

An Examination of the Challenges Daughters Face in Family Business Succession

– Carolina F. Vera and Michelle A. Dean

Family business literature suggests that daughter successors of family-firms face many challenges. One role conflict that commonly arises is between being “daddy’s little girl” and a businesswoman - often not being considered a viable successor. Another conflict arises with nonfamily member employees who take time to accept her as their boss. However, few researchers have explored in-depth how daughters fit into the running of family owned businesses. Carolina Vera and Michelle Dean of San Diego State University studied the extent to which daughters face these challenges and aimed to discover new areas for study.

As per the literature, traditionally, daughters have not been considered for succession into management positions in family businesses and are not being well groomed to take up leadership positions. Considerations for maintaining work-life balance may also keep daughters from taking up leadership roles at family firms. This study examines circumstantial factors that may be preventing daughters from taking up leadership roles in family firms. The current literature on daughters in family business was studied to understand the reasons daughters join the family business. There may be many reasons a daughter might want to join the family business for – like, to help the family, to be a supportive hand in crisis, to fill an unwanted position, to have more flexible schedules and to increase their job satisfaction.

For better understanding of the challenges faced by daughters in family business succession, the authors conducted in-depth interviews with some of the daughters who had taken over the leadership position in their family firms from one of the parent. Most of them initially joined the firm temporarily to help it on a specific business task but got deeply involved later. The authors came up with the following challenges that were commonly faced by daughter successors –

Owner’s willingness to give up control

The study found that if the founder was deeply involved with family business and had nothing much to do other than that then it is difficult for him/her to relinquish control. It was found that mothers leading the firm were more reluctant to give up control compared to fathers. Daughters usually had good relationships with their fathers that helped avoid any power conflict.

Age Asynchrony

The study found that daughters took charge at a later age (average of 37 years for this study) as compared to sons. Having children, growing them up and gaining outside experience are the common reasons given to explain this phenomenon.

Being Considered a Viable Successor

Daughters are often not taken seriously when it comes to succession. It is difficult for daughters to prove themselves as competent managers to take leadership positions at family firms. All the women interviewed in the study gained outside work experience and displayed their capabilities in an objective environment.

Father-Daughter Relationship

Good personal and professional relationship with father was most important for becoming a successor at the family firm. All daughters interviewed for the study enjoyed good relationship with their father.

Mother-Daughter Relationship

Mother-owners were found to be very connected to their companies and tried to control decisions even post retirement. Most daughters noted that mothers were difficult to work with as they required perfection and were afraid of losing control.

Sibling-Daughter Rivalry

Conflicts might appear when a daughter is made the successor overriding the eldest son. Division of business assets may become another cause for sibling rivalry. Clarity of roles & responsibilities and transparent & objective decision making help reduce such conflicts.

Non-family Member Rivalry

In cases where daughters took over from their mothers, the non-family members frequently compared their managerial styles with that of their mothers which frustrated the daughters. The authors termed this phenomenon as “*mother’s shadow conflict.*”

Work-Family Conflict

About 80 percent of the daughters interviewed stated that achieving balance between the needs of work and family life was difficult for them. All of them agreed that managing time between business, family and social activities was a difficult task for them.

Gender Stereotyping and Discrimination

Some of the daughters interviewed felt being stereotyped or discriminated based on their gender. This was felt more from the customers or other external sources and not from the internal business dealings.

Conclusion

This research studied in-depth and identified the various challenges that daughters face when they occupy the leadership position from their parent. The transition takes heavy emotional toll when it comes from their mother due to comparisons people make all the time between the two leaders. They also have to deal with a myriad of other issues like gender discrimination, insubordination and family rivalries. The research helps prepare women to face the challenges that await them when they join their family businesses and is therefore valuable from a managerial perspective.

Source: Family Business Review; Dec. 2004; Vol. 18, No. 4; pg. 321.