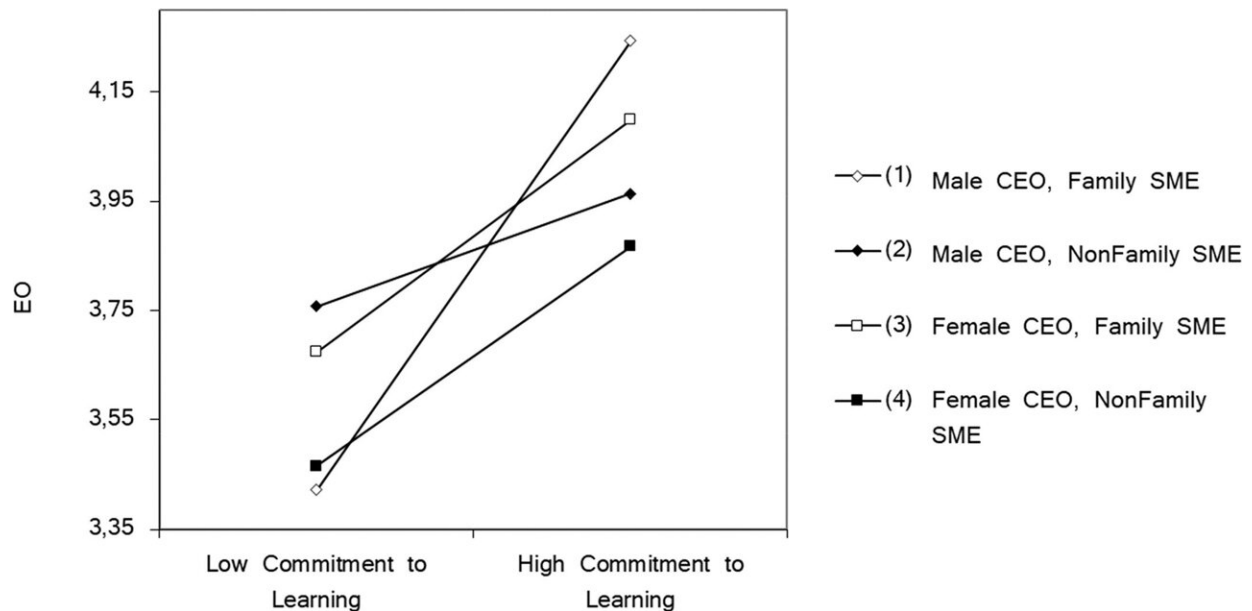


Why family businesses get more from women leaders

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Interaction of commitment to learning and CEO sex of family versus nonfamily SMEs on EO. Credit: *Strategic Entrepreneurship Journal* (2023). DOI: 10.1002/sej.1482

Family businesses account for more than 70 percent of global GDP, and [survey data](#) shows that they are much friendlier to female leadership: up to 55 percent have at least one woman on their board and 70 percent are considering a woman for their next CEO.

Experts have attributed this outlier gender parity to an emphasis on long-

term strategies or [family values](#). But a [study](#), published in the *Strategic Entrepreneurship Journal*, suggests that women's success as leaders in family businesses is deeply rooted in how employees interpret their leadership style.

"Family firms tend to focus on being inclusive and supportive of internal stakeholders, extending the sense of 'family' and community," says Remedios Hernández-Linares of the Universidad de Extremadura in Spain and one of the study's authors. "This culture creates a moderating effect for women leaders—their leadership is perceived as relationship-building and values dissemination."

This [leadership style](#) aligns more closely with Western gender norms that characterize women as more empathetic and cooperative and men as more competitive and aggressive. The authors note, however, that women leaders at family businesses are not necessarily more impactful because they conform to gender norms. They thrive because their businesses' strategies emphasize areas where women are traditionally seen as competent.

"CEOs influence employees' behaviors via modeling, and leaders who are more credible and legitimate are more effective role models," says María Concepcion Lopez-Fernández of Universidad de Cantabria in Spain, another of the study's authors. "Perceived incongruity between female [gender roles](#) and [leadership roles](#) can lead to prejudice and bias against female leaders."

The authors specifically dug into how CEOs foster entrepreneurship, a highly masculinized business behavior, within their business culture. They conducted [regression analysis](#) on [survey data](#) from 322 Spanish small businesses, 198 classified as family firms, and 133 as nonfamily.

Women represented 20 percent of the CEOs. CEOs ranked their

business's performance on five entrepreneurial traits: risk-taking, innovation, proactiveness, competitiveness, and autonomy. The survey also measured key aspects of social learning at each business, including commitment to learning, shared vision, and open-mindedness.

The analysis showed no direct effect of CEO sex on entrepreneurial orientation, and all aspects of social learning were positively related to entrepreneurship. However, there were marked differences based on the CEO's sex and whether the organization was a [family business](#).

"It is not male or female leadership per se that predicts a firm's entrepreneurial orientation, but rather, whether the male or female CEO is leading a family or nonfamily business," says Kimberly A Eddleston of Northeastern, the study's third author. "Women leaders at family firms better leverage their business's commitment to learning and open-mindedness to support entrepreneurship than [women leaders](#) at nonfamily firms."

"Our study, therefore, suggests that while women have an advantage leading family businesses, gender biases hamper female leaders' ability to transform learning into greater entrepreneurial orientation in nonfamily business," added Franz Kellermanns of UNC Charlotte, the study's final author.

The study gives greater context to decades of conflicting research that demonstrates a multitude of business benefits associated with female leadership but also slower growth and lower profits. The key may lie in culture—women can create more impact at businesses that emphasize at least some more traditionally feminine values. The authors also advise that coaching their leadership styles in empathy and relationship-building can also help make women business [leaders](#) more effective.

More information: Remedios Hernández-Linares et al, Learning to be

entrepreneurial: Do family firms gain more from female leadership than nonfamily firms?, *Strategic Entrepreneurship Journal* (2023). [DOI: 10.1002/sej.1482](https://doi.org/10.1002/sej.1482)

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