

Portraits of Women in Family Business

— J. G. Coutts

Women have always played an important part, either direct or indirect, in supporting the growth of family business. Coutts & Co., a UK based private bank, conducted research on women's role in family business and came up with interesting findings that were presented in its report titled, 'Dedication – Portraits of Women in Family Business.'

The report assesses the impact that women are making on family firms. It underscores the opportunities that women could explore within family businesses. A prominent trend that the report suggests is that family firms are increasingly accepting the distinct skills that female family members bring into the business and are now motivating them to take positions of responsibility in the firm. This summary presents the key findings of the research.

Key Observations

Some of the crucial findings of the research are the following -

1. Across business sectors in UK, women are scarce in leadership positions. Only 11.7 percent of board directors in British companies were found to be women - pointing to a major concern of lack of female representation. No sign of immediate improvement was visible as only 10.7 percent of the new board appointees, were women.

2. Family businesses were way ahead on this count as they had 48 percent more likelihood of having a woman in its board of directors as against non-family businesses.

3. Family businesses were found exploring ways of empowering the next generation women and promoting daughters to emerge as leaders.

4. Increasingly, rather than the gender, family firms were found looking for the right leadership qualities and the skill-set that is required to steer the business.

5. Women were found making significant contributions to the business whether as owners or active board members.

6. Compared to non-family businesses, family businesses were found to be more accepting of different roles played by women. This was attributed to the fact that family businesses were built around strong family values and women were always a core part of the family.

7. Women were found to bring critical perspectives on almost all areas of the business. Specially, in preparing the next generation women's role was considered significant for succession planning.

Advise to Women Joining Family Business

The report also had a section in which key learning points from women in leadership positions in family businesses, were

presented. These crucial tips for women joining their family businesses are the following –

1. Women joining the family business should **refrain from trying to change too much and too soon**, even if some obvious changes appear to be done immediately. Such drastic changes may disturb things beyond control.

2. **Get experience and exposure in external organizations.** You can bring learning from there and can contribute much more to the business. You will also be viewed more seriously having proven your mettle in outside world.

3. **Communicate and align your business vision** with that of other family members to ensure that you drive the business in the same direction.

4. **Ensure that the business is** conducted in a manner that is **reflective of your core family values.** Deflection from core values will bring trouble in future, even if it provides short-term gain.

5. **Network with other family members** and learn the manner in which they govern the business and execute tasks. This will provide you a template for governance and

execution. Surely, you can make further refinements.

6. Be aware of the other people around you (specially non-family executives) who may get confused about your relationship with or closeness to other family members and its impact on decision making and conflict resolution. **Adopt an objective and clearly defined process of decision-making and resolving differences**, specially with other family members.

7. **Establish clear boundaries between work and home.** Define/specify responsibilities for yourself in both domains.

8. **Take the help of external advisors for mentoring and bridging the gaps** - specially knowledge gap and generation gap. Take help of non-family management personnel for this.

9. **Think out of the box** solutions and accept change.

10. **Groom the next generation** and at appropriate time and allow them to make their own business decisions.

These tips are likely to help the women in becoming more effective in discharging their family business responsibilities.

Source: 'Dedication – Portraits of Women in Family Business' – (2012) Coutts and Co., UK [www.coutts.com]