becomes a woman" (De Beauvoir, 1988/1949: 295).

Objectifications of gender begin at birth or at ultrasound with what Butler refers to as "girling the girl" activating gender stereotypes relating to respective sex categories (Butler, 1993: 7-8). Thus, the announcement of either "*It's a girl*" or "*it's a boy*" results in the ascription of descriptive adjectives relating to respective sex categories. Those adjectives contain norms, expectations and specific conations which are internalised (Ahl, 2004) and so men and women serve to recreate the gender system (Hirdman, 1992). So for example as noted by Etzkowitz et al. (2000: 4) "in many ways, women are unable to choose to do science: as society has largely chosen who will do science through its construction of gender roles whilst from an early age boys and girls develop different gendered images of scientists and what they do". This has resulted in certain fields such as science and engineering being deemed as male oriented and other domains like arts being considered as female oriented. These

associations then generalize to traits i.e. men are considered assertive and competent and women are considered cooperative and caring.



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The defining masculinity of the entrepreneurship domain has been recognised for some time; with the embedded message being, 'think entrepreneur, think male'. The family business domain tends to mirror this perception of entrepreneurship as a masculine activity (Fetsch et al., 2015). In addition to this, the role expectations prevalent in the domestic domain often follow women into the family business (Salganicoff, 1990; Cole, 1997; Hamilton, 2006). Traditionally, women have operated as the caretakers and nurturers within the home environment which has resulted in an assumption regarding the unpaid contributions of women not only as domestic labourers but also as invisible, unpaid business partners (Danes and Olson, 2003; Hamilton, 2006). Accordingly, the deeply engrained (and often unconscious) assumptions about family roles in family firms can 'leak out' into how the business is run, and jobs are assigned (PwC, 2016). Although, the roles undertaken by women in family business may be subtle and lack formality - they are nonetheless important and fundamental to the running of the family firm (Jimenez, 2009).

The primogeniture rule whereby leadership of the business is transferred to the first born son (Barnes, 1988; Dumas, 1989; Kepner, 1988) has resulted in deep-seated cultural assumptions about inheritance that are still prevalent in many economies (PwC, 2016). In the recent PwC Survey, 45% of next gen women agree that next gen males are seen as more likely to run the family business than next gen females (PwC, 2016). Women therefore face challenges in terms of being seen as serious contenders for succession and are often only considered as appropriate successors (leaders) in situations of crisis or when there are no suitable male heirs (Dumas, 1989; Curimbaba, 2002). For daughters, business succession can be compounded by role conflict (e.g. being the financial officer and the

CEO's daughter), rivalry from non-family senior managers and jealousy from other family members (Dumas, 1992).

Despite this, women's visibility at the management and board level is increasing. In the US, for example, 55% of family businesses have at least one woman on their board and 70% are considering a woman for the CEO position (EY & Kennesaw State University, 2015). Whilst in the UK, 80% of family owned businesses are more gender balanced, having at least one female director (Wilson, Wright & Scholes, 2013). However, Ireland is lagging behind its global counterparts with only 19% of national senior roles occupied by women, which places us in the bottom ten of a global poll for women in management (Grant Thornton IBR, 2015).

Accelerate Women- Accelerate Business!

"A wealth of research exists to demonstrate that having more women in leadership and strategic roles makes economic sense for businesses" (EY & Kennesaw State University, 2015). In fact, it has been consistently shown in numerous studies that more women in senior leadership results in better financial and all-round performance. In their 2013 study, Bart and McQueen concluded that female-influenced companies were more successful than male-dominated ones – and having just one female director could cut the risk of bankruptcy by 20%. Furthermore, female managers tend to eclipse their male counterparts at setting basic expectations for their employees, building relationships with their subordinates, encouraging a positive team environment, and providing employees with opportunities to develop within their careers. Thus, appointing women to senior positions and at the Board Level is imperative not only for the bottom line but also for diversity and employee retention. Specifically, within the family business domain, Wilson et al., (2013), found family firms less likely to fail than big companies, because they are usually made up of a well-functioning and diverse board of directors who are able to advise effectively. Thus, "if used astutely, their (women's) observations, intuition, and emotional capital can make a difference between the success and failure of a family firm" (Sharma, p.14, 2004).

A Call for action -Be gender aware – be conscious

If family businesses' performance management systems were stereotype-free; if they reflected the attributes, characteristics, and behaviours of all talent, men and women, then their workplaces would truly be inclusive. A more diverse, inclusive business environment is imperative in attracting and retaining the best talent. By being gender aware (i.e. noticing the differences in roles and relations between men and women in the workplace) family businesses can make some conscious efforts to combat bias and increase gender inclusivity. Some immediate "actionables" include the following:

1. Create a climate of meritocracy – open to all to succeed and thrive!
2. Be intentional about looking for unconscious gender bias.
3. Successor selection/talent management based on skills as opposed to gender based.
4. Role models in senior positions to bolster aspirations and bust gender stereotypes.

At the DCU Centre of Family Business, we can see first-hand that family businesses are major agents of social change. When it comes to the promotion of diverse inclusive leadership—including gender diversity—family businesses are ahead of the curve in realising that limiting people based on gender roles does not make sense for the family or the business!

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