

Women on top – all in the family

More daughters are involved in managing family businesses in recent years, report
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WOMEN may be making little headway in corporate boardrooms here, but they appear to be leaving their mark on family businesses as more daughters step up to the plate as managers.

While there are no studies to back this trend, anecdotal accounts have revealed a fair number of daughters showing up at family firms in recent years. In the Enterprise 50 winners' lists in the last three years, for instance, there were at least six firms with daughters in managerial roles among the 2010 E50 winners, four in 2009 and one last year. They include Woodlands Transport Service, ValueMax Group and Union Energy Corp.

The trend seems to suggest that pragmatism has overtaken the traditional concept of patriarchy in succession and is in line with research findings showing that family-run firms display more gender diversity than non-family ones.

According to a study by NUS Business School, in partnership with Family Business Network Asia, 36 per cent of non-family firms have one or more female board member, but 42 per cent of the family firms had one or more women serving as director.

The study, which was done last year by Marleen Dieleman, Yupana Wiwattanakantang and Shim Jungwook, looked at Singapore-listed companies. It also found that 54 per cent of the female directors at family firms are executive directors.

Dr Dieleman attributes this diversity to the fact that "the talent pool in a family is limited, and families find the sustainability of their firm across generations of the highest importance, which is why they opt for the succession model that works best for their situation, rather than consider only the traditional approach".

Given that businesses are moving through a "multi-generational life cycle", the requirements for business leadership have been significantly redefined, said Annie Koh, dean of the office of executive & professional education at the Singapore Management University (SMU).

The current family business model departs from the first-generation, "entrepreneur who builds the family firm almost single-handedly" approach; it is "a collective of professionals – be it family members or outsiders", noted Dr Dieleman.

This provides a favourable platform for daughters to play a larger role in the management of the company, as part of a board of directors which could even include non-family members, for example.

Girls in charge

In addition, the lines to demarcate who is family have been transformed over the generations, said Dr Koh, who is also vice president of business development and external relations at SMU.

"Traditionally, Asian culture is convinced that daughters will be married off and belong to another family, but now some would say that a business gains a son-in-law," she said.

This trend isn't limited to Singapore. In other parts of Asia, there are prominent daughters at the helm, including sisters Pansy and Daisy Ho – scions of Macau gambling tycoon Stanley Ho. Daisy is deputy managing director of Shun Tak Holdings, the transportation arm of the family business, while Pansy holds a 29 per cent stake in casino and gaming firm MGM China Holdings.

Over in India, Preetha Reddy, managing director of Apollo Hospitals Enterprise, in 2009 was named successor to her father Prathap Reddy, executive chairman of the Apollo Hospitals Group. In the Middle East, Fatima Al Jaber is COO of Al Jaber Group, one of the largest contracting and con-



To the fore: With the increased educational opportunities afforded to women globally and daughters are often equally well – if not better – educated these days, families have the luxury of tapping on multiple talents for their businesses

struction companies in the United Arab Emirates.

Undeniably, a major push would be the increased educational opportunities afforded to women globally and "these days, daughters are often equally well educated and families have the luxury of tapping on multiple talents", said Dr Dieleman.

According to the statistics released by the United Nations in 2010, the rate of enrolled primary-school-aged girls increased from 79 to 86 per cent, in the period from 1999 to 2007, globally. Furthermore, 2009 saw the inauguration of the King Abdullah Science and Technology University, Saudi Arabia's first fully co-ed university, a tacit acknowledgement of the need to empower women among the Arab community.

The increased eligibility of women to take part in family business frameworks is complemented by the enhanced roles and qualities which women can bring to company leadership.

This follows on a 1982 study done by American psychologist Carol Gilligan, titled "In a Different Voice", which reveals the differences in the paths of moral development in males and females. Females develop in a

way which emphasises relationships and connections, as opposed to the focus placed on targets and accomplishments for men.

This view was echoed by Anne Lee, investments director at Bowen Enterprises Pte Ltd, who is the third generation of a family business, Sing Lun Investments.

Said Mrs Lee: "Women tend to excel in areas whereby multiple channels of communication and multiple sets of goals must be achieved concurrently, and multiple stakeholders require a softer and compassionate approach".

"In the modern business world, relationships are so fundamental," noted Dr Randel Carlock of Insead Business School, a researcher in global business strategy and family business. "Having both men and women involved in leadership makes for a higher level of performance."

This opens a vista of opportunities for women to participate in company leadership, even if this does not necessarily mean being at the helm.

"Daughters identify themselves very well to the business by taking on the corporate social responsibility and public relations roles. (They can) play critical roles in supporting and influencing stakeholders in their sup-

port of another successor," said Dr Koh.

Furthermore, the family business model encourages the organic growth of a close-knit leadership team, brought even closer by the additional emotional and social ties between its members.

"Most daughters will defer to their brothers and support from behind and that has also worked wonderfully in many set-ups ... If there's a great family with strong ties and values behind business, it will be a great business for all stakeholders," said Dr Koh.

Special place

The special place of women in the family may just be that much-needed ingredient to hold a family business together.

"Women have always been the social and emotional glue of the family," says Dr Carlock.

Marc-Antoine de Dietrich, chairman of the supervisory board of De Dietrich Process Systems can relate to this. "My wife is a much better communicator than I am, so people, family members go to her, they approach her," he said recently at a panel discussion on family businesses held at the SMU.

"They tell her about their miseries, or give her ideas ... so that is very helpful."

Mr de Dietrich is the 12th generation member of a French family business dealing in industrial equipment supply.

Compared with their peers climbing the corporate ladder, women in family businesses may also have a slight edge when balancing work with family commitments. As Joanne Crewes, president for global prestige at Procter & Gamble, observed at a separate panel on family businesses recently, a high population of career women dropped out over time because of household needs, children, or marriage, and returned after their children had gone through school.

However, this conflict is more often than not neutralised for family businesses. According to Dr Carlock, in family businesses, family members tend to acknowledge and even actively encourage women leaders to pay equal attention to their obligations as mothers.

"In a corporate context, for a woman, after two years off, your network's gone. But having a baby or starting a family is a plus when it comes to the family (business)," he said.