Women’s Changing Roles in Family Businesses

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Women have always been the hidden force behind the success of many family businesses. However, they have not received due recognition for their often silent effort. Christine Blondel, adjunct professor of Entrepreneurship and Family Enterprise at INSEAD Business School, has documented in this book chapter* several roles that women have been playing in family businesses and how those roles have evolved over time.

The author suggests that all through the history of family businesses women have played significant roles in shaping their destiny. They have evolved from being the ‘hidden giants’ to ‘visible leaders.’ The chapter cites several examples where women have endured personal sufferings and faced tough challenges yet kept their businesses going. Be it Marguerite of the French group of mines and forges - Wendel, who kept the business running during the days of French Revolution even when most of her family members went in to exile, or the women of Haniels and Krupps groups of Germany who continued to manage their businesses through adverse times.

Women played two sets of roles, as described below.

A. The Hidden Giants - The historical role played by women in family business have been that of a partner to her husband. Transmission of family values, caring for relationships and maintaining family cohesion have been important tasks that women have been supporting through the ages. These roles have contributed to family businesses endurance and can be categorized as the following -

1. Supporting Wives and Business Partners - Spousal support has been the most traditional role that women have been playing in many family businesses. Though they may not be formally involved in business, they are the business leaders’ most trusted advisor and have key influence over business decisions.

2. Ambassadors and Enhancers of Social and Cultural Capital - Women have been the cultivators of relationships and networks (i.e. social capital). This was often facilitated through marriages - which contributed to family continuity, dynastic succession, capability enhancement through enlarged business network (of in-laws and other relatives). Women not only nurtured the networks but also transmitted those to the next generation together with the cultural capital (festivities, norms, personal touch). The business often benefitted from converting this socio-cultural capital into financial gains.

3. Mothers of the Next Generation - Facilitators of Transmission and Emotional Leadership - Spirit to build a family enterprise need to be cultivated overtime. Mothers play the role of emotional leaders and make the next generation members realize the need for family involvement in business. They transmit
family values and a sense of pride and achievement in the next generation members.

B. The Visible Leaders - Women have also come to the fore, taken leadership positions, often during times of adversities and played pivotal role in determining the future course of their family business. These roles can be categorized as the following -

1. **Widows' pivotal role in Long-lasting Dynasties** - Many family firms have survived due to the leadership of the widows in the family who had to take charge after sudden loss of the male leader. They steered the business until the next generation members became capable enough to takeover.

2. **Daughters as successors** - Daughters are increasingly being looked upon as worthy successors of family businesses. They are getting professionally qualified and often gain experience by working in outside organizations. They work on preserving relationships within the family and bring qualities like compassion that are based on feminine traits. Professionalization of family firms is also playing a role in bringing daughters to leadership roles as successor's qualification has evolved from being the "eldest son" to the "most qualified."

**Key Implication for Family Businesses** - Women continue to be the “family adhesive”, in most family businesses. It is important that family businesses recognize the contribution of the ‘hidden giants’ and give them an opportunity to bring themselves to the fore. Women members must be valued for their qualifications, expertise and contribution to the family business. If the women family members show interest in taking active roles and shouldering business responsibilities, they must be given all the support needed and adequately nurtured.

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