

Gender bias is real for women in family-owned businesses

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A study examining gender bias and family-owned businesses found daughters were rarely encouraged and received little support to pursue entrepreneurship education while sons mostly did.

Professors James Combs, Peter Jaskiewicz, and Sabine Raul from the Telfer School of Management uncovered new insights about how [gender bias](#)—the preference of a [gender](#) over the other—affects the succession strategy in multi-generational family firms. Their findings are published in the *Journal of Small Business Management*.

When nurturing the next generation, entrepreneurial families often prepare their daughters and sons differently for their careers. The researchers noticed a common pattern in the stories shared by the next generation: Sons are often nurtured to become entrepreneurial, whether they are expected to take over the firm one day or to start a venture elsewhere. Daughters, however, receive little to no incentive to develop the [leadership skills](#) and entrepreneurial passion required to contribute to the family firm or start their own [business](#).

In conversations with 26 children who were raised in 13 multi-generational family firms—some being centuries old—but not expected to work in the firm, the researchers found that:

- Seven of the nine sons (78%), pursued entrepreneurial careers;
- Only one among the 15 daughters (7%) gained an entrepreneurial [education](#) and engaged in entrepreneurship (7%);
- Women were not encouraged to pursue [entrepreneurship education](#), gain business experience, start a new venture;
- Men rather than women received [financial resources](#) from the family to start their own business

Old traditions die hard

The researchers wondered why [daughters](#) hit the family firm glass ceiling, even in families with an entrepreneurial legacy. They noted that many of the multi-generational businesses studied were founded centuries ago. With the exclusion of women from power normalized in

institutions like religion, law and the family, Jaskiewicz believes that "these practices became so deeply embedded into cognition that some families stopped questioning them."

First-hand examples of gender bias

Emma O'Dwyer, regional manager at Family Enterprise Canada and Susan St. Amand, founder, CEO and president of Sirius Group Inc. and Sirius Financial Services, grew up in families that owned firms. O'Dwyer recognizes how hard it can be for the next generation to identify or challenge traditions. "Gender bias can be present in family interactions every day, but as a child you just do not know any different to what you are experiencing," she says.

Thinking of her family, St. Amand says that "Daughters were meant to find husbands, marry and stay home to raise children and grandchildren." As for O'Dwyer's family, the boys were far more encouraged to develop their professional skills at a very early age. "Once they were 14, they went to work in the family business for long days throughout the summer, no questions asked."

Long-lasting impact on women

For Jaskiewicz, "Families need to understand that gender bias favours men while discouraging women from building their legacies in the family business or pursuing entrepreneurial experiences elsewhere," he explains. In doing so, these families limit women's contribution to business.

He also believes that gender bias also has long-lasting consequences. "Even when these female non-successors have opportunities to acquire relevant knowledge and work to start a business, becoming

entrepreneurial can still be an uphill battle," he says.

Many women don't pursue entrepreneurship outside of the family because of the reduced emotional and financial support from the family. Jaskiewicz adds, "Sometimes (families) following traditions can be very costly, effectively cutting off 50% of the [next generation](#)."

"Even when these female non-successors have opportunities to acquire relevant knowledge and work to start a business, becoming entrepreneurial was still a challenging uphill battle," says Jaskiewicz, who believes the data reveals women do not pursue [entrepreneurship](#) outside of the family because they lacked sufficient emotional and financial support from the [family](#).

More information: James G. Combs et al, Inheriting the legacy but not the business: When and where do family nonsuccessors become entrepreneurial?, *Journal of Small Business Management* (2021). [DOI: 10.1080/00472778.2021.1883038](https://doi.org/10.1080/00472778.2021.1883038)

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