Women's Advancement to Leadership — How Family Businesses Press for Progress.

By Martina Brophy

As we mark the centenary of the women's right to vote in Ireland, it is important to reflect on the prevalence and status of women across social spheres of influence. While great strides have been made in the area of gender equality, more is needed as this year's International Women's Day campaign theme— #PressforProgress—highlights. The gender pay gap stands at 13.9% and the under-representation of women in top leadership positions within business and government continues. Women comprise of only 13.2% of board members of the largest publicly listed companies in Ireland, which falls below the EU average of 21.2%. Latest research from the 30% Club has found that while women's representation has increased, only one-third of executive directors are women and 19% of CEO roles are occupied by females.

Family Businesses and Female Leadership

As a major economic and social sphere of influence, family businesses account for approximately 75% of enterprises in Ireland. Women have always played a significant role in these firms, be it in informal unpaid positions or sitting at the top management table. In family businesses, implicit beliefs around family roles can 'leak out' into the business and impact job assignment. Daughters may be less likely to be groomed for leadership, only assuming the position of successor in a crisis or when no male heirs are available or interested. In some family firms the primogeniture rule (i.e. appointing the first born son as CEO) automatically disqualifies daughters and younger sons. As a result of exclusionary practices that emerge from deep rooted gender beliefs, daughters may lack confidence and grow ambivalent to a family business career. According to the PwC Next Generation Survey of Family Business Leaders, only 77% of next gen women agree that the current generation has confidence in their ability, compared with 93% of next gen males.

Despite these challenges, family businesses foster environments that enable and facilitate women's progression. Regarding women's representation at c-suite and board level, large family firms are ahead of their non-family counterparts. In a 2015 survey of the world's largest family businesses, it was found that an average of five women featured in the c-suite, 55% of firms had at least one woman on their board, and 70% were considering a woman for their next CEO. The PwC Irish Family Business Survey Report showed that half of Irish family businesses claim to have an active gender equality programme in place. A survey of 12,150 family firms across 40 countries showed that women have a greater preference for working in family firms. Family business women are more likely to experience greater flexibility in work scheduling and job security while attending to family responsibilities. Moreover, daughters may have greater opportunities to reach leadership positions through succession and particularly in traditional male dominated industries. Contrary to the popular belief that women run smaller firms, one study found that women had the same opportunity to run the family firm regardless of size.

How can Family Businesses Press for Progress? Key Takeaways

Substantial evidence supports the notion that gender diversity at both the management and board level is good for business. A 2013 study found that UK family firms are significantly less likely to fail than non-family firms because they are usually made up of a well-functioning and diverse board of directors who are able to advise effectively. Research shows that companies with the most women board directors outperform those with the least female representation at board level. Moreover, female managers are better at engaging their employees and fostering their individual development.

There is no doubt that the family firm can greatly impact the visibility and career advancement of women. Family firms can bolster women's rise to leadership by providing supports and pathways to the top management table. However, family businesses should remain vigilant of gender and traditional biases which can influence decisions around succession and leadership development. Family firms can continue to build an inclusive culture in the following ways:

- Build an environment of meritocracy for both family and non-family members. In practice, this can involve ensuring selection and promotion processes are transparent and criteria are based on objective measures (experience and education), and not subjective preferences influenced by gender.
- Be gender aware by noticing the differences in roles and relations between men and women in the workplace. Second generation gender bias is often subtle and unintentional.
- Be more open to diversity and inclusivity (e.g., differences in age, gender, experience) across the organisation.

Those family firms that not only espouse but live by the values of gender parity reap the benefits that emerge from a more diverse talent pool of leaders.

Martina Brophy is conducting research into women leaders in family business and is co-funded by the Irish Research Council and PwC Ireland through the Enterprise Partnership Scheme.