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DCU CENTRE FOR FAMILY BUSINESS

Female Leadership in Family Business

Research Launch

Family Business for the Future
Annual Conference

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Martina Brophy,
Dublin City University

About

Few studies have been undertaken to identify the gender related barriers and opportunities to succession and top leadership for women in Irish family businesses. This study comprised of interviews with female leaders in family businesses, of various sizes and sectors, from across the Republic of Ireland. Participants were women who are, or recently have been, managers and/or directors of their family businesses in which a male family member of the same generation is also involved in management or directorship. Half of the participants came from family businesses that have not yet undergone succession (i.e. leadership transfer) and half were post-succession firms.

The landscape

Traditionally, women in family business have played vital, albeit largely invisible, informal and unpaid roles in the business. Although these roles are today much more visible and formalised, with a growing number of women assuming senior leadership positions, there is still evidence that succession by the first-born son remains the norm. This is referred to as the rule of primogeniture in the family business literature.

Charts: Women represent an average of **28% of management team** members (Figure 1) and **27% of next generation members** in Irish family businesses[1] (Figure 2).

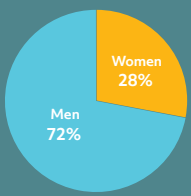

Figure 1
Management team members in Irish family business

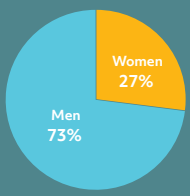

Figure 2
Next generation members in Irish family business

The importance of gender diversity in family businesses

Reducing gender disparity and promoting a meritocratic approach to choosing a successor has known benefits for the family business:

- Gender diverse boards are strongly associated with reducing bankruptcy risk[2]
- Female family business leaders plan to retire earlier and engage in less autocratic leadership than their male counterparts[3]
- Firms that break with the rule of primogeniture and appoint a second or subsequent born sibling have been associated with an increase in post-succession firm profitability, particularly in second or later generation firms.[4]

1. 2019 PwC Irish Family Business Report
2. Wilson, Wright and Scholes (2013). Family business survival and the role of boards.
3. STEP 2019 Global Family Business Survey
4. Calabrò et al (2018). The courage to choose! Primogeniture and leadership succession in family firms.

Key Insights

The interviews provided valuable insights into women's experiences of work, succession and leadership in family business. The study uncovered four main findings:

1. Women family members are encouraged to join the family business but can then encounter barriers to leadership.
2. Women family members can struggle to see themselves as the best fit for succession and top leadership of the family business.
3. Women family members find that family businesses offer more flexibility than other businesses, although work-life balance is still an issue.
4. Women family members see themselves as playing an important role in building a fair and supportive family business environment.

> "I do work incredibly long hours and…because I suppose it's not just a job. It's something that's in us but on that other side I've got that flexibility that you know if I have to go somewhere with the kids…I've moved my working hours around a bit."

Recommendations for Family Businesses

- Empower women family members for leadership and succession of the family business by being more gender conscious.
- Foster equal opportunities for male and female next generation members.
- Build a support network outside the family business.
- Alleviate work-life balance issues for both men and women in the family business.

> "I suppose the 'Irishness' of the eldest son does still play a part. So I suppose I was lucky in that I did not want to be the CEO of the company."

DCU National Centre for Family Business

The National Centre for Family Business at DCU is a leading international family business research centre. By translating world-class research into best practice insights, we empower family firms to embrace these contemporary challenges and achieve continuity across generations.

Family businesses across Ireland face significant challenges due to recent economic shocks, Brexit and more recently Covid-19. These challenges and uncertainties in conjunction with the lack of diversity are negatively impacting family businesses. Now more than ever family businesses need to drastically rethink their business model to ensure long-term survival for future generations.

Author

Martina Brophy, DCU Business School

Martina Brophy is a Teaching Assistant at DCU Business School. Prior to this role, she worked at the DCU National Centre for Family Business as a Research Assistant. In 2017, she was awarded an Irish Research Council Scholarship (jointly funded by the IRC and PwC Ireland) to conduct the current research study. In 2020, she completed her studies and was awarded a Masters of Philosophy (MPhil).