

Women behind the scenes in family businesses.

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Abstract: A good deal of the success of family businesses is based on a circular relationship in which three intangible factors enhance each other: love for the family business; trust among different business factors; and freedom of behavior for family members. (Gallo et al, 2001). This is the basis of the commitment of the family members to the business. But the question is, how to get family members of advanced generations, and non active in the business, committed to the family business success? And if so, are there some roles that are gender specific, as literature seems to insinuate?

Hence the research outlined in this document sought to enlarge the present pool of knowledge, and has analyzed the situation in 98 Spanish Family businesses, where a total of 200 non active family members responded the questionnaires about their relationship to the business and the business family.

The results revealed that most of the family businesses in Spain are build around traditional family environment, where women historically have operated as caretakers and nurturers within the home environment. The fact that this role system still exists in the family and in the business makes that women have in some way downplayed their contributions, and accept, minimum recognition for the amount of effort they are willing to make towards the business, by means of proposing solutions for critical issues the business has to face.

Keywords: Family business, Family commitment, role of women

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1- Introduction:

Given their position in the spotlight, family businesses are facing the challenge of becoming part of the new economic revolution by blending highly innovative behavior with the best of their tradition in order to retain the peculiar idiosyncrasies involved in being a family firm (Ward, 1999). Several years ago, researchers pointed out that the main difference between Family and non-Family Business was the extraordinary level of unity and commitment of family members to their business. Successful family businesses are those that improve their business results through judicious use of this distinctive strength.

Hence, a family business is built upon a community of people that includes owners, managers, people who work for the FB and are family members and others who are not. Satisfying all of them isn't an easy task, but it is a necessary one, as the statistics have shown². Given this complexity of roles and interests, maintaining unity among all of them depends on the level of commitment that family members are able to maintain with the business. How can we expect family members to be motivated to do so? If we look particularly at non-active family members, it is obvious that their commitment level may not only depend on economic links but also on emotional links and the cultural environment, which results from both education and value transmission over generations.

The scant literature on family businesses, has suggested that commitment from family members is obtained through ownership and an intention to participate in family councils or General Shareholder Assemblies, as well as through a strong feeling of responsibility. (Carlock and Ward, 2001). Nevertheless, there is no mechanism with which we can measure the degree of this commitment, nor do we have ways of fostering it over generations.

The research outlined in this document therefore seeks to extend the present pool of knowledge, as described in the preceding paragraphs, by offering a better understanding of how family members evaluate their level of commitment towards the family business they belong to. Some preliminary results of this study have revealed the following: A previous part of this study "Family Members Who Do Not Work in the Family Business: How to Enhance Their 'Unity' and 'Commitment' "³, analyzes what non-active family

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² Statistics show that more than 60% of the Family businesses disappear, not because of bad management or governance, but because of family conflicts. (Dyer, 1998)

³ Gallo, M.A and Cappuyns, K. (2004) Family Members Who Do Not Work in the Family Business: How to Enhance Their 'Unity' and 'Commitment' *Working Paper*, No. 570.

members, from their position as “outsiders,” think about the business of which they themselves are a part. It also recommends practical means of boosting ‘the “commitment” and “unity” shown by these people. Particularly interesting is the strong erosion observed in commitment over generations, from quite a strong willingness to invest both effort and idealism in business ideas with the expectation of rewards, to a consideration that the business owes rewards to family members without them owing anything to the business, and finally to a group that questions whether the business is still a family business. (Group 4).

These results clearly underline the fact that commitment is not something that can be taken for granted, something that can be expected to come from pure “self-sacrifice”. It is important to look for motivators and rewards that will help enhance the commitment of all family members.

Nevertheless the results identified a rather atypical group, in the sense that this was the only group with a clear majority of women (60% versus 40% men) among whom only a small number were shareholders. Nevertheless they seemed to be willing to make any necessary effort that would be necessary to help the family business survive. Even today, women may downplay their contributions and accept, even encourage, minimum recognition (Hood, 1986).

These results seem to confirm the fact that due to the deep rooting of traditional family roles, the work that women do for family firms has not been properly acknowledged (Lyman, Salganicoff, & Hollander, 1985).

In addition, in the second part of this same research study, the authors propose a typology for family members who do not work in the FB that indicates their different degrees of commitment : on the one hand, there are the “agents” of effort, loyalty and idealism, who are both willing and able to put everything they can into the FB (AGENTS); on the other, there are those who are either unwilling or unable to contribute, or else are completely passive (PASSIVES).

Given these and other significant gender differences with respect to the level of commitment, it seemed worth dedicating a new research paper to publishing these results while at the same time opening up a very new path of research that can no longer be delayed, since very important new contributions by women in family businesses are clearly contributing in a very positive sense to a better understanding of the real core strength of the family businesses. And while a few decades ago most family businesses had no rules to govern wives, daughters and other women, nowadays it seems that common wisdom suggests the inclusion rather than the exclusion of spouses at family ownership meetings (Aronoff, 1998), where wives and daughters were once not included.

This article starts with a review of the literature, followed by a presentation of the gender specific results with respect to the levels of commitment to the family business. We then give a short description of the sample used, the research methodology, the main results and some conclusions, as well as proposing paths for further research.

2- Literature review:

As the literature has suggested, the strength of commitment is mainly dependent on the input received from the business O'Reilly⁴ (1989: 19-22). But there are other points of view which highlight other facets of this commitment that are more relevant to the family business situation. For Kantor (1968), commitment is the predisposition of social agents to devote energy and loyalty to an organization. Recently, by contrast, commitment has been seen as more than just loyalty and implies a more active relationship with the organization (Mowday, Steers and Porter, 1979).

Following this more recent line of research in the field of family businesses, it is suggested (Carlock and Ward, 2001) that if one wants to maintain commitment it is necessary to maintain ownership and the intention to participate, accepting the responsibility that ownership brings with it. Participation by the family is a tangible demonstration of the family's commitment to the business. But the question is how can we expect family members to be motivated and remain motivated over generations?

It is important to note the economic links between business and family finances in family businesses, given that family members both participate in and influence business decisions to a certain extent (Chua, Chrisman, & Sharma, 1999). As a consequence there exists a risk that most of the decisions taken will be the result of a real-life situation that is influenced by the on-going personal circumstances, preferences and necessities of these family members (Carlock and Ward, 2001).

Nevertheless, to avoid encountering too many diverging opinions that may endanger family unity, families try to look for a "dream" that includes not only financial dimensions but also moral, emotional and family-related facets that will act as a guide for the strategic and competitive situation in the middle- and long-term life of the company (Lansberg, 1999).

It is important, therefore, that family members are taught from the very early stages to be committed to the long-term continuity of the family business and to be socially responsible. This means in the first place that the commitment shown by family members must run deeper than just a "financial commitment" (Gallo et al., 2006)

The family is an important school of values, where family members must be taught to participate actively in important decision-making processes as well as making responsible use of their freedom, maintaining links with the family and with the family business.

⁴ O'Reilly (1989: 19-22) points to four basic mechanisms: 1) systems for participation within an organization which encourage people to become involved and send out signals to the individual that he or she is important; 2) clear and specific action by the management to support the organization's cultural values (Pfeffer, 1981), along with the appropriate use of symbols and ceremonies; 3) information, the existence of clear and consistent messages at different levels of the organization; 4) a clear system of rewards.

As a consequence, Alcorn (1982) suggests that a family structure consisting of a dominant father figure and a subordinate mother figure is prevalent throughout family businesses.

Hence, when dealing with gender differences in family businesses, it has to be said that it seems that these roles, related with fostering the commitment of the family towards the business, should be more suited to the females, as an important part of the literature reflects that there is still a very strong adherence to the very traditional division of labor within the family: domestic responsibilities are allocated to the wife and business responsibilities to the husband. (Frishkoff and Brown, 1993; Lyman, Salganicoff, and Hollander 1985; Gillis-Donovan and Moynihan-Brandt, 1990; Moen, 1992).

Most of these roles are undervalued and unpaid family work housework, which is unformulated, unexpressed but taken for granted, particularly the gender-specific ones, such as rearing and educating children, including as well food preparation, house-cleaning and laundry, taking care of the house, instilling values, caring for dependent children and sick or elderly family members, assisting in a spouse's work, and managing family finances etc., and the strength of traditional family roles has meant that the work that women do for family firms has remained unacknowledged (Lyman, Salganicoff, & Hollander, 1985 and Voydanoff, 1990).

At the same time these roles such as family peace-keeper, or the "glue" that holds the different relationships together, are seen in varying forms within the family firm, where they represent the basis for the strengths of these businesses. Unfortunately, because some of these strengths are not highly visible or viewed as important, the role of women within the firm is sometimes undervalued (Folker and Sorenson, 2002, p. 1), a point confirmed in several other publications. There is no doubt that, throughout the world, most family businesses are built on the support and sacrifice of mothers, wives, grandmothers, sisters, and daughters.

Nevertheless, these efforts are not recognized as such. This is clearly demonstrated by the fact that the compensation structure for women involved in family businesses, their roles in business decision-making and their involvement in succession issues is still extremely inadequate (Editors Astrachan and Bowen, p.V).

At the same time, it is clear that men and women are reluctant to upset the balance of work and family roles, which is emotionally linked with their traditional male and female identities (Berk and Shih, 1980; Freudenberger, Freedheim, and Kurtz, 1989; Janeway, 1981).

As a consequence, another problem arising from this lack of recognition is that women are not only kept away from the business, they also have no access to ownership, which results in a clear positive discrimination towards men as well as family. There has been

clear discrimination in relation to traditional families (see gender-specific roles) and strong influence from the male side to hold positions of power in the business and retain them, even if their skills do not match their position. They therefore exclude women, even though they may have the appropriate level of education. Women are reduced to fulfilling the female role within the traditional family (Garcia- Álvarez, 2003).

Some of the more recent literature about women in family business has suggested that a particular bias exists between the roles that women are “expected” to play and those that they “agree” to play (Cole, 1997). This is without doubt a reflection of today’s world of family ambition and increasing gender neutrality, which has led to a new era in which being gender-specific is no longer the rule. However, this literature has highlighted a different view, showing the rather positive influence of spouses and wives in fostering commitment, and a few use empirical results to underline this new idea.

Strong spousal commitment can be a source of competitive advantage and facilitate the success of a family business (Harris, Martinez, & Ward, 1994). It is likely to be associated with a willingness to deploy family-based resources to support the business. Spousal commitment may be especially important during the initial years of a new venture when financial challenges and chances of failure are the greatest. Spouses can provide active support in the form of personal or temporal resources (including financial and human capital). Alternatively, spouses can provide passive emotional support that alleviates financial stresses (Van Auke and Werbel, 2006).

Regardless of a spouse’s degree of direct participation in the business, spousal attributes, especially spousal commitment, permeate family relationships and can affect a business’s financial performance by influencing the entrepreneur’s attitudes, resources and motivation toward the business (Poza & Messer, 2001).

“I bring intuition, insight, discernment. I am the spiritual captain, the nurturer of love, respect and honor. I also bring the ability to see things in context.” In another testimonial a spouse says: “I bring creativity, and some kind of glue. I also try to mention how important it is to focus on a distant spot, rather than focusing on pieces.” (Poza & Messer, 2001).

These roles also lead them to take on certain family responsibilities, such as the creation of a family council, writing the family’s history, hosting weekly or monthly family meetings, being the contact person for consultants, planning family vacations or organizing multigenerational celebrations (Poza and Messer, 2001, 30).

One of the main challenges of the family business is in its desire to embody, preserve, and develop, within its culture, some basic family values that give rise to characteristic strengths (Gallo, 1985). Therefore, more important than the wife’s formal participation is her knowledge of the challenges and risks, and her profound desire to support her

husband and family in making the correct decisions. There is no need to participate formally in the family business, as these tasks can also be accomplished with the husband in informal meetings. Formal participation is certainly an advantage, though not exempt from risks (Gallo, 1990, P.19).

So far we have learned about the different levels of commitment that can exist in an organization and the implications of gender-specific roles behind the scenes. However, it seems that the literature has not yet developed a mechanism to monitor behavior towards the business in relation to the results that are expected from shareholders. This behavior comes more from a sense of loyalty to the business, but also results from active participation in family councils or General Shareholders Assemblies (Carlock and Ward, 2001). The results of this paper offer more data about the degree of loyalty, idealism and effort towards the family business where gender-specific differences have been found.

3- Research methodology and sample.

3.1 Research methodology.

Levels of commitment depend on a wide range of variables which can mainly be divided into three main groups: some are qualities inherent in the person, others relate to the family business or the family itself, while still others are based on value judgments that the person makes in certain situations or actions taken by the company or the family.

This study was carried out to determine the specific content of each of these three dimensions, in such a way that a survey could be created that included questions regarding the “person”, the “family” and “value judgments made in certain situations or actions taken by the company or the family”. Initially, the content was based on the following definitions, which are commonly accepted by traditional philosophy and contained in a specific dictionary (Honderich, T. 1995):

- “Effort”: Energetic application of understanding and willingness to reach an aim. Enthusiasm and courage.
- “Loyalty”: Fidelity to the fulfillment of promises. Reliability and precision.
- “Idealism”: Desire rooted in hope and confidence.

The questionnaire was based on information relating to personal data about the respondent, his or her knowledge about the business performance, and integration in the family as well as their own personal level of commitment. This last part was measured in a five dimensional Likert scale to show commitment level.

Given the fact that we encountered a significant number of people who refused to answer the questionnaire, this suggests that the sample could be distorted, as the respondents may have included a group of people whose attitude toward the business is generally more positive than the average.

With particular reference to the specific role of women, it is worth mentioning that in several cases we found that male founders flatly and openly refused to distribute the form to female members of the family. Nevertheless 46.5% of the respondents in the sample are women, which is a very interesting point, as it indicates that among the non-active family members, there is a higher number of women, then among the group of active family members⁵.

The final sample group consisted of 200 individuals who completed the questionnaire properly. None of these people were working in the family business at the time they completed the survey. Several questionnaires were sent to the same family business to get different opinions.

The 200 valid replies reflected 98 family businesses and families. In 79 of the companies (67%) only one person received the questionnaire; in 14 of the companies (12%) two people received the questionnaire; in 10 companies (8%) three people received it; in 14 companies (11%) four people, in one company five people received it and in one company six people received it. Of the total of 200 questionnaires collected, 107 were completed by men and 93 by women (See Exhibit 1, for more details about the sample).

4- Main results:

Regardless of the spouse's degree of direct participation in the business, spousal attributes, especially spousal commitment, permeate family relationships and can affect the business financial performance by influencing the entrepreneur's attitudes, resources and motivation towards the business (Poza & Messer, 2001). Moreover this is an automatic consequence where, given the economic ties that result from marriage, a spouse becomes a critical stakeholder in the family business.

In the following paragraphs, several observations about the profile of women, representing families from first to sixth generation in Spanish family businesses are compared with those of their male counterparts. The first part of the analysis refers to the relationship that these men and women have with the business in terms of ownership, information received to valuate the family business' performance and past work experience.

In a second part we analyze the level of commitment of both gender groups.

⁵ In other recent research projects focussing on the active family members realized by the Family Business Chair at IESE, there were important majorities of males compared to females (the averages were about between 75% males versus 25% females).

Table 1. : Personal data and business evaluation

PERSONAL DATA	MEN	WOMEN
1. Are you a shareholder?	22%	16%
% of shares you own (average)	15%	23%
2. What is your relation with the family?		
blood relation	65%	75%
intermarried	35%	25%
3. How did you acquire the shares?		
Founder	17.1%	18.9%
Inheritance	51.4%	24.3%
Transfer	28.6%	37.8%
Sales	0.0%	13.5%
Other	2.9%	5.5%
BUSINESS EVALUATION		
1. How do you evaluate the position of the FB ? (1-5 scale)	2.6	2.7
2. How do you evaluate the results of the Board of Directors? (1-5 scale)	2.61	2.31
3. Are you a board member?	16%	24%

4.1 The relationship towards the family business

4.1.1 Family ownership:

Only 16% of all women are shareholders, compared with 22% of males. Nevertheless those women who do own shares have a higher average (23%) than men (15%). This is in line with data presented by Dumas (Dumas, 1998), who found that women do not have substantial ownership. The quantitative data does not give us any deeper insight regarding the reason for these differences but the literature can help us discover possible reasons. There are some important differences that have an influence on whether these women will be shareholders or not.

A/ Shareholders.

- Different shareholder levels in family businesses.

Company management is generally divided up between active and passive shareholders. Active shareholders are understood to be those who actually take part in the company’s management, while passive shareholders are those who do not. However, owners who are not part of the management team impose limits in a more neutral way: there is a differentiation between shareholders who are “on the outside” and those who are “on the inside”. Being on the inside means working in the company or sitting on its Board of Directors. This distinction is important, because it establishes practical differences that relate to the levels of information

handled and powers of influence enjoyed, and shareholders are aware that in spite of being on the outside, they can act in either a positive or negative way and bring value to the company or otherwise (Ercilia Garcia Álvarez, unpublished 2003).

Due to a large number of circumstances that relate to more than just a lack of education or interest, it seems that women are excluded from ownership. Nevertheless the data offered here is not able to indicate the real underlying reasons for this.

- Full ownership rights versus empty ownership rights.

Being a shareholder does not always guarantee being the owner of family business shares, as we have found in some results relating to non-active shareholders in Spanish family businesses. Family ownership can be controlled by each family business in its by-laws and this can sometimes lead to very strange maneuvers such as those explained below.

In her study of non-active shareholders, Garcia Alvarez found some evidence in her interviews that an important number of shareholders were actually only shareholders by name, for tax purposes.

In other words, people who at a legal level are listed as shareholders but in reality are no such thing. This *status of shareholder without a role* is occurring more and more frequently, since it can and has been used as a way of getting round fiscal regulations when managing businesses. The supposed shareholder knows that he or she is in fact no such thing, and feels humiliated as a mere tool to be used for fiscal deductions (Garcia Alvarez, 2003).

The position of shareholders without a role has considerable negative emotional implications, since shareholders who are on the outside must bear the stress suffered by shareholders who are on the inside while being denied the ability to act and the power to influence company decisions. This gives rise to a clear feeling of powerlessness (Garcia Alvarez, 2003). The very negative feelings that this could provoke is a very strong trait of the group cohesiveness (Davis & Herrera, 1998). This cohesiveness is perhaps the most fundamental measure of its effectiveness, even though it is really very difficult to maintain at all developmental ownership stages (Gersick et al., 1997).

B/ Non-shareholders who are still stakeholders.

- Ownership and the right to govern

The ownership of shares or a stake in the company's equity normally confers two types of right: economic rights and political rights. Although both rights are fundamental as far as the firm's administration is concerned, the decisive factor for its governance is the attribution and exercise of political rights or voting rights at the general meeting of shareholders, which lead to a direct say in appointing the Board of Directors (Gallo 2006).

The firm's ownership structure may change, both as regards who the owners are and what share of the ownership they possess. Generally speaking, changes in the ownership structure give rise to changes in the power structure. Thus, the rules established in the firm's by-laws or in the agreements made by the shareholders in relation to actions that give rise to changes in capital structure have a considerable influence on the firm's governability (Gallo, 2006).

However, being an "active" shareholder means acquiring a commitment of rights and obligations from all of those who make up the company. The fact that a wife or daughter does not belong to the Board of Directors or is not a shareholder could be due to a wide variety of reasons that may be entirely justified or otherwise, but this can only be evaluated for each individual case.

- Psychological ownership.

Members of owner families find themselves in a situation in which, due to the fact that they are in some way associated and familiarized with the business, they experience feelings of psychological ownership and begin to think that the family business is theirs, when they really only own a share in its capital or, in some cases, nothing at all.

When these people see their "psychological ownership" as granting them rights which they are not in fact due, as a result of their name or the services that their parents or other forbears provided for the business (the right, for example, to take decisions, to control or to obtain information), they provoke a situation that is potentially in conflict with the unity required in order for the business to survive several generations (Garcia Alvarez, 2003).

This could form part of the explanation for the statistical differences that seem to show women receiving a lower level of information about the business. Those who are on the inside, whether owners or not, see those on the outside as being people for whom information has to be controlled and "rationed". They pride themselves on a kind of misunderstood psychological ownership of the business which may even lead them to adopt measures that are suspiciously low on ethics, on the pretext of supposedly being for the good of the company.

4.1.2- Knowledge about the family business .

The importance of knowledge is directly related to the unity and commitment of the family business, as one of the fundamental bases of unity lies in one's love or positive need for the business project, and it is extremely difficult to love something that is not known. To know, therefore, in both a perceptual and an abstract way, it is necessary to participate (Gallo et al. 2006).

We make a distinction between two different sources: the information about the business that is distributed to non-active family members, and the knowledge acquired from participation, visiting, conversations, etc.

- Information received by non-active family members:

Notwithstanding the fact that women receive significantly less information, their evaluation of the business is very similar to the one of males. In the figure below we analyze in more detail the main origin of knowledge about the family business for non-active members and where the main gender differences are found. One may in advance offer various reasons for observing such differences, but it is strange to see them, considering that the education level of both gender groups was quite similar, and even more women had post-graduate qualifications than men. Where some information might not be properly understood by some non-active family members, this should have been resolved by offering some basic training courses to instruct family members how to understand the information provided.

Table 2: information distributed by the business

4. INFORMATION RECEIVED FREQUENTLY	MEN	WOMEN
4.1 Economic information (% of each category that receives info)	65%	60%
4.2 Future plans (% of each category that receives info) (1-5 scale of frequency) Average frequency	78%	70%
4.3 Magazine (% of each category that receives info) (1-5 scale of frequency) Average frequency	34%	27%
4.4 New products (% of each category that receives info) (1-5 scale of frequency) Average frequency	1.05	0.78
4.5 Press information, TV, etc. (% of each category that receives info) (1-5 scale of frequency) Average frequency	1.63	1.24
	1.14	0.93

Table 3: The main source of knowledge about the FB.

5. KNOWLEDGE ACQUIRED ABOUT THE FB	MEN	WOMEN
5.1 CA	27%	39%
Degree of importance	1.07	1.61
5.2 Work in the FB	29%	41%
Degree of importance	1.08	1.65
5.3 Read information	57%	53%
Degree of importance		
5.4 What parents discussed	64%	59%
Degree of importance		
5.5 Family meetings	79%	70%
Degree of importance		
5.6 Company visits	88%	76%
Degree of importance		
5.7 Informal conversations	81%	68%
Degree of importance	3	2.44

Women feel they receive less economic/financial information than men about the family business, as is clearly shown in the first part of the table. Nevertheless, the women in this sample had all been educated to an advanced level, and most of them were active in highly qualified positions in other companies, away from the family business. Nevertheless this group has shown a strong interest in collaborating with efforts to keep the Family Business healthy as long as necessary.

This might imply that women, especially in traditional families, suffer from this lack of information to a greater or lesser degree, as they are kept distant from the business.

- Main sources of knowledge.

Visiting the business and going to family meetings are still the two most effective sources of knowledge about the family business, followed by informal conversations. Nevertheless, there are some slight differences for men who consider informal conversations a more important source of information than participating in family meetings.

An analysis of this data highlights the importance of the family's responsibility to organize visits and family meetings, in order to ensure that family members are well informed about both the business and the family. The strength of these meetings depends on the way they inform family members. As this is seen as the most effective medium, families can discuss how to improve it and adapt it to individual family needs.

Here it is interesting to highlight the difference where 41% of women have responded in a positive way, compared to 29% men, when asking about the source of knowledge derived from having worked in the past. To a certain extent, this confirms that they are in some way invisibly active on both fronts: family and business.

If a wife wants to help, and if this is seen as beneficial for the family business, it is important for there to be initiatives to educate her in her role. This will strengthen the application of her intuition and common sense, it will also encourage others to give her information, though it is not necessary for her to work in the business for this to be the case.

In a study about spouses and their knowledge about the family business, Gallo found that, starting with the premise that a wife is really interested in helping her husband, knowledge of the family business can be gained in four ways: personal education on facts about the business, receipt of information about the family business, formal participation and working in the family business (Gallo, 1990).

The same study also warns of the risk that if a spouse is not informed about the business, she may try to get access to whatever information she can by whatever means are at hand. The most probable result is that she would discover negative aspects about the business and her influence would produce dissent within both the family business and the family (Gallo, 1990). As regards the younger generations, they take a quite negative view of a lack of succinct information, as this may lead to disillusion when expectations are not fulfilled.

4.1.3. Work experience:

Even though the questionnaire was completed by people who had worked in the past, it was really very surprising to see that a significant percentage of women had worked, the average being 16 years. Among the replies there were several who had worked for close to 50 or even more than 50 years. This suggests that these women grew up with the business and worked in it as required, or as circumstances made it necessary.

The literature contains some evidence on this subject, indicating that a wife's role in the business doesn't depend solely on her capabilities, motivations and personal circumstances; there seem to be a large number of external factors that to a certain extent influence this final decision (Gallo, 1990). Influential factors seem to be the role of the husband, the kind of FB, the share owned by each or both and the characteristics of the husband (Gallo, 1990). It can go further however, as Rowe and Hong (2000) found that a wife's employment in the business was significantly related to the size of the family business, the husband's self reported health status and the origin and type of the business enterprise in question (Rowe & Hong, 2000).

Even though, most of their work was not formally recognized and undervalued, they did feel that their contribution to the family business has been fruitful for a better understanding of the business.

On the other hand it is important to state that most women explain the main reason for leaving the business as being due to the development of other interests. We can more or less exclude a lack of education, as a majority (68%) had at least studied to undergraduate level, while for men this figure was much lower at 50%. Most of these women (daughters) had found opportunities on the labor market that seemed much more attractive to them, or they had developed a career in areas other than business.

Table 4: Work experience.

Have you ever worked in the FB	17%	30%
Average number of years	7.6	16.5

No matter how centrally women are involved, they are primary contributors to building social capital in family businesses. In fact, it may be the characteristic of social capital that makes a family business unique (Folker, Sorenson and Hoelscher, 2002).

Because of long-term social ties, families in business have all the ingredients for social capital. Members of the family are able to communicate through efficient information channels because of common beliefs and norms (Folker, Sorenson and Hoelscher, 2002; Gallo, 1985). More important, therefore, than the wife's formal participation is

her knowledge of the challenges and risks and her profound desire to support her husband and family in making the correct decisions. There is no need to participate formally in the family business as these duties can also be accomplished with the husband in informal meetings. Formal participation is certainly an advantage but not, however, exempt from risk (Gallo, 1990). It is therefore up to the family businesses to create by-laws and internal regulations which are guided by fair process practices.

4.2 Personal commitment:

4.2.1. Value transmission.

One of the most important challenges for the family business, is to embody, preserve and develop some basic family values within its culture that will give rise to characteristic strengths (Gallo, 1990).

Women have traditionally been seen as responsible for the family, performing duties such as education and child rearing, but they have also had a role as business advisor, and their position allowed them to provide a reminder of the balance between work and family. From their position as outsiders, they have had an unique appreciation of interpersonal and developmental challenges. Furthermore, women are good at blending facts and feelings, especially on very delicate issues.

Some of these roles, such as the one of senior advisor and keeper of the family values, help to instill a sense of what the business stands for and what this means to the family. Not everyone knows this; it needs to be transmitted and conveyed, and a sense of the family's history and the proper history of the business needs to be nurtured.

Table 5: The ELISA values.

ELISA VALUES ⁶	Men	Women
Excellence	4,45	4,56
Labor ethics	4,26	4,37
Austerity	3,78	3,79

Means of evaluation: 1 to 5 on a Likert scale

4.2.2. Commitment towards the family and business.

But to what extent can this commitment be measured in the family? Commitment is generally defined as the willingness to expend personal, temporal and psychological resources on behalf of a particular domain (Shaffer, Harrison, Gilley & Luk, 2001).

When measuring family commitment, Gallo et al (2001) defined it as the degree of devotion and loyalty family members give to the survival and development of the

⁶ ELISA values: each initial stands for a specific value, Excellence, Labor ethics, Initiative, Simplicity (in life style) Austerity.

family business. Successful family businesses are defined as a healthy relationship between family business and the family system. This healthiness comprises unity and commitment. Unity in this context is defined as the bond among family members in relation to the business. In other words, family members are living this unity when they come together on a regular basis to nurture and care for the business and are not only committed to avoiding conflicts relating to decisions of limited importance but are also willing to make the sacrifices required in relation to very difficult decisions.

Table 6: Commitment level

	Men	Women
Dedicating hours	1.53	1.84
Propose solutions	2.7	2.83
Telling the truth	3.25	3.32
Commitment	3.69	3.76

The results of our the study (Gallo & Cappuyns, 2004) also revealed that there were four different behavioral groups in terms of the level of commitment to the family business. This deserves our attention as there was one highly significant group that contained a majority of women and differed from the other three. It was clear that these groups represented a sort of natural evolution between the families and the family business.

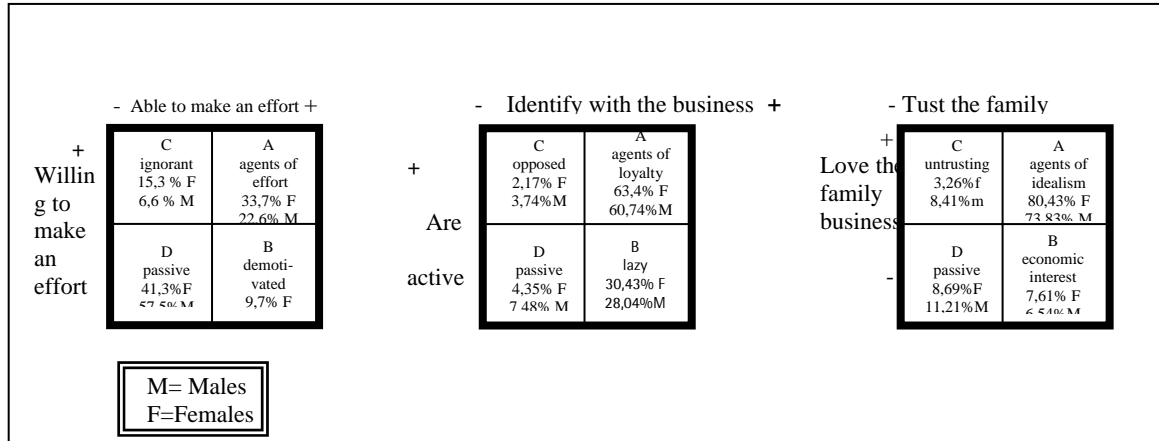
The group which in the beginning consists of people who devote effort and enthusiasm but expect compensation (Group I) seems to evolve into a second group of people that believes that “the company should compensate them while they owe nothing to the company” (Group II). This can – if the company continues – lead to the attitude of “while the company lasts, I should help it without any strong commitment” (Group III). Finally, the question may be asked, “Are we a FB?”

This third group was worthy of attention as it was the only one containing a majority of women, and only a small number of these (33%) were shareholders, of which 20% sat on the board of Directors and were willing to invest their time and effort without expecting financial or other forms of compensation. Nevertheless these results seem not to be isolated examples, as the literature shows others that follow the same lines. It should also be stressed that women are generally very consistent in the values they rate most highly in the family business and the business family.

In the previous section dealing with values, we highlighted higher sensibility among women, particularly in the case of three values. This also has its consequences in respect of level of commitment, as women seem to be consistent in their evaluation of how they perceive their degree of commitment towards the family business: They will do their best for the business (Excellence) and apply all the effort necessary (Labor ethics) to make the family business survive, without expecting any financial compensation (Austerity).

Table 7: Comparing level of commitment Females versus males.

Figure 7 shows the classification of the 200 people in our sample into the four different types.



In cells A and D of this classification, we can see two clear differences. First, the difference between the high percentage of “agents of idealism” (80,43% F and 73,83% M) and the low percentage of “agents of effort” (33,7% F and 22,6% M).

We should never forget, however, that being “idealistic” about a firm (loving the business, trusting in the organization, etc.) is one thing; actually being capable of “making an effort” (being able to motivate other family members, contribute resources, take risks, etc.) is quite another. (Gallo & Cappuyns, 2004)

The “agents of loyalty” are in an intermediate position (63,4% F and 60,74% M), below the “agents of idealism” mentioned above. This is partly because the B group in the Loyalty matrix (“Lazy,” 30,43% F 28,04% M) is so much bigger than the B group in either of the other two matrices. Again, identifying with the company’s advantages and values is one thing; actively speaking one’s mind and offering solutions is quite another⁷. (Gallo & Cappuyns, 2004). The fact that such a high percentage of family members fall into the “lazy” category of the loyalty matrix should prompt the heads of family businesses to investigate the underlying reasons. Is it that only the loyalty of those who work in the business is appreciated? Is the loyalty of those who have chosen other professions not rewarded? Is the loyalty of older family members valued more highly?

Furthermore, there are several studies that refer to the importance of spousal support and commitment. As this figures seem to indicate that a higher % of women are agents in each of the three categories, effort, loyalty, and idealism, we have tried to find evidence

⁷ This, too, is a truth embodied in popular wisdom. Consider the saying “practice what you preach.”

in existing literature that could confirm or contrast this evidence. The following are some important references from the literature that illustrate this:

- It is found in the literature that women who are not active in the family business are more likely to be educated, active and impassioned owners whose insights and inputs are encouraged and honored rather than relegated to pillow talk. “Common wisdom” now suggests inclusion rather than exclusion of spouses at family ownership meetings. The gender issue is becoming a non-issue as it relates to leadership, ownership and participation (Aronoff, 1998, p. 184).
- The literature refers to an interesting, well-defined commitment from the spouse in the first generation of a family business, where spousal commitment is especially important during the initial years of a new venture when the financial challenges and chances of failure are the greatest. Spouses can provide active support in the form of personal or temporal resources (including financial and human capital). Alternatively, spouses can provide passive emotional support that ameliorates financial stresses (Van Auken & Werbel, 2006).
- Some spouses see their major contribution to the business as providing the glue that keeps the family together through the predictable challenges that families, especially families that work together, face.
- The CEO spouse’s unique yet usual role as steward of the family legacy, facilitator of communications, and touchstone of emotional intelligence in family relations. CEO spouses often play a determining role in successful generational transitions, but not without tensions and dilemmas to resolve (Poza & Messer, 2001, p.25).
- Over and over again, in seldom-recognized ways, these spouses have played a key role in initiatives to help the relationship between the family and the management of the business, and to further orderly governance of the ownership system. We observed the discrepancy between the spouse’s degree of influence and degree of visibility as she relates to the firm and its ownership group (Poza & Messer, 2001, p.25).
- Women in general have a strong sense of loyalty to the business and the family, concern for the needs of all members, sensitivity to their individual needs, and flexibility regarding roles and judgments are vital to the well-being and survival of the family business (Salganicoff, 1990, 131).

There are many more references to be found in the recent literature. When trying to understand the underlying reason, the literature seems to extrapolate some of the characteristics by which women define themselves; relationship with others, the ability to care, loving and sharing, maternal roles, perceived feelings of others, relativity in moral judgments (Salganicoff, 1990). Some of these characteristics can of course greatly contribute to the success of a family business, especially in the role of keeping the family united and committed to the business. This is not always an easy thing to do, especially when a crisis arises in the business, the family, or both.

Hence, the study by Poza et al. illustrated, that there is a wide range of roles both inside and outside the family business for which women are better suited than men. It is

therefore important to recognize these specific traits and take the best advantage of them, for the family as well as for the business. I have highlighted some but the list is quite long and depends on the role the spouse occupies inside and / or outside the business.

5- Limitations.

The results presented in this third part are not intended to establish solid statistical arguments with respect to the role played by women in the commitment process. Nevertheless this quantitative study has highlighted some interesting statistical gender differences that are worth taking into consideration, as a starting point for setting up new research projects that might examine the role of women inside and outside the family business.

This particular research project is only intended to point a brand new issue that is worth investigating further, but given the main proposal of this study, the data collection process does not allow us to reach any major conclusions regarding the role of non-active females in the family business. Although the studies published so far are based on small convenience samples and provide an indication of the varying types of roles that women in family firms tend to adopt, they do not explain the reasons that prompt the adoption of these roles or the implications this may have on a firm's performance.

6- Concluding remarks:

Even though this quantitative study does not allow us to dig deeper into the reasons for these gender differences, we have found some important support for the data that we have found in this study in the existing literature.

One of the most important ideas is that family businesses have much to gain from input from women, as many of the psychology and socialization factors inherent in women enable them to humanize the work environment (Salganicoff, 1990).

Relationships within families are dynamic and shift constantly during the life cycle of a family, and women are socialized to protect and nurture the family. Given the ability of women to perform several roles simultaneously, they can provide the pliable adhesiveness that holds changing families together (Salganicoff, 1990).

Although the role of the spouse behind the scenes in a family business is rather unacknowledged, they do have a very strong influence on the business, even if they are in a position that might seem very marginal (Poza, Tracey and Messer, 2001). As such, these spouses often help provide a reminder of the need for balance between work and family, or they may take on certain family responsibilities, such as the creation of a family council, writing the family's history, hosting family meetings, being the contact person for consultants, organizing family retreats, planning family vacations, etc.

Nevertheless, women encounter some very strong obstacles, due to traditional gender roles which are not always well defined and which assume that women will take care of the domestic responsibilities while the husband works out of the home in the business.

Even though the literature contains references to the fact that gender roles in family businesses are changing, tensions still often surface when females choose a non-traditional role (Frishkoff and Brown, 1996; Hollander & Bukowitz, 1996; Freudenberger, Freedheim, & Kurtz, 1989; Lyman, Salganicoff and Hollander, 1996).

The danger exists that behind these traditional roles, a clear positive discrimination towards men is hidden, both at a family and at a business level. As a result, male family members occupy professional positions in the company over female members, regardless of their professional training or skills.

In a research project examining the commitment of shareholders, Garcia Alvarez (2003) detected in interviews with female shareholders that men who have played an active part in the business want to maintain their position of power within the family while women, who are left with no choice but to remain on the outside, opt for the role of external shareholder in the context of a professionalized business, mirroring the role of women in the traditional family environment. Nevertheless, the majority of women interviewed had university qualifications, while the men, who occupy professional positions in the company, had only graduated from high school (Garcia Alvarez, 2003).

In several cases it was clear that the family itself acted as a mechanism for the social reproduction of the domination of women by men. This is what in sociological theory is known as symbolic gender violence. The family reproduces and “normalizes” an unequal distribution of financial, social and symbolic capital. As a result, the chosen are marked out as different in essence from ordinary mortals and thus legitimately entitled to be dominant. The people being dominated, on the other hand, must accept the position of domination by the chosen ones in order to enjoy the symbolic benefit of “normality”. This is where the notion of symbolic gender violence comes from.

The fact that a family is an influential component of a particular business system means that the application of distributive justice is typically rendered more complex than might be the case for non-family firms. Only when all stakeholders in the family business feel that it is guaranteed that all decisions taken will be guided by the principles of fair process will they directly feel satisfaction and commitment (Heyden Van der.; Blondel & Carlock, 2005).

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Ward, J. L. (1998)

Exhibit 1

The relationship between the respondent and the family business

While the information provided up to now has highlighted elements of relationships that the respondent has with the family business, the following points reflect their opinions and value judgments on critical aspects of those relationships:

- 25% of the respondents consider that the company has had average economic success, 65% think that the company has been more successful than normal and only 10% consider that the firm's success has been less than it should have been. (This question was answered by 94% of the respondents).
- 26% of the respondents say they believe that the Board of Directors has carried out its role in a "sufficient" way, 52% think that it has done it "fully" and 22% believe that it has not done it "well." (This question was answered in 98% of the questionnaires corresponding to companies with Board of Directors).
- A very high percentage of the respondents (92%) indicate that the periodic meetings held to discuss issues related with the company, as well as those related with the relationship between the family and the firm, foster unity among the family members. Of these individuals, 68% think that they foster it to a high degree, and 25% think they do so to a normal degree.
- A similar percentage of respondents (95%) indicate that these meetings help to extend information about the company among the family members. Of these, 95% indicate that they believe that this was done to a very high degree.
- Of the respondents who said they attended these meetings, 73% said they "participate" and 80% said a particular person plays a key role in the success of the meetings.

The data discussed above suggest that a high number of respondents are satisfied with the economic performance of the family business, pointing to the notable value of the meetings mentioned, given the information they provide and the qualities of the person who leads them.

Exhibit 2

Data of one of the cluster groups with female majority (60%).

Third Group: “As long as the company exists, I should help it, but without making any significant commitments.”

In accordance with the data presented in Tables 9, 10 and 11, and after comparing this group with the others, it can be said that:

- This is the group with the largest percentage of women (60%).
- People in this group have the highest level of education (3.75 points on average).
- The majority of these people belong to the second generation of the family business (60%).
- The majority of the members of this group (67%) are not shareholders in the family business, but a notable percentage has shares as a result of purchasing them (17%).
- People in this group have worked less time in the family business (9.8 years), and an important majority (77%) have not worked in it because they were not interested or because they preferred another type of employment.
- People in this group give a low score to the company values of simplicity (3.84 on average) and austerity (3.61 points).
- This group includes the lowest percentage of people (25%) who are satisfied with the board of directors.
- This group of people places a high value on family meetings to extend knowledge about the business (3.8 points on average).
- The companies in this group are the most advanced in terms of generational change (2.36 generations on average).
- This group includes the highest percentage of companies (96%) that distribute dividends in variable amounts.
- This group includes the highest percentage of companies (73%) who have systems for offering liquidity (73%).
- Family protocols in this group have, on average, been established recently (72% of them within the last three years), but participation in their establishment is low (39%).

From the foregoing data it can be inferred that the feeling of “helping while the business exists” but “without any commitment” is characteristic of businesses that have traditional gender roles while appreciating the benefits a non-active family.