



WIFU_compact_24: How Daughters Become Successors

Succession processes in family businesses are increasingly egalitarian. The first-born son is no longer the unquestioned successor. However, despite positive changes, outcomes vary greatly. Generally speaking, the older a family business is, the more employees it has, and the higher its turnover, the lower the proportion of women found in top positions. A study by the AllBright Foundation, published in May 2022, exposed the harsh reality: the proportion of women in management and on the boards of the 100 largest German family businesses is 8.3 per cent.

Women have influence – more than they think.

The aforementioned study provides another finding: Where female owners are represented in supervisory bodies, women are significantly more likely to gain a management position in the family business (irrespective of whether they belong to the family or not): 60 per cent of businesses with female influence on the supervisory board have at least one woman in top management. This finding suggests that equal opportunities are growing in succession and, more generally, in filling top management positions: women promote women from the NextGen, and women from the NextGen promote women. These two mechanisms are important drivers of change.

Is there not simply too much pressure of expectation?

Young women today are sufficiently qualified and self-confident to demand their fair share of opportunities in their careers. This self-confidence is the result of a process that must begin in childhood when role models and expectations are formed. As they grow up, questions arise: What is a “good daughter”? Is she one who wants to have a career or one who, as a mother, ensures the continuity of the business family? Or both? And how can these be reconciled? Open discussion of these questions lays the ground for sound decisions later. Yet there are still many stumbling blocks along the way...

Questioning the mother/ grandmother life model	Own start-up plans	The lure of an urban lifestyle	Reconciling career paths within a relationship
Rivalry of female MidGen managers and NextGen managers	Fear of small-town life and its social controls	Love, or just the right fit?	The partner as house-husband and father: the wimp?
Those with the money call the shots	Double-entrepreneur marriage: Whose business is more important?	Double-entrepreneur marriage: Who takes care of the children?	The incomprehension of older bosses: Doesn't the business always come first?
Family-friendly yes – but not for top female managers?	Other countries, different role models	Not very romantic: A prenuptial agreement is a must	Industries have their own specific role models

Stumbling block: Pattern breaking and encouragement

The influence of mothers and grandmothers cannot be underestimated. Even if it is rarely admitted, it is quite common for women from the MidGen or senior generation to view the ambitions of their daughters or granddaughters as a provocation. They were only mothers and housewives – what was so wrong about that? Why do these young women reject this path? Unspoken grievances here may prevent these women from offering their daughters or granddaughters unconditional support. This is important as, in the absence of role models, women from the next generation have to pave the way. A mentor, from within the family or outside, can offer valuable support in this phase.

Stumbling block: Freedom seems a long way away

The sense of duty that many members of the NextGen – women or men – feel towards the family business is diminishing. Some would much rather start their own business, some live abroad, for some their partner simply does not want to swap the metropolis for a small town. If there are potential successors within the family, this expands the family talent pool, but for young women, some questions arise:

How does it feel to be the young boss of perhaps the largest employer in town? Are they considered “the right fit”? Can they retain any personal freedom when everything from their dress style to their circle of friends is under scrutiny?



Stumbling block: Delicate relationship issues

The high divorce rate among managing female successors indicates that the choice of partner is often suboptimal. On the one hand, this is often due to the unconscious choice of a partner similar to their fathers, i.e. also an entrepreneur/successor. The advantage of this choice is that both sides know what it means to run a business. It becomes more complicated when the two sides cannot agree on whose business should take priority, when to start a family or who is responsible for childcare. Other problems arise if the husband gives up his career to look after the house and children. On the one hand, he must reckon with being ridiculed as a "softie" by male relatives. On the other, the balance in a relationship is easily upset if the wife has the dominant role in terms of income and assets.

Stumbling block: Really family-friendly?

And finally, despite all the professed family friendliness of businesses and the joy of having children, young mothers in top positions (including in their own businesses) often encounter incomprehension on a daily basis: Why does the daughter want a child instead of setting up a branch abroad? What would be wrong with leaving the child with a nanny? Does she have to leave the meeting to breastfeed her baby? This is where words and deeds of the MidGen and senior generation often still diverge. No wonder men from Generation X (born between 1963 and 1976) have children much more often and in greater numbers than the women of the same generation. But who, if not the business family, has the authority and means of enforcement to design management and organisational structures in a family-friendly way so that holding a management position is compatible with having children?

Businesses benefit from the appeal of female successors.

Successful recruitment of female successors has an impact beyond individual careers. Every decision to appoint a suitably qualified female successor is a signal that the business offers fair career opportunities to all genders. This can be a valuable argument in recruiting because it is well known that businesses whose industry or headquarters are not obviously attractive have to compete harder for talent. Diversity attracts diversity.

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