

## Women's Pathways to Participation and Leadership in the Family-Owned Firm

— *Colette Dumas*

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Women are an important part of the entrepreneurial force world over. In US, they own 36% of all businesses according to the National Foundation for Women Business Owners of US. However, little is known about women as founders and successors in family-owned businesses. The author of this study, Collette Dumas, intended to determine the effect of women on family business. The aim was to improve the understanding and increase the body of knowledge about women's participation and leadership in family-owned firms. The study examined the factors that affect women's participation in family firm, the paths they take to leadership and the characteristics of those women and their firms.

### **Traditional Role of Women in Business**

The literature reveals that traditionally, women have faced many barriers to participation and leadership in family firms. They have been rarely considered seriously for succession. In few cases where they did succeed, women were labeled as invisible successors as other men in the family were the prominent players in business. Often the efforts of women were not recognized due to lack of formal position in the family firm – many of them acted as informal advisors or mediators for family members holding official positions. Gender bias in succession also kept women's role limited in family firms. Many women who joined their family firms did not do so by design but more as a help to the family in times of crisis or because other career options were less desirable. This was another reason for them to be viewed as incompetent or ignorant about the business. Research also found that fear of being perceived as too masculine and aggressive because of the success they might achieve, also kept women away from family business.

### **Transition towards Active Participation**

Studies conducted on women's role in business from 1990s onwards see a marked shift from the traditional – limited and invisible role that women played earlier. Women gained acceptance in top-level positions in family firms and started commanding respect for their capabilities. Daughters were found to have worked successfully with their fathers and many took over the charge at their family firms. They began to view the family business as a great career opportunity.

### **Descriptive Framework**

In this study, the author identified 372 family owned firms in Canada in which at least one female family member was actively working, had a significant management role in the firm

and also had potential to be a successor. Telephone surveys were conducted with 702 women who fitted the description. They were asked about - what paths they took to further their participation and leadership in family business? What factors influenced their participation? and What characteristics identified them and their firms?

The study found that women had a strong presence in the family owned firms especially in younger firms. However, women were not found to hold a substantial ownership of the business. Women who were daughters of CEOs were found to have an advantage when it came to occupy a position of responsibility in the firm. Based on data analysis, the study laid out a descriptive framework of women's pathways to participation and leadership in family business. According to this framework women are initiated at an early age in a gradual process of familiarization of business. She follows the footsteps of the owner if encouraged to do so.

### **Pathways to Participation**

A woman can participate in business in many ways. She can start her own business. Alternatively, she may join the family business at the lower level and work her way up to higher levels, thus proving her merit. She may also join at a managerial position. She may also enter as head of special projects that may have been envisioned by the founder. Her quality of participation in business would depend on her business vision. If she has a reactive approach then she will limit herself to the role of an employee. If she has a proactive approach then she will actively influence business outcomes. She may also have an evolving approach in cases where she initially joins as a support and later gets more involved in business.

### **Pathways to Leadership**

Women reach leadership positions in family firms in many ways. They may be appointed as successor by one of the parents. Women's ascendancy to business leadership may be circumstantial many a times – like instances of being the only child, or the only one interested in family business. However, many women rise to leadership posts with proper training and experience and the family's support. Other external or internal motivations for women to take up leadership positions in family firms may include – an opportunity to prove their worth, death of the founder, impending failure of business or its growing success.

### **Conclusion**

The study helped develop our understanding of women's presence and contribution to the family firm. It also helped us better understand how women participate in their family businesses and how they reach the leadership positions and the factors that encourage them. The study established that family support and encouragement along with business exposure and long term training goes a long way in ensuring women's active participation in family business.