

Having a daughter can 'nudge' male CEOs toward supporting equality

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Raising daughters can make male company leaders more supportive of women's struggles for equality, new research shows. This also leads to employing more women in their companies and on their boards.

A founder has a lot of power over a [company](#)—but most companies are founded by men. However, a founder's daughter can help counteract her father's blind spots by helping him understand the barriers that women face, according to new research from the Stockholm School of Economics, Erasmus University and Jönköping University. This can lead to a real boost in the number of women that the company employs, and also the number of women on the company's board of directors.

"We were surprised to discover that even in relatively gender-egalitarian Sweden the personal relationships of CEOs can so strongly affect how they run their businesses in more gender-egalitarian ways," says Karl Wennberg of Stockholm School of Economics, one of the authors of the study.

The researchers analyzed the effects of fathering an additional daughter versus an additional son for owner-manager CEOs. These are people who have set up the company, have a large ownership stake in it and hence have a lot of power over the practices and the culture of the company.

The 'daughter effect'

The authors found that having a daughter rather than a son was associated with a 4% increase in female directors and an 11% increase in [female employees](#). Their conclusion is that, since this daughter-to-father effect gradually matures as [daughters](#) grow up and socialize in schools and workplaces, and increases as daughters age, it suggests that the male founders are learning via their daughters about the constraints women face, and that this happens throughout their daughters' lifecycles. This is

known as the "daughter effect."

"The CEOs that we studied speak about how their corporate decisions have changed after them learning first-hand about the constraints women often face from their growing daughters," adds Karl Wennberg.

The analysis looks at all Swedish ventures founded by male founders between 2004–2017. This enabled the researchers to track and detect exactly when and how the daughter effect manifests itself. Not only does this research give us more data about the daughter effect on company founders, but it also helps us understand just how this effect works. Some reports have suggested that it is the act of fathering a daughter that changes a decision-maker's perspective, while others emphasize that it is the process of bringing up daughters which is crucial.

Understanding the barriers women face

This study shows that the daughter effect was not visible at all immediately after the birth but became strong when the founder-CEO's girls started school. In other words, it was the collision with the sexism found in wider society and in institutions that caused these [business leaders](#) to start to understand better what barriers women face.

The authors also conducted interviews to corroborate the empirical findings. For example "Dan" who has one daughter and one son was acutely aware of how unfair treatment of girls' and boys' sports can be.

"We have a sports club for girls [in town] ... female [elite team] dropped out of the top tier, since they didn't have enough resources ... My firm will now be sponsoring them. In our firm, we only sponsor female [adult] teams and female youth sports teams, we don't sponsor male teams."

"So there are opportunities, but I want to teach my daughter that when Per who is 50 and has been in the industry for 20 years starts patronizing her, my girl should push herself forward and resist."

Another one of the CEOs, "Jon," has two daughters and no sons.

"You mature a lot [after having children], since you don't just have yourself to take care of anymore. [Fatherhood] creates maturity in the eyes of different stakeholders; when they see that you are not alone anymore [but have a family], they look at you differently. And you behave consciously or unconsciously like a father, like a parent, and it projects some security, and it has actually influenced my company in a positive way."

Meanwhile on the other hand, some of the CEOs who had only sons expressed frustration at the idea that women face barriers in the work market at all, and even said that equality had gone "too far."

"You are forced to hire a woman even if she doesn't have the right skills. You take her just because you have to. That is not right. It's the same thing with gender quotas on boards in some countries," said "Erik".

Larger effect on small companies

Published in *Management Science*, the study suggests that bringing up a daughter, and following the often-unequal ways that she and her friends are treated is a kind of education that help "nudges" the CEO in the direction of being more egalitarian. These effects on hiring, however, seem to be linked to the direct participation of the CEO-father in the company's everyday management, as in small businesses with ten or fewer employees.

In larger ventures where the male founders are less involved in hiring in

general, the effect on the overall number of female employees disappears. The effect on [female directors](#) being more represented, however, remains strong in both smaller and larger ventures. In other words, the daughter effect is felt in the arenas where the founder-CEO is personally involved. He chooses more women as employees for his small business and when the business is larger, he keeps on being more open to women in the area he keeps affecting, namely the boardroom.

More information: Zhiyan Wu et al, Learning from Their Daughters: Family Exposure to Gender Disparity and Female Representation in Male-Led Ventures, *Management Science* (2023). [DOI: 10.1287/mnsc.2023.4727](#)

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