



RESEARCH PAPER

Gender issues related to choosing the successor in the family business



Covadonga Aldamiz-Echevarría*, Idoia Idígoras, María-Azucena Vicente-Molina

University of the Basque Country, Business & Economy Faculty, Avda. Lehendakari Aguirre 83, 48015 Bilbao, Spain

Received 20 June 2017; accepted 11 October 2017

Available online 16 November 2017

JEL CLASSIFICATION

M19;
L29;
J16

KEYWORDS

Daughter succession;
Family business;
Gender;
Succession

CÓDIGOS JEL

M19;
L29;
J16

PALABRAS CLAVE

Hijas;
Empresa Familiar;
Género;
Sucesión

Abstract This work focuses on the perception about the succession process in family businesses regarding gender issues and why daughters may feel inhibited or encouraged to join those firms. To achieve this, the authors developed a qualitative research based on 60 in-depth interviews with incumbents and successors who were planning or had just completed the succession process. The main findings are that even though, gender is not considered an obstacle to become successor, in fact that there are more male successors than females. Results also show that birth order influences the succession process more often if the first child is a male than if it is a female; but it is not only a predecessor's decision as many women also decide not to join the family business. Nevertheless, once they are in, family women are very much appreciated as family businesses' managers.

© 2017 European Journal of Family Business. Published by Elsevier España, S.L.U. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Cuestiones de género relacionadas con la elección de la persona sucesora en empresas familiares

Resumen Este trabajo se centra en las cuestiones de género que afectan al proceso de sucesión en las empresas familiares y cuáles son los motivos que pueden inhibir o alentar a las hijas a unirse a dichas empresas. Para lograr esos objetivos, las autoras desarrollan una investigación cualitativa basada en 60 entrevistas en profundidad con personas propietarias y sus sucesoras en relación con dicho proceso. La principal conclusión es que la percepción y la realidad no

* Corresponding author.

E-mail address: covadonga.aldamiz@ehu.eus (C. Aldamiz-Echevarría).

coinciden. Así, las familias perciben que no hay discriminación por cuestión de género, aunque en la investigación se observa una prevalencia de sucesores varones. Los resultados también muestran que el orden de nacimiento influye más a menudo en el proceso de sucesión si el primer hijo es un varón que si es una mujer. Pero esta situación no se produce exclusivamente por la decisión de quien está pensando elegir al sucesor o sucesora, sino que muchas mujeres también deciden no unirse al negocio familiar. Por otra parte, una vez que las mujeres de la familia están en las empresas familiares son muy apreciadas como gerentes de dichas empresas. © 2017 European Journal of Family Business. Publicado por Elsevier España, S.L.U. Este es un artículo Open Access bajo la licencia CC BY-NC-ND (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Introduction

Family firms have always been and continue to be an increasingly vital player in the economy. Family businesses provide most of the jobs in developed countries such as the USA where they generate 64% of GDP, employ 62% of the workforce and account for 78% of all new jobs (Conway Center for Family Business, 2017). The same applies to Spain, where this research was done. According to the Institute for Family Business (Instituto de la Empresa familiar, 2017), Spain has 1.1 million family businesses, which represents 57% of GNP, and 67% of private employment.

The definition used in this paper for family business is that given by the European Commission (2009). It states that "a firm, of any size, is a family business, if: (1) The majority of decision-making rights is in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child or children's direct heirs. (2) The majority of decision-making rights are indirect or direct. (3) At least one representative of the family or kin is formally involved in the governance of the firm" (p. 10).

Once the family business is defined and its economic importance shown, we will analyze the succession process, as it is the keystone to survival in a family business. In fact, comparing the succession process in family-owned businesses with non family businesses, Miller, Steier, and Le Breton-Miller (2003) suggest that family businesses are more complex since they involve two complicated and often competing systems: the family system and the corporate system. In this sense, Poza (2004) describes succession as simultaneously passing the managerial baton, the torch of family leadership and the control of ownership. He explains the high failure rate of succession is owing to the extreme difficulty in achieving all three things. Another factor that highlights the difficulties of succession is that it is more a process than an event (Handler, 1994), and succession is more complex than a simple adjustment of roles and responsibilities from one generation to another within a reasonable period of time (Brun de Pontet, Wrosch, & Gagne, 2007).

Some of the factors that influence this process are the attitude of the incumbent, the frequently opposite interests between family and business, the inherent difficulties in leadership transition, and the need for careful planning in order to increase the survival of family business (Alayo, Iturralde, Maseda, & Arzubiaga, 2016). Nevertheless,

owners often resist succession planning because they may wish to avoid preferential treatment of the children, or they feel threatened by the loss of control, or because a loss of identity and power in the firm may also result in a loss of status within the community (Lansberg, 1988). Another key factor for a successful generational transition is to choose the appropriate candidate, male or female; although, Lansberg (1988), as well as more recent studies, found that male offspring are preferred as successors over female offspring (Ahrens, Landmann, & Woywode, 2015; Constantinidis & Nelson, 2009). This means that, often, any member of the family who is not male, such as wives, daughters or sisters, will not be considered a potential successor unless it is absolutely necessary (Ip & Jacobs, 2006).

Thus, this paper seeks to integrate gender specificity and family firm succession in a conceptual framework that will highlight this fundamental relationship. A qualitative research was conducted to investigate the succession process in small and medium family businesses, taking into account how gender could influence the selection of the successor. It mainly focuses on specific factors that may encourage women to enter, or inhibit women from entering, their family's business. To this aim we will analyze the motivations to work in the family business and whether these are the same for both male and female, whether women consider working in their family business a good alternative to work life balance, the key factors in choosing a successor and whether daughters are as considered as sons and the strengths of women managers. This is done through the study of the bibliography first, and then through a qualitative study based on 60 in-depth interviews with incumbents and successors of family firms in Spain.

The article is organized as follows. The subsequent section comprises literature on the succession process of family businesses, taking into account those works related to gender topics. Then, the methodology used to carry out the qualitative research and the results are described, and, finally, the main conclusions of the analysis, as well as its limitations are presented.

Literature review

A few studies have examined women who have entered the family business (Barnes, 1988; Constantinidis & Nelson, 2009; Dumas, 1998, 1992; Higgison, 2008; Hollander & Bukowitz, 1990; Humphreys, 2013; Otten-Pappas, 2013; Salganicoff, 1990; Vera & Dean, 2005; Wang, 2010), but we

found just one study (Overbeke, 2007) that includes women who belong to the family but who did not enter the business. Thus, the insufficient research into why few women participate in executive positions in family firms means that this research, while attempting to find out the reasons that impel sons and daughters to belong to the firm, still lacks the direct perspective of those not in the firm, although it does include reasons from those working in the firm as to why they think others do not.

According to Martínez Jimenez (2009), empirical research and theoretical contributions on the presence of women in family businesses have generally stressed the change occurring in recent years in relation to women's increasing incorporation and participation in family businesses. Initially, contributions focused mainly on analyzing the difficulties or obstacles that women encountered when joining their family business, or the lack of recognition for their work (Salganicoff, 1990). Lately, however, studies have paid more attention to the positive aspects, such as the opportunities and advantages that women can offer to family business (Vera & Dean, 2005), or the increasing number of women pursuing entrepreneurial interests, and how female-owned firms now account for 34.3% of all businesses worldwide (World Bank, 2017).

Following Martínez's work (2009), we group the main contributions of studies about women in family business into two sections: obstacles and positive aspects.

Obstacles

Among the obstacles that make it more difficult for women to enter and stay in their family business, primogeniture, traditional roles and women's invisibility in family firms, and the disadvantages of working in family firms are discussed.

Primogeniture

According to the primogeniture system derived from the Middle Age, but still widely practiced (Barnes, 1988), the eldest son inherits the role of family leader. This criterion frees fathers from the disagreeable task of comparing and choosing between their children (Jimenez, 2009).

A preference for male successors is made explicit in some of the family-business literature (Constantinidis & Nelson, 2009; Dumas, 1992; Heinonen & Hytti, 2011; Miller et al., 2003). Historically, daughters have not been considered for succession into management positions in the family business (Wang, 2010), or sons have clearly been favored over girls (Harveston, Davis, & Lyden, 1997). As Francis (1999) states in her book, "*The Daughter also rises*", primogeniture continues to dominate the value system of family businesses; a son is expected to join the business, whereas a daughter is given a choice or not invited. In fact, daughters were not considered as managers, despite the strength of their credentials, unless a crisis created a critical need. If primogeniture is the criterion to choose the successor, they may not work hard enough for the family business and may not appreciate the benefits of working in the family business (Cabrera Suárez & Martín Santana, 2010).

The results of the study by Bennedsen, Nielsen, Pérez-González, and Wolfenzon (2007) are not as outright, but they still indicate that in Denmark, after analyzing 5334 succes-

sions between 1994 and 2002, the gender of the first born child strongly correlated with the decision to appoint a family CEO. If the first born child was a girl, the frequency of family transition was 29.4%, whereas if it was a boy, it was a 39%. In some countries with very traditional culture, as Korea, the likelihood of finding females successors in family business listed on stock exchange is still nearly null (in a sample of 444 family firms only one have female successors, because there were no sons) (Schenkel, Yoo, & Kim, 2016).

In fact, different authors (Martin, 2001) have found that even if the daughter was the first born child, she was not considered to run the family business. Thus, there were some owners who preferred to sell the business, instead of allowing their daughters to lead it (Martin, 2001), or to appoint an external CEO (Bennedsen et al., 2007).

While sons are raised with the expectancy that they will enter the family business, daughters usually lack the opportunity to succeed their fathers (Dumas, 1992; Miller et al., 2003). Fathers tend to have tacit expectations that their sons will take over the family firm and therefore "groom" their sons for the role (Dumas, 1992, p. 34).

Apart from primogeniture, very little research explains why daughters are not successors in family businesses. Hollander and Bukowitz (1990) suggest that it is a result of the father's sense of duty to protect his daughter. Dumas (1992) also found that daughters were primarily brought into the family business to do lower-level tasks, maybe because parents wanted to protect their daughters by shielding them from the problems related to the management of a company. Another explanation for the prevalence of male successors may be that fathers do not see women as having the capacity and experience necessary for running a business (Hollander & Bukowitz, 1990). In a study conducted in 1988, 100% of the fathers interviewed did not consider their daughters viable successors (Dumas, 1992). This view of daughters tends to persist even after daughters enter the family firm and prove a level of competence over a period of years (Dumas, 1992). One of the issues this paper tries to reflect is that there has been some changes in the last 20 years, and some fathers now also consider their daughters viable successors; in fact, they see advantages in women managing companies, as will be shown later. Few articles explicitly analyze selection criteria of successors of family business and the relevance of gender in particular. In this regard the literature review by Schleppehorst and Moog (2014) highlights that successors' personal traits are considered the most relevant factors to chose the successor, whereas gender and birth order are among the least important criteria. However, these considerations are not reflected in the way incumbents act because recent studies suggest that gender still plays an important role in choosing successors (Schenkel et al., 2016). According to Ahrens et al. (2015) only 23% of all single family successors in German family firms are females, even though the selected female family successors were equipped with higher levels of human capital compared to the selected male family successors, suggesting that males are still the preferred choice.

Traditional roles and women's invisibility in family firms

According to Martin's study (2001), in all cases contemplated in which there was a son or a daughter who was a potential successor, the daughter was ignored. This may be because

women have traditionally played many subtle roles – spouse, mother, mother-in-law and family leader – and these roles related to the family rather than to the business sphere made women believe they were not suitable for leadership and that their responsibilities were mainly domestic (Jimenez, 2009). This different way of treating sons and daughters meant that, at home, parents would speak more with sons about the business during meal time, and sons visited the business more often (Dumas, 1998), whereas the socialization of women was more focused on home and family life (Jimenez, 2009).

However, overlooking the potential of daughters for family business leadership might mean not having the best successor for the business, and therefore it can affect the continuity and success of the business. So it is not only an unfair situation for daughters but it can also be prejudicial for the business (Wang, 2010).

As Higginson (2008) point out, women are now pursuing professional careers by creating their own firms and joining family businesses. It also means that the way to look at the succession process will change because, as Harveston et al. (1997) point out, women owners tend to focus more carefully on succession planning.

To assist in our understanding of why more daughters do not become successors in family firms, it is instructive to look at the experiences of those who have become successors. Studies show that daughters usually enter the business because of a crisis, such as an illness or death in the family (Barnes, 1988; Dumas, 1992; Salganicoff, 1990), but even in those cases they are sometimes bypassed by insider male substitutes, such as an uncle or son-in-law (Royer, Simons, Boyd, & Rafferty, 2008).

If daughters do get to manage their family business, they experience some of the same issues that sons face: dealing with the ambiguities of combining family and business roles (Dumas, 1992; Hollander & Bukowitz, 1990). Also, the “Daddy’s Little Girl” role directs daughters to “please father” and precludes them from acting as strong and independent managers in business (Dumas, 1998). Compared with sons, this problem of ambiguity becomes more complicated when daughters are not seen as future successors. Sons have been socialized to expect this position, and when surrounding nonfamily employees also understand this eventuality (Dumas, 1992), daughters tend to be “invisible successors” (p. 37). If they attempt to assert themselves and assume a position of top management, they are seen as violating the family hierarchy. Daughters find this a uniquely difficult position, since they view themselves as “protectors of family unity” (Hollander & Bukowitz, 1990, p. 146) and try to avoid conflict, so their succession process is impeded.

The choice of family firm successors is influenced by cultural norms, which vary substantially around the world (Daspite, Holt, Chrisman, & Long, 2016; Schenkel et al., 2016). According to Daspite et al. (2016), the use of pre-determined familial connections (e.g. birth order, blood relation) and gender-related factors – which are either shaped by culture norms – affect the early phase of the succession process. Parents shape perceptions of their children regarding the succession of the family firm (Schröder, Schmitt-Rodermund, & Arnaud, 2011; Schröder & Schmitt-Rodermund, 2013). Therefore, a two-way communication is especially important for potential female successors who,

at a young age, may benefit from relationships with others (family members and employees) when that serve to minimize cultural or tradition-based opposition to their choosing as successors (Daspite et al., 2016). Moreover, being exposed to the family firm may allow potential female successors to develop a well-rounded perception of the firm and ultimately make an informed decision on the desirability of succession, from an early age (Daspite et al., 2016).

Gender roles and stereotypes existing in society have contributed to the ongoing discrimination against women. Women have traditionally been responsible for domestic issues and taking care of family, so a professional career usually took second place. Even if they were directly involved in the family firm, they did not receive recognition for their contribution, either in the shape of a formal position in the company or a salary (Salganicoff, 1990), and if a salary was earned it was lower than the men’s (Rowe & Hong, 2000).

In a study of couples who were co-owners of family firms, Marshack (1994) found that traditional gender stereotypes were clearly reflected in the type of tasks each partner assumed within the family and the firm. The wives mainly did accounting and secretarial work, as well as most household tasks, while the husbands were mainly responsible for equipment maintenance and the negotiation of contracts.

Tasks reserved for women, such as secretarial, accounting, HR management and marketing, were considered of less significance, but as García-Álvarez, López-Sintas, and González (2002) point out, some of them now have increasing importance to business growth.

The woman is also the “nurturer of the next generation” because she transmits the values of both family and firm to the children (Dugan et al., 2011). In other words, mothers teach their children to love the company.

Finally, gender may influence all the factors that contribute to attitude. As the literature indicates, males may view themselves as potential successors, which can have an impact on their attitude toward working in the family business. On the contrary, females may not see themselves in this manner and, therefore, they may have negative or indifferent attitudes toward joining the family business as an executive. To change this attitude, Williams, Zorn, Russell Crook, and Combs (2013) encourage parents to prepare their daughters and sons to either stay in the family business or follow a different path. They consider this conversation should start when the children (potential heirs) are young so they can see the business in relation to other opportunities. To encourage incumbents to think on their daughters as potential heirs, they give examples of positive results when appointing women.

Despite the barriers some women have around joining the firm, developing an interest in the firm and/or in leadership is mainly as a consequence of one or more of the following factors: their brothers are not strong leaders, they have no family responsibilities (no husband, no children), their parents ask them to join the firm (Iannarelli, 1992), or all family members are invited to join with different levels of responsibility.

Disadvantages of working in family businesses

Vera and Dean (2005) identified some disadvantages related to working in the family business: not having a personal life, long working hours, no private life away from family,

work disagreements among family members continuing outside the workplace, difficulties when parent and daughter do not share the same idea, and being constantly compared with the previous leader's management style. The difficulty in achieving work life balance is one of the disadvantages of working in the family business, but, surprisingly, not all the literature considers it that way, as it will be shown when the positive aspects are described.

Another disadvantage mentioned by [Constantinidis and Nelson \(2009\)](#) is that, mainly due to their sex, women often feel that they experience difficulties in relation to employees, customers and suppliers, and feel they have to prove their competence before they receive the respect and confidence of stakeholders.

Positive aspects

The contributions of studies regarding positive aspects for women in family businesses are explained in the following sections. These positive aspects are related to women's complementary skills and relationships, the idea of developing a professional career and its implications regarding pride and satisfaction, and the possibility to balance work life.

Complementary skills and capacities

In her study on 14 daughter successors, [Humphreys \(2013\)](#) found that skill and commitment override gender in those successors' selections. Also, women often have other skills – such as placing more importance on human and social values (their value system partly explaining their so called "feminine" style of management) – that are not only based on traditional indicators, such as profit, sales, and return on investments, but also on the social contribution toward quality of work life, customer satisfaction, and their own personal growth ([Lee-Gosselin & Grisé, 1990](#)).

Research indicates that females communicate and solve problems differently from males; they prioritize life experiences differently than their male counterparts, and are socialized differently within both family and business systems ([Danes, Haberman, & McTavish, 2005](#)). Their communication skills make communicating with their mentoring fathers easier and help to avoid conflicts. They tend to not only worry about the business but also about their parents. All these characteristics can make the succession process easier. On the other hand, the desire to avoid conflict and the fear of upsetting parents discussing succession issues can make the process difficult ([Hollander & Bukowitz, 1990](#)).

For [Alimo-Metcalfe \(2002\)](#), women are more transformational leaders than men, meaning they are charismatic, persuasive and able to intellectually stimulate others.

[Vera and Dean \(2005\)](#) make the point that compared with men; women are less distrustful and directive, and more conciliatory, attentive, supportive, flexible, balanced, collaborative, and caring. They also take more time to make decisions, seek more information on other's opinions, and attend to both the well-being of the business and of the family.

[Pyromalis, Vozikis, Kalkanteras, Rogdaki, and Sigalas \(2004\)](#) found that women seem to outperform men on the "satisfaction with the succession" dimension, while men

seem to outperform women on the "effectiveness of the succession" dimension. For [Pyromalis et al. \(2004\)](#), these findings justify those who claim that men and women possess complementary competencies and skills.

An article by [Cruz, Justo, and De Castro \(2012\)](#) stated that employing family members improved the performance of the firm in women-led businesses, probably because women are able to better handle the conflict between simultaneously pursuing socio-emotional and financial goals. [Amore, Garofalo, and Minichilli \(2014\)](#) studied the change in profitability after CEO succession by comparing male-male and male-female transitions in Italian family firms and they confirm that the profitability effect of female CEO transitions is increasing in the proportion of female directors on the board. However, the positive effect of female interactions on profitability is reduced when the family firm is located in geographic areas characterized by gender prejudices and when the firm is large ([Amore et al., 2014](#)).

Developing a professional career

The need (perhaps due to fatal events or health problems) tends to increase the likelihood that parents will consider daughters to work in the family business ([Dumas, 1992](#)). In this regard, [Murphy and Lambrechts \(2015\)](#) suggest that the involvement of the next generation in the family business not only influences but also alters their careers. According to these authors, through the activity of helping, the next generation explores the arena of the family business, which has significant consequences on career decision making. Accordingly, family business owners should be conscious that children draw conclusions from parents' behavior regarding parental succession preferences ([Schröder et al., 2011](#)). The potential of female successors in securing the survival of the family firm should not be undervalued by family business owners, and they should foster their daughters as competent successors from early on instead of taking them into account only after a critical incident forces the family to do so ([Schröder et al., 2011](#)).

This situation can not only be an opportunity for women to have more flexible schedules and increase job satisfaction, but also a source of pride when they help the family or fill a position nobody wants ([Dumas, 1992](#); [Salganicoff, 1990](#)). [Vera and Dean \(2005\)](#) found the following advantages of working in family businesses: a desire to make their parents' business grow, pride in carrying on the family tradition, comfort of the workplace, shared family values, more time with family, and work schedule flexibility.

When women own or manage family businesses, they are happy to cultivate the structural network for their firm, as well as introducing their daughters to the various contacts, such as different forums, chamber of commerce, banks, partners or suppliers ([Higgjinson, 2008](#)).

Family businesses can be an option when developing a professional career for women of the family who are of child-bearing age, taking into account that this variable has been identified as a real obstacle in the processes of the selection of personnel in small and medium firms when the candidate is a woman ([Woodhams & Lupton, 2006](#)). Nevertheless, it can also be seen as an obstacle from the predecessor's point of view.

Work life balance

The results of various surveys show that even if 90% of women business owners work full time, they are still responsible for household tasks and bringing up children (Burke & Lee-Gosselin, 1991). It is normal for them to perform simultaneously the roles of mother and business manager.

As Francis (1999) says, no one, female or male, can do it all and women should not have to be superwomen in order to obtain what men have always had: a career and a family. There are specific obstacles that women in family businesses face. Some women felt as though they cannot take advantage of family leave or child care, even though they are provided for within the company's written policies, with not all females, and very few males, accessing family leave (Francis, 1999). To sum up, daughters want their father's approval and to be given as much responsibility and as many opportunities in the business as their brothers, without sacrificing the flexibility to raise a family (Constantinidis & Nelson, 2009; Otten-Pappas, 2013). And, as Kirkwood (2009) suggests, family businesses can provide daughters with more balance and job security to attend to child rearing, parental care or other personal needs.

Method

Participants and procedure

Qualitative data was gathered via in-depth interviews with family business owners and successors. Sixty-two people were interviewed to analyze the succession process in 60 family businesses in the Basque Country (Spain). The average time of each interview was 45 min.

Selection criteria for interview subjects included: small and medium family businesses, having between ten and 250 employees and with a recent succession process completed or about to be put in place in the near future. Respondents were required to belong to the family and work in the family business.

Interview subjects were identified through the researchers' social network and/or available information. The SABI database¹ was used to select some firms and to complement the information of the family businesses analyzed. Semi-structured interviews were conducted face-to-face in the interviewee's company. To arrange the interviews, participants were contacted by phone, explained the objectives of the research and were asked for an appointment.

The interview questions were designed to stimulate a discussion that helped participants to articulate their sense of the driving forces that led them to join the family firm, the challenges they faced, how they felt regarding the succession process, and why they saw it in that way.

With the participant's permission, answers were recorded and later transcribed to facilitate coding in an Excel file.

Thirty interviews were conducted by two female researchers to one interviewee, except in the case of two family businesses where there were two interviewees; the other thirty interviewees were conducted by a male professional interviewer trained for this kind of interview.

The respondents of the survey were mainly people who spoke as actual or potential successor (44 people), as successor in the past and now were acting as incumbents, so they had both perspectives (7) and the other 11 were founders of the firm that had not given the torch to the following generation but were in the process of doing so. Regarding the sex of the respondents, 62% of them were male. Finally, the family businesses had fewer than 50 workers in 60% of the cases, between 51 and 150 in 25% of them and 15% had over 150 employees.

Research questions and variables

The purpose of this study is to increase knowledge about the succession process, focusing on gender related issues, such as the reasons why few daughters of family business owners succeed their parents, the perception about whether work life balance is easier in family businesses and the strengths and weaknesses perceived about women managing companies.

To accomplish these objectives, some of our primary questions focused on the following subjects: motivations for working in the family business; interest shown by daughters to enter the firm; measures to reconcile family and professional life for employees and members of the family business; if the owner's daughters were considered just as likely as the sons; key factors in the choice of the successor and the advantages or disadvantages of being a woman in managing the family business. We also analyzed the gender of the successor, and whether the successor had any influence in the succession process. In addition, after the classification of the successor's gender, as well as potential successors in the family, we also studied the positions held in the family by the successors in the 21 cases in which the offspring were both men and women, and where several of them worked in the business, in order to determine whether there was or was not some kind of discrimination.

Results and discussion

Table 1 shows the gender of potential successors, whether one or more remains in the family business, and the gender of those who remain. In the eight cases where only men were potential successors (because there were no women in the family), five of them have entered the firm as only one successor, and four of these are primogenitor, the other is not. In the other three cases, more than one successor has remained in the family's firm. In four cases there are only women in the family, and the four female successors are the first born children. In the other 48 cases there are men as well as women in the family. In 21 of these cases only men have stayed in the firm and, among them, 16 are the primogenitor. In another 8 cases only females have remained

¹ SABI is an acronym of "Sistema de Análisis de Balance Ibéricos" or System of Iberic Balances analysis). It is a database of more than 2,000,000 Spanish businesses and around 500,000 Portuguese firms that, among financial information, provides information on managers and ownership structure.

Table 1 Gender of potential successor and order of birth.

Potential/actual successors Gender of the offspring:	Only one successor is in FB		More than one successor in the FB			Total
	First born child?		Men	Women	Both	
	Yes	No				
Only men	4	1	3			8
Only women	4					4
Both of them					19	19
Only men	16	2	3			21
Only women	5	2		1		8
Total	29	5	6	1	19	60

in the family business, and 5 of them are the first born children. In the other 19 there are successors of both genders in the company.

To summarize, in 29 family firms out of 60 the successor or successors are men, in 12 cases are women, and in 19 cases are both. Moreover, in the 48 families where there were female and male offspring, if there is only a successor in the family business the prevalence of masculine gender is clear (18 males versus 7 females). In relation to order of birth, in 29 family businesses out of 60 the successor is the first-born child; therefore, gender and order of birth seem to play an important role in the selection of successor.

As shown in Table 1, in 34 cases out of 60 there is only one successor. Frequently this is because there are no places for more members of the family in the business, owing to the size of the firm. Additionally, it could also be related to the owner's concerns that having several family branches in the business could generate problems in future successions (Idigoras, Vicente, & Aldamiz-echevarría, 2009). Results suggest that being the first born child is the most important factor in becoming the successor, when there is only one child in the family firm.

Successor's perspective to join the family business

To understand the different motives implied in the election of the successor, from the supply (or successors) and the demand (incumbents) point of view, questions regarding the disposition to join or not join the family business were asked, such as the motives for not working in the family business, the interest shown to join the firm, aspects related to work life balance for family members and the gender of successor or successors.

Motives for not working in the family business

There can be several reasons why some family members do not want to work in family businesses. When asked about these reasons, the interviewees gave similar answers independently of the gender of the family member who was not working in the family business:

- Vocation out of the family business.
- Desire to develop a professional career out of the company (very slavish job, other interests, search for independence from the family, preference to delegate management to professionals). It should be taken into

account that involvement in the family business at early ages can affect the career of successors (Murphy & Lambrechts, 2015).

- No available positions in the family business because of its size or because the protocol limited the number of family members.
- Not wanting to assume responsibilities.
- Failure to comply with the family requirements to enter the firm (education, experience, etc.).

Only when male respondents referred to women, not actually in the family business, did they mention the woman's desire to take care of their family. This reason was not offered for any male of the offspring.

Interest shown to join the firm

To the question, did daughters show the same interest to join the firm as their brothers, overall, both daughters and sons seemed to show the same interest (or disinterest) in the family business. Of course, that was not the case in all firms. But our data shows a higher presence of men as successors; the explanation for this may be that women added one more reason for not working in the family business to those of men: the desire to spend more time with their families. Unfortunately, because of the way the study was carried out, this answer was not given by the women who did not stay in the business but by their fathers, mothers, sisters or brothers, so there might be some other reasons not mentioned for their inferior presence.

Measures to balance work life

The work life balance measures offered to nonfamily members do not frequently apply to family members. Only in one case, the manager, who belonged to the family that owned the business, took maternity leave. In the other cases of family women managers, although other staff had the right to maternity leave provided for by law, family members did not take leave as they could only balance work life "when the workload is small".

In the case of a company that changed the schedule to make conciliation easier, one family member had to go back to work without enjoying maternity leave because the person who was replacing her was not good enough, and "she was needed in the company". A female manager, member of the family firm, referred to carrying her two-month old

baby to the office and having to take care of both the baby and the family firm.

Incumbent's perspective to choose a successor

Once aspects from the potential successor's point of view were analyzed, we focused on the predecessor's. The composition of the offspring and, questions about whether the daughters would be considered in joining the firm and the decisive factors of choosing a successor were analyzed.

Gender of the successor or successors

Another question was about the gender of the offspring, as well as of those who worked in the family firm, in order to know whether gender had an influence in the succession process.

When there was only one successor working in the family firm (34 cases) and the predecessor had sons and daughters (25 cases), a certain prevalence of men was detected (18 men versus 7 women). However, in the case of several successors working in the family firm (26 cases, of which in 6 cases only men became successors, in one case only women, in other 19 cases both women and men) the difference between male and female successors is not so high, since in most cases, both gender offspring work in the family business with similar levels of responsibility. This could suggest that gender is losing importance in the succession process with respect to the past.

The positions held by people succeeding in the 19 firms in which the offspring were both men and women, and where both genders worked in the business were also analyzed to see if any kind of discrimination could be found.

From our study it appears that, overall, the types of positions both men and women have are quite similar, and, if there are differences, they are mainly related to the offspring's different skills.

In general, most of interviewees did not perceive discrimination against them, their sisters or their daughters in the succession process or in the family firm positions occupied by the women of the family. Despite this perception, we found that in 29 cases the successors were males and in only 12 cases they were females, while in 19 cases they were both males and females.

Consideration of founder's daughters to enter the firm

Interviewees were asked whether the possibility of the founder's daughters and sons entering the firm was considered equally. When respondents were over 55 years old, or interviewees thought on past generations, they recognized that women did not have the same opportunities to reach senior positions *"unless there was no other choice"* (only daughters or a widow with children under age or without the capacity to work). If there were capable male descents, women usually focused on the family and had no chance to study and therefore to join the family firm.

However, for other functions, such as working in secretarial tasks, women had the opportunity to work in the family business, especially before marriage. Some interviewees referred to regarding this invisibility of women: *"at home it was assumed the role of women was to be in the shade, behind, silent... that women were not able*

to manage the business, and in that sense, it seems that females did not have the same opportunities".

In one of the interviews, the respondent said that in the past there had been discrimination, but not any longer. Nevertheless, he, who was 41 years old, recognized that even in his case, the education was different: *"In the past, they did not have the same opportunities; they didn't enter into the company's plans. In my own family, the way we were grown up was also different. When I was 11, my father used to take me to the atelier on Saturday mornings, but that never happened to my sisters. The mentality of my father was sexist and he always wanted me at his side, but not my sisters"*.

Decisive factors in the choice of successor

The decision to choose a successor, as literature relates, is difficult, and that is why, as shown in [Table 1](#) many parents in our sample decided to place several descendants with directive positions in the family firm or to use the primogeniture as the decisive factor. But those were not the only factors in choosing the successor. Other factors were: compliance requirements both written and unwritten for being at the forefront of the business, capabilities and skills such as an education adequate for the position, knowledge of languages, experience in the firm, personal involvement with the founder, ability to work and provide value to the organization, time and dedication to the company (implication), knowledge of the business, being a natural leader assumed by others, experience in the sector outside the family business, involvement in management in times of crisis (including providing capital), the real need for someone, the interest of the descendants, or the fact that there were no other options (only-child or others did not want to enter the firm or were not capable).

Other gender issues analyzed

Finally, the advantages and disadvantages interviewees found in women managing businesses were asked.

Value added by women in the management of family businesses

Interviewees were asked about the *advantages* and *disadvantages* they thought women had when managing the family business. Interestingly, most interviewees could only find advantages in having women, and the only two disadvantages mentioned were maternity leave and that *"more quarrels occur among women than among men"*. For this reason, the title of this section was changed to *"Value added by women managers of family businesses"*.

Ten of the interviewees saw no difference between men and women, and that any differences reflected the person and not their gender.

The other 50 interviewees found positive aspects in women as managers. This result could be because the interviewees were women, as happened in 30 of the interviews. However, in the other 30 interviews there was a male interviewer, but the answers did not differ. The positive aspects found by the 50 interviewees were related to their organizational and management capacity as well as other characteristics that could be positive for managing the business.

- **Organizational and management capacity.** “They do things right the first time”, “resolute”, “more systematic”, “contribute to the balance with their reflections”, “they are more emotional, more human”, “more dialogue”, “greater empathy: more left hand (feeling for certain things...)”, “good at staff relations”, “good at negotiating”, “flexible, adapting to new situations”, “loyalty, mutual trust”, “maybe due to their education they see all the picture, they are more aware of everything, workers and also their circumstances”; “they bring the family together, men tend to go more about their business”, “contribution of ideas to renew and innovate”, “more vision, more initiative”, “more entrepreneurs”, “ability to organize and balance work life”, “women are capable of organizing the head of a house, care of children and their school tasks, work at home and in family business, and men do not”, “better management style”, and one that summarized them all: “advantages: all”.
- **Personal characteristics that may be good for business.** “Perfectionists”, “meticulous”, “better for contact with the public”, “customer focus”, “warmth in the workplace, kinder, more attentive”, “peacemakers”, “patience”, “the women of the household are the key for the success of family business. They are very good, always at home, devoted to others”, “prudence: sometimes is an advantage and sometimes a brake (when you have to invest, they always say “how we will pay?”)”, “more thorough and constant abiding”, “fighters”, “responsibility”, “they work more”, “less ambitious than men (seen as an advantage)”. In this sense, one female successor interviewee said, “we are not so ambitious from the material point of view although I am ambitious in objectives, achievement or other intangibles”.

Conclusions

Although in the past there had been discrimination in the succession process of family businesses based on gender, in this research families’ perception is that they gave the same opportunities to their offspring independently of their gender, although we did find a certain prevalence of males. Thus, in the 21 cases in which the offspring were both males and females and the first born child was the one who remained in the firm, 16 were men and only 5 were women. The reason behind this could be, as literature suggests, that when the first born child is a woman, the business is sold or disappears more frequently than when the first child born is a boy. As we only interviewed people from family businesses that are currently active and in the hands of a family, this has not been corroborated.

On the whole, in 48% of the firms analyzed the successors were only males, in 20% they were only females, while in 32% of the businesses analyzed they were males and females. These results could suggest that women are not yet being given the same chances as men to become a successor in the family firm.

Nonetheless, discrimination can be found against family women who are unable to enjoy certain benefits, such as maternity leave, because they are considered essential in the firm by their fathers or brothers. However, within these

same companies, women who do not belong to the family, even when in similar roles, are able to take maternity leave. The vast majority of businesses analyzed have measures to balance work life for their staff but not for family members.

Gender is not perceived, or at least stated, by the respondents as a key factor in becoming a successor or not. Nevertheless, our results suggest that there is an important prevalence of men. The most influential factors mentioned when choosing a successor are the birth order (ratified in this work), followed by the skills, experience in business (often linked with age) and compliance with the requirements established by the family.

The main limitation of this research is that its results cannot be extrapolated to the rest of SME family businesses because a convenience sample, which is not necessarily representative of the population studied, has been used. Another limitation is that the only people interviewed are family members who are in the company, and it is possible that the answers of those who are not currently in the business do not match those who remain in the family firm. Therefore, more research must be done to clarify women’s access to family businesses and this is what we are going to approach in the current project.

Conflicts of interest

The authors declare that they have no conflicts of interest.

Acknowledgments

This work has been financially supported by EMAKUNDE (The Basque Institute for Women), FESIDE (Fundación Emilio Soldevilla for Research and Development of Business Management as a Science) and the University of the Basque Country, project EHU 16/27. We thank the three institutions for their support.

References

- Ahrens, J., Landmann, A., & Woywode, M. (2015). *Gender preferences in the CEO successions of family firms: Family characteristics and human capital of the successor*. *Journal of Family Business Strategy*, 6(2), 86–103.
- Alayo, M., Iturralde, T., Maseda, A., & Arzubiaga, U. (2016). *European Journal of Economics, Finance and Administrative Sciences*, 85, 88–103.
- Alimo-Metcalfe, B. (2002). *Leadership and gender: A masculine past, a feminine future? A thematic paper for CERFE Project*. Washington, DC: European Observatory on Good Practices to Remove the Glass Ceiling.
- Amore, M. D., Garofalo, O., & Minichilli, A. (2014). *Gender interactions within the family firm*. *Management Science*, 60(5), 1083–1097.
- Barnes, L. B. (1988). *Incongruent hierarchies: Daughters and younger sons as company CEOs*. *Family Business Review*, 1(1), 9–21.
- Bennedson, M., Nielsen, K. M., Pérez-González, F., & Wolfenzon, D. (2007). *Inside the family firm: The role of families in succession decisions and performance*. *The Quarterly Journal of Economics*, 122(2), 647–691.
- Brun de Pontet, S., Wrosch, C., & Gagne, M. (2007). *An exploration of the generational differences in levels of control held*

- among family businesses approaching succession. *Family Business Review*, 20(4), 337–354.
- Burke, R. J., & Lee-Gosselin, H. (1991). *La cage de verre: les entrepreneurs au Canada*. Conseil consultatif canadien sur la situation de la femme.
- Cabrera Suárez, M. K., & Martín Santana, J. D. (2010). La influencia de las relaciones intergeneracionales en la formación y el compromiso del sucesor: efectos sobre el proceso de sucesión en la empresa familiar. *European Journal of Management and Business Economics*, 19(2), 111.
- Constantinidis, C., & Nelson, T. (2009). Integrating succession and gender issues from the perspective of the daughter of family enterprise: A cross-national investigation. *Management International/International Management/Gestion Internacional*, 14(1), 43–54.
- Conway Center for Family Business. Retrieved from <http://www.familybusinesscenter.com/resources/family-business-facts/>.
- Cruz, C., Justo, R., & De Castro, J. O. (2012). Does family employment enhance MSEs performance? Integrating socioemotional wealth and family embeddedness perspectives. *Journal of Business Venturing*, 27(1), 62–76.
- Danes, S. M., Haberman, H. R., & McTavish, D. (2005). Gendered discourse about family business. *Family Relations*, 54(1), 116–130.
- Daspit, J. J., Holt, D. T., Chrisman, J. J., & Long, R. G. (2016). Examining family firm succession from a social exchange perspective: A multiphase, multistakeholder review. *Family Business Review*, 29(1), 44–64.
- Dugan, A. M., Krone, S. P., LeCouvie, K., Pendergast, J. M., Kenyon-Rouvinez, D. H., & Schuman, A. M. (2011). *A woman's place: The crucial roles of women in family business*. Macmillan.
- Dumas, C. (1992). Integrating the daughter into family business management. *Entrepreneurship Theory and Practice*, 16(4), 41–55.
- Dumas, C. (1998). Women's pathways to participation and leadership in the family-owned firm. *Family Business Review*, 11(3), 219–228.
- European Commission, Enterprise and Industry Directorate-General. (2009). *Final report of the expert group. Overview of family-business-relevant issues: Research, networks, policy measures and existing studies*. EC Directorate-General for Enterprise and Industry. Retrieved from <http://ec.europa.eu/DocsRoom/documents/10388/attachments/1/translations/en/renditions/pdf>
- Francis, A. E. (1999). *The daughter also rises: How women overcome obstacles and advance in the family-owned business*. San Francisco: Ridi.
- García-Álvarez, E., López-Sintas, J., & Gonzalvo, P. S. (2002). Socialization patterns of successors in first-to second-generation family businesses. *Family Business Review*, 15(3), 189–203.
- Handler, W. (1994). Succession in family business: A review of the literature. *Family Business Review*, 7(2), 133–157.
- Harveston, P. D., Davis, P. S., & Lyden, J. A. (1997). Succession planning in family business: The impact of owner gender. *Family Business Review*, 10(4), 373–396.
- Heinonen, J., & Hytti, U. (2011). *Gender in family firms: A literature review*. Retrieved from <http://pyk2.aalto.fi/ncsb2012/Heinonen.pdf>
- Higginson, N. (2008). Preparing the next generation for the family business: Relational factors and knowledge transfer in mother-to-daughter succession. *Journal of Management and Marketing Research*, 1, 1–18.
- Hollander, B. S., & Bukowitz, W. R. (1990). Women, family culture, and family business. *Family Business Review*, 3(2), 139–151.
- Humphreys, M. M. (2013). Daughter succession: A predominance of human issues. *Journal of Family Business Management*, 3(1), 24–44.
- Iannarelli, C. L. (1992). *The socialization of leaders in family business: An exploratory study of gender* Unpublished Doctoral Dissertation. PA: University of Pittsburg.
- Idígoras, I., Vicente, M. A., & Aldamiz-echevarría, C. (2009). El proceso de sucesión en las PYMES familiares: algunas claves de su éxito. In *Administrando en entornos inciertos = Managing in uncertain environment*. Madrid: ESIC.
- Instituto de la Empresa familiar (2017). Retrieved from <http://www.iefamiliar.com/cifras/1>.
- Ip, B., & Jacobs, G. (2006). Business succession planning: A review of the evidence. *Journal of Small Business and Enterprise Development*, 13(3), 326–350.
- Jimenez, R. M. (2009). Research on women in family firms current status and future directions. *Family Business Review*, 22(1), 53–64.
- Kirkwood, J. (2009). Spousal roles on motivations for entrepreneurship: A qualitative study in New Zealand. *Journal of Family and Economic Issues*, 30(4), 372–385.
- Lansberg, I. S. (1988). The succession conspiracy. *Family Business Review*, 1(2), 119–143.
- Lee-Gosselin, H., & Grisé, J. (1990). Are women owner-managers challenging our definitions of entrepreneurship? An in-depth survey. *Journal of Business Ethics*, 9(4–5), 423–433.
- Marshack, K. J. (1994). Copreneurs and dual-career couples: Are they different? *Entrepreneurship: Theory & Practice*, 19(1), 49–69.
- Martin, L. (2001). *More jobs for the boys? Succession planning in SMEs*. *Women in Management Review*, 16(5), 222–231.
- Martínez Jimenez, R. (2009). Research on women in family firms: Current status and future decisions. *Family Business Review*, 22(1), 53–64.
- Miller, D., Steier, L., & Le Breton-Miller, I. (2003). Lost in time: Intergenerational succession, change, and failure in family business. *Journal of Business Venturing*, 18(4), 513–531.
- Murphy, L., & Lambrechts, F. (2015). Investigating the actual career decisions of the next generation: The impact of family business involvement. *Journal of Family Business Strategy*, 6(1), 33–44.
- Otten-Pappas, D. (2013). The female perspective on family business successor commitment. *Journal of Family Business Management*, 3(1), 8–23.
- Overbeke, K. K. (2007). *Choice, gender and succession in the family business* Doctoral Dissertation. Case Western Reserve University.
- Poza, E. J. (2004). *Family business*. Mason, OH: South Western Thomas Publishers.
- Pyromalis, T. A., Vozikis, V. D., Kalkanteras, M. E., Rogdaki, G. P., & Sigalas, G. S. (2004). *Proceedings of the Academy of Family Business*, 2(2)
- Rowe, B. R., & Hong, G.-S. (2000). The role of wives in family businesses: The paid and unpaid work of women. *Family Business Review*, 13(1), 1–13.
- Royer, S., Simons, R., Boyd, B., & Rafferty, A. (2008). Promoting family: A contingency model of family business succession. *Family Business Review*, 21(1), 15–30.
- Salganicoff, M. (1990). Women in family businesses: Challenges and opportunities. *Family Business Review*, 3(2), 125–137.
- Schenkel, M. T., Yoo, S. S., & Kim, J. (2016). Not all created equal. Examining the impact of birth order and role identity among descendant CEO sons on family firm performance. *Family Business Review*, 29(4), 380–400.
- Schlepphorst, S., & Moog, P. (2014). 'Left in the dark: Family successors' requirement profiles in the family business succession process. *Journal of Family Business Strategy*, 5(4), 358–371.
- Schröder, E., & Schmitt-Rodermund, E. (2013). Antecedents and consequences of adolescents motivations to join the family business. *Journal of Vocational Behavior*, 3, 476–485.

- Schröder, E., Schmitt-Rodermund, E., & Arnaud, N. (2011). Career choice intentions of adolescents with a family business background. *Family Business Review*, 24(4), 205–321.
- Vera, C. F., & Dean, M. A. (2005). An examination of the challenges daughters face in family business succession. *Family Business Review*, 18(4), 321–345.
- Wang, C. (2010). Daughter exclusion in family business succession: A review of the literature. *Journal of Family and Economic Issues*, 31(4), 475–484.
- Williams, D. W., Zorn, M. L., Russell Crook, T., & Combs, J. G. (2013). Passing the torch: Factors influencing transgenerational intent in family firms. *Family Relations*, 62(3), 415–428.
- Woodhams, C., & Lupton, B. (2006). Gender-based equal opportunities policy and practice in small firms: The impact of HR professionals. *Human Resource Management Journal*, 16(1), 74–97.
- World Bank. (2017). *Entreprise Surveys. Data on Gender*. The World Bank. Retrieved from <http://www.enterprisesurveys.org/data/exploretopics/gender>