

## Internationalisation: Empowering Women In Family Businesses

Whilst many people pay lip service to the goal of achieving equality between the sexes, the evidence makes it abundantly clear that for a variety of reasons - some obvious and some more subtle in nature - businesses tend to have male heads. And within family businesses, patriarchs often prefer, or feel somehow compelled, to hand on their businesses to their sons or other male family members.

That said, family businesses can be powerful enablers for women in what is still predominantly a man's world. In the FTSE 100, there are more CEOs called John than there are females with that job title. And yet women such as Johanna Quandt and Susanne Klatten at BMW, Cristina Stenbeck at Kinnevik, Margarita Louis-Dreyfus at the Louis Dreyfus commodities business, Liliane Bettencourt of L'Oréal, Alice Walton at Walmart, and Abigail Johnson at the Fidelity fund management business have all taken on positions of power in their families' businesses.

A caveat: those are all European and American examples. You might say that if it is hard for women to achieve power in secular, liberal societies which explicitly legislate for equality of the sexes, it must be nigh-on impossible in other parts of the world, particularly in "traditional" cultures or societies with deeply ingrained attitudes such as a belief in male supremacy.

That is the received wisdom, but the reality is more complex. For a start, as the "Johns vs women" example suggests, in so-called secular, liberal Western societies, there are still a lot more cultural and bureaucratic barriers to women's progress than we are sometimes willing to acknowledge.

### Traditional Culture

And the situation in traditional cultures is not as obviously anti-women as is often thought. In a family business, even if it is based in a traditional culture, female family members can have far more opportunities than they do in public companies in America or Britain. Family

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Hillside, Chalkpit Lane  
Marlow, Buckinghamshire, SL7 2JE

Tel: +44 (0) 1628 486 067  
Fax: +44 (0) 1628 486 037  
E-mail: [info@termesconsult.com](mailto:info@termesconsult.com)  
[www.termesconsult.com](http://www.termesconsult.com)



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enterprises are often the predominant form of business organisation in traditional societies. And because the lines of command are shorter and ownership more concentrated in a family business, an enlightened patriarch can promote female family members much more effectively.

And yet it is obvious that in places like East Asia or the Middle East, where family enterprises dominate commercial activities, businesses are hardly awash with female family heads. Why? The obvious answer is that traditional cultures are the norm in these countries and the older generation is intransigently prejudiced against women. Again, the reality is more complex.

Even an enlightened patriarch can struggle to impose his will in a family that opposes him, or when other men find their power or worldview challenged and make life hard for him. But bravery and foresight have a subtle ally in the drive to promote women in traditional societies: internationalisation.

### The Influence of Internationalisation

The positive effect of internationalisation typically begins when female family members are sent to study at universities or business schools overseas. After their studies end, they often get a job in a business with which the family has a relationship, such as an investment bank or law firm. After a relatively short time, they return to their home countries with the skills and experience to take on positions of considerable responsibility, despite their relatively young age. Going overseas can give a woman kudos that can't be ignored.

Take the example of Lubna Olayan, who is CEO of her family's conglomerate, which was founded by her father. She studied in the US, married an American, and is one of the most powerful women in the Gulf region. This is all down to the foresight and determination of her father to ensure that no barriers were high enough, and she was able to take a prominent role in the family business.

Another opportunity for the accelerated advancement of female family members arises when the business expands beyond its home country. Very often new operations are established in countries where equal opportunities for women are set out in law, which helps to neutralise the power plays or strategic games that those with vested interests can employ at home.

And the flexibility inherent in jurisdictions where Common Law (in which legal decisions depend on the circumstances of a particular case) applies, offers scope to facilitate the advancement of women's rights to a greater extent than available where Civil Law (in which decisions are determined by fixed rules) or Canon law (where decisions are determined by fixed religious rules) apply. Once a company has needed to adopt this more flexible legal culture to be successful internationally, that culture tends to spread back to the home country.

As we say, it is all too easy to see the problem of how to empower women, whatever the culture, as one that can only be dealt with through legislation. And the existence of an enlightened patriarchy is often a pre-condition to overcome prejudice against women assuming business power in traditional societies.

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But internationalisation, both in education and business expansion, is the real catalyst for the empowerment of women in family enterprises.

Wadih Hanna & Guy Warner

Partners, The Termes Partnership LLP

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