How do women’s presence as owners and board members, although underrepresented, impact the financial performance of closed Swedish firms?

*With a special focus on Swedish family firms*
~ To my father Vijay Kumar Duggal ~
Abstract

This paper investigates the effects of women in leading positions, as owners and board members of the firm a, with a special focus on family owned enterprises. The ownership data is derived from a survey conducted on a set of non-listed Swedish firms. The descriptive data shows that female representation is relatively low both in family and non-family firms, albeit higher in family firms. In this, situational obstacles and person centered perspectives are explored to explain why women are underrepresented. The empirical analysis shows that females have a relatively low ownership stake in Swedish firms, and a comparably low degree of representation in the board of directors. There are however clear differences between family and non-family firms with respect to female representation. The results further show how firm performance, measured by solvency, is significantly affected by the level of female representation. More precisely, when women’s ownership share in family firms increases, the solvency improves. On the contrary, the solvency decreases when women in nonfamily firms increase their holdings. Hence, the results support the under-performing hypothesis for women in nonfamily firms solely.

JEL-codes: G34, L25, J31,
Key words: Female Governance, Gender, Labor, Performance
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1. Introduction

1.1. Background of the study

The idea that men and women should have the same power, influence and opportunity to form society and their own being is a central principle in the matter of equality (Statistics Sweden, 2012). Yet, the absence of women on corporate boards and as owners of firms, one of the most powerful positions in the capitalistic hierarchy, has long been a fact. The issue of women’s participation on the boards and managements of firms has however become more discussed in media and academic research during the past decade. Found in Sweden is that 75 percent of all the executive posts across all occupations are held by men (Statistics Sweden, 2012). Likewise, women only make up 22.3 percent of the board of directors in Swedish publicly listed firms (Fagerlind, 2013). One could ask how this distribution is so unequal in Sweden; a country with supposedly high egalitarian values. A similar figuration was also to be seen in the neighboring country Norway, who finally chose to enforce a gender quota in January 2004. Accordingly, the legislation requires that firms have at least a 40 percent representation of each sex on the board of directors. The question of introducing a quota resides over many European countries, nevertheless Sweden in which the debates have become more intense. As seen, some countries have followed the pioneering example set by Norway, and quota laws have appeared in for example Spain, Island, France and the Netherlands (Lomberg, 2013).

To find an answer to why women are underrepresented often leads to disputes and there are various ideas that circulate the floor. Many oppose the quota laws (Lomberg, 2013) and state that competence should be the main definite force when choosing leaders, and well indeed, it ought to be one of the ruling principles. Nevertheless, finding the right competence and the right leader is said to be greatly colored by a gender bias (SOU 1994:3). The idea of gender itself refers to a culture’s social construction of differences between the sexes. These could include the different roles, behaviors, attitudes and aptitudes males and females are ought to express, whilst the notion of sex simply submits to the biological distinction between men and women (Fondas, 2013). The expectations dependent on gender may thus change according to different paradigms, while the biological traits remain unaffected. The essence of leadership, and likewise of gender, is contingent on social and cultural norms, meaning that it is made across space and time and is not
universally independent phenomena. Most often however, the notion of leadership is seen as unrelated to gender, and is thus believed to be a gender neutral concept. In an article by Wahl (1996), it is stated how the construction of leadership is well connected to idea of masculinity; hence obstructing women’s advancement to the top. That men dominate leadership positions therefore becomes a natural selection, as they are deemed most fit for the positions. In this, women’s experience and competence is judged insufficient and not of the right type; or they do supposedly neglect an advancement to the top themselves. Consequently, the domination of men in high power occupations, and women’s subordination in low status jobs, is held constant.

1.1.1. Women in family firms

Discussions concerning gender have become a fort in the area of corporate governance. It has however been far easier to monitor and observe the gender distribution in larger public firms with accessible information than in private firms. The discussion about women in the corporate world often revolves around typical large companies with a step by step career ladder. In this, each employee solely has external business ties to the firm (see table 6, p. 35). An interesting question is then: what if the setting was changed to that of a family firm? Would the same pattern and extent of underrepresentation be current? Seen in the United States, a study made almost two decades ago highlighted how women in family businesses were seen as something unusual. Often, she was defined and measured against the success of other males in the family, whether it was her husband, brother or father. Salganicoff wrote in 1990 that:

“Unfortunately, newspapers and magazines most often like to print articles about the “little girl” who became a successor in a family business, about how the devastated widow rescued her late husband’s business, or about how the little sister became more successful than her older brother in an automobile dealership. It is distressing that the media treat the topic as rare, cute, and surprising despite the fact that 51.2 percent of the US population is female and that an estimated 50 to 60 percent of the Gross National Product is associated with family businesses” (Salganicoff, 1990, p. 127).

The status of women in family firms was thus said to be surrounded with many complex and intertwined attributes. The role of females has through past decades been to traditionally live as a
virtuous daughter, wife and mother, while in the modern era her position has changed to include an occupation. Today, researchers declare different directions when dismantling the situation of female leaders in family firms. Salganicoff (1990) for example points to the dominated women in family businesses to be an exaggeration. She believes that women in such firms often experience better circumstances to advance than women in nonfamily businesses, and opposes the belief that family business women are to be seen as rare. Accordingly, the obstacles that women in nonfamily firms meet, such as the glass ceiling, are more or less absent in family firms. This means that family business women are often able to develop and steer their career easily, and their representation in top positions is more common. Others propose that when combining different roles to govern a family business, difficulties in separating the motherly/wifely instinct from the corporate intuition may occur (Freudenberger, Freedheim, and Kurtz, 1989) Another challenge facing family business women is to certify an independent role in the firm and claim to the power, as opposed to become a subordinate in terms of the male’s wife, daughter or sister (Cole, 1997). Literature managing this genre often highlights the “invisible woman”, meaning that the effort made by the female is not recognized to its full extent. Reasons for this could be that “the roles and rules of the family system (many which are gender specific) are often unconsciously integrated into family business culture” (Danes and Olson, 2003, p.53).

1.2. Problem discussion

Wahl (1996) states how there are three common, albeit stereotypical, perceptions that are used to explain the absence of women in leading positions. Accordingly, women are underrepresented:

✓ because they are believed to have insufficient knowledge in leadership, or
✓ because they are seen to contribute with a different resource, or
✓ because women are not seen willing to make a career.

To investigate whether women have insufficient knowledge is very difficult as the knowledge necessary to be a leader may in itself by gendered; hence, women may never be able to gain the “right” understanding. To measure whether women do not want to make a career is likewise subject to deeper inquiries in which both a quantitative and approach may prove imperative. In this, the structures that deter and make women unwilling to pursue a career need to be
thoroughly investigated with a longitudinal approach as to ensure credibility. However, to detect whether women contribute with a different resource can be done by seeing what difference women’s presence makes on performance: negative, positive or none. In this, theories on gender bias and prevailing organizational structures can be used to explain how the women’s presence affects a firm’s financial stability. An attentive twist in the inquiry is also to see how the outcome changes depending on firm type; to record how the underrepresentation transforms when the setting is swapped from that of nonfamily firm to a family firm. The motivation for splitting the firms in this categorization is the supposed idea that women in family firms are said to different circumstances than women in nonfamily firms do. Also, since much research has been made on the public firms, it is more interesting and exploring to see how women’s occurrence is shaped in the private sector; hence motivating an exclusion of public firms to only investigate closed companies.

1.3. Research Purpose

Consequently, the purpose of this paper is to see if women are equally underrepresented in privately owned family firms as in nonfamily firms, and to investigate whether their presence affects the financial performance of respective firm type. The underrepresentation is measured by investigating the presence of women as owners, board members, and the ownership share that women hold, in both nonfamily and family firms. The performance effects are measured be seeing how women’s ownership share and presence as board members affect the solvency of a firm. A stand is taken that women in family firms face better opportunities to advance, and their presence is more likely to affect the performance of the firm than in nonfamily firm. The reason is that in such firms, the absence of for example a glass ceiling may allow women to advance much easier.

1.4. Research question

In relation to the purpose of the paper, the research question circulates around the seeing how underrepresented women are in both firm types, and whether their presence adds any value to the firm. The research question follows as:
How do women’s presence as owners and board members, although underrepresented, impact the financial performance of closed Swedish firms?

Here, a special focus is placed on the distinction between family and nonfamily firms. To begin with, two hypotheses are formed to explore how women are underrepresented as leaders in the form of owners and board members in private Swedish firms, and investigate if this absence is equally prevailing across both family and nonfamily firms. Then, two other hypothesis are formed to reveal whether the presence of women as leaders, measured by ownership share and inclusion as a board member, affect the financial performance of firms. The process through which the hypothesis is formulated through adheres to the logic of retroductive reasoning, and follows as:

Surprising phenomenon is observed: Women are underrepresented in powerful positions as men are more likely to figure as leaders are across all occupations (Holmström, 2013).

In coherence with retroductive reasoning and critical realism, the hypothesis formulated and tested are the effects of the observed phenomena:

- **H1**: Women are underrepresented as board members in privately owned Swedish firms, and more so in nonfamily firms than family firms.

- **H2**: Women are underrepresented as owners in privately owned Swedish firms, and more so in nonfamily firms than family firms.

- **H3**: Women contribute with a different resource, and therefore, their presence as board member will affect the financial performance of closed Swedish firms.

- **H4**: Women contribute with a different resource, and therefore, their presence as owners affect the financial performance of closed Swedish firms.

The testing of the hypothesis will essentially allow the reader to see whether there are more or less women in family businesses, and likewise establish if women’s presence, across both samples, affects the financial stability of the firms. In this, solvency is used a measure for financial success.
1.5. **Knowledge gap and the contribution of the study**

In most literature, the performance effect of women’s presence circulates around investigating listed firms with accessible data. For this paper, the data used is unique in the sense that it has been hand collected at the Centre for Family Enterprise and Ownership at Jönköping International Business School, and specifies the occurrence of females in nonlisted firms. As could be read previously, research on private firms is very limited and there are almost no studies which concentrate on women’s presence among these firms. Additionally, a separation is made between family and nonfamily firm, which likewise adds to the exploratory contribution of the thesis. All in all then, this study is distinctive in the sense that it investigates closed Swedish firms with a special focus on family businesses. The idea is to offer the reader an attentive turn of events by changing the commonly known setting of large listed firm in which women are solely bound to their occupation as employees.

1.6. **Delimitations**

Firstly, one of the limitations of this paper is that the survey, which the study is based on, was only for year 2008. This makes it much harder to gain fair results as the inferences are only a snapshot of contemporary events. Secondly, the tested regression model did not generate a high R-squared value, which means that much of the variability in solvency could not be explained by the chosen independent variables. Ideally, more accurate variables should have been included as to produce a better fit of the model. Thirdly, the definition of family firms is not specified in the study, but rather, the participants in survey simply answered if they consider themselves to be a family firm or not. Therefore, comparing the results found in this paper with other researcher’s findings is hard as there is no precise definition of a family firm to refer to. Finally, the chosen methodological approach, critical realism, reduces the use of the study for generalizing purposes as there is a subjective touch apparent in this method. Accordingly, the found results are only one way of knowing reality, which essentially means that the produced results are not valid beyond time and space. However, given the fact that gender and leadership are seen as constructed phenomena, the use of methods claiming objectivity would be gainsaying.
1.7. Disposition

After the introduction, a section on the theoretical framework of the paper is offered. In here, previous research made on the topic of female on boards and owners and the effects of performance is given. Thereafter, the larger theoretical framework, feminism, is presented and branched into three different focuses; Feministic Empiricism, Feministic Standpoint and Post-structural Feminism. In light of overall feminism, two different perspectives are offered to explain why women are underrepresented; the situational versus person centered perspective. After have presented these approaches, a brief discussion is offered on the viability and usefulness of each of these. The theoretical discussion then ends with a chapter on women in family businesses, and whether these firms are to be seen as a reservoir or disapproving for the women present there.

Following the theoretical framework is then the methodological considerations. In here, different methodological approaches, and the definition of what knowledge really is and how social entities are to be interpreted, are essentially offered. A discussion motivating the chosen method can also be found here. The data collected at the Centre for Family Enterprise and Ownership at Jönköping International Business School is likewise presented, along with the regression model and chosen dependent and independent variable. Following this section is then the presentation of recorded results under the heading of empirical findings. At last, the findings are discussed and placed into the theoretical framework which was earlier presented.

2. Theoretical framework

2.1. Previous research

Research investigating the direct effects of women’s presence on the financial performance of family firms is almost nonexistent and there is only one study, to the knowledge of the author, which considers this appointment. An Italian report explores the ownership and board composition of the country’s family firms. As for ownership, this study finds that women are found to be owners in 9,8 percent of the cases (as of year 2008), but no indication of performance effects are declared. Also, the findings show that family firm boards, in which
women occupy between 33 percent – 50 percent of the seats, have a higher return on both investments and equity than nonfamily firms. More specifically, family firms in which women constitute more than one third to one half of the directors, return on investment and equity are 0,9 percent and 1,3 percent higher respectively. Yet, the women’s board presence nudges at approximately 18,5 percent for Italian family firms. For the presence of female CEOs in family firms, their presence affects return on investment and equity with 0.5 and 1.8 percent respectively. For this reason, the Italian Association of Family Companies states how they would like “a much stronger presence of women leaders in family firms, considering that they are bearers of a culture and values that are complementary to male values and particularly apt for dealing with complex situations” (Celauro, 2010).

With financial benchmarking as the standard for business success, a “female underperformance” theme has however surfaced in the literature. Although findings show differing results, female owners are often found to underperform their male counterparts when financial performance is used as standard (Watson and Robinson, 2003). Rietz and Henrekson (2000) do test “the female underperformance Hypothesis” on an extensive sample of Swedish entrepreneurs, and find that “female entrepreneurs tend to underperform relative to men when the data is examined at the most aggregate level”. On the contrary, they do not find any evidence supporting the underperformance of women when conducting a multivariate analysis with several control variables; in fact sales is the only performance measure out of four chosen ones that exhibits any significance. Seen in the neighboring countries, the following results have been noted. Bøhren and Strøm (2005) prove a significantly negative relationship between the proportion of women on Norwegian boards and Tobin’s Q. Rose (2007) does also test the relationship between the proportion of women on the boards of the 116 largest Danish firms, and their financial performance (Tobin’s Q), a finds a negative but insignificant indication. Yet, these studies investigate listed firms, whilst the firms of interest in this study are solely closed firms.

2.2. **Females as leaders in Sweden**

The fact that women are underrepresented on the corporate arena is no news, even though Sweden is often commended as a fore figure in combating vast gender misalignments (Holmström, 2013). Female leadership has long been under the radar of public opinion, and
many search to explain the current skeweness in gender distribution. In the following chapter, an overview of women’s underrepresentation is offered. The aim is to clarify what figures different academic and company reports have recounted during past years, and also look at the recent development.

2.2.1. Development

In year 1994, a governmental study was conducted in Sweden with the aim of portraying and finding causes for the residing inequality between men and women in managing positions. A survey was sent to 638 different organizations, from which 451 responded. Their legal ownership form was of various kinds, including private and public firms, financials entities and union representatives, and a wide range of industries were represented to cover all corners of the Swedish corporate sector (SOU 1994:3, p. 37). The study exposed how 51 percent of the firms did not have a single woman on the board, and the remaining 49 percent had an average of 10 percent women represented. However, those companies that were of private ownership form recorded more dejected figures; 72 percent of the investigated firms did not have a single woman represented on their boards, and none of these firms had boards in which women outnumbered men. Looking at the management teams across the whole sample, a similar scenario was to be seen. Accordingly, 56 percent had managements completely represented by men, while the reaming 44 percent were mainly dominated by men as well (taking up more than 60 percent of the seats). Among the private firms alone, 66 percent had male led managements - 10 percent more than the complete sample. Also, less than one percent of the private companies had management teams completely represented by women.

Almost one decade later, the government instructed a follow up on the report issued 1994. In 2003, the new report was issued with the aim of looking at what transformations had been made in the ratios. The report illustrated how 87 percent of the companies, across the whole sample, had boards dominated by males. In the private sector, 93 percent of the firms had male dominated boards. However, the Swedish corporate world had changed radically during the elapsed years, and many companies had been privatized. Compared to the previous study, the included organizations were now to a majority either of public or private form. For this reason, a direct comparison between the studies was made difficult (SOU 2003:16, p. 18.). Women’s
Business Research Institute did however follow the development of female representation on boards, as seen in Table 1, but solely in public listed firms, from 2002-2012. Here, an increasing trend is noticeable, but which later drops from 2010 and onwards (Wombri.se).

Table 1: The proportion of women on public board in Sweden from 1990-2011

<table>
<thead>
<tr>
<th>Year</th>
<th>Proportion of women (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>6,1%</td>
</tr>
<tr>
<td>2003</td>
<td>11,1</td>
</tr>
<tr>
<td>2004</td>
<td>14,9</td>
</tr>
<tr>
<td>2005</td>
<td>16,3</td>
</tr>
<tr>
<td>2006</td>
<td>18,2</td>
</tr>
<tr>
<td>2009</td>
<td>22,2</td>
</tr>
<tr>
<td>2010</td>
<td>22,9</td>
</tr>
<tr>
<td>2011</td>
<td>22,7</td>
</tr>
<tr>
<td>2012</td>
<td>22,3</td>
</tr>
</tbody>
</table>

Interesting is now to see how the distribution looked(s) like in non-listed firms, which is more of in line with this paper. The studies made on female representation in the corporate world do mostly concern listed firms with accessible data, and therefore, it is hard to find studies that solely account for non listed firms. However, a study on 90 000 Swedish businesses in 2013, with over five million SEK turnover and more than 5 employees, show that women take up 15 percent of the board seats (Mynewsdesk, 2013). Another study showed how women were seen as owners/entrepreneurs in 27 percent of the firms across all industries and organization types as of in 2012. During the same period, 32 percent of the newly started businesses were run solely by women (Kvinnor och Mäns företagande, 2012).

2.3. Feministic theory

Most often, the word feminist evokes many reactions among both men and women. In our time, the expression has regularly come to carry a negative connotation. The stereotypical picture of a feminist is often, according to Lena Gemzöe (2002) at Stockholm University, said to be that of a frustrated, apoplectic and mannish woman who cannot attract a man because of her disadvantageous looks. Indeed, this upshot of characteristics do not hold true in any discourse of gender studies, but have still come to stand as a malicious portrait of feminists. Often, this perception is based on inadequate knowledge about what the pursuits of a feminist are.
(Muhonen, 1999). Seen in line with more academic claims, Gemzőe (2002) describes how a feminist is someone who sees women as subjugated to men, and someone who wants to change this situation. In this, gender is the main phenomena of interest rather than the respective biological belonging of men and women.

Historically, women have not been included in intellectual domains and have often stood any without decisive power to form society. One of the aims of feminists has been to study what consequences this exclusion has caused (Keller and Flax, 1988). Researchers have however taken on many different positions, and the debate carries a multifaceted coloration. There are thus several various directions that define the feminine debate, from which some oppose each other whilst others transcend each other. In the following Table 2, an outline of the more ubiquitous and frequently reencountered perspectives is exhibited (Muhonen 1999). Indeed, these perspectives have been brought down to their very basics, which only exhibit a fraction of their advocacy. Hence, caution should be taken at defining these positions solely based on the indications below, as they are just presented for a guiding purpose.

**Table 2: Feministic orientations**

<table>
<thead>
<tr>
<th>Epistemology</th>
<th>Political advocacy</th>
<th>Strategy</th>
<th>Critic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feministic Empiricism</td>
<td>Liberal feminism</td>
<td>Searching for the truth</td>
<td>Does not see women as an active player</td>
</tr>
<tr>
<td>/Gender as a variable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Feministic Standpoint</td>
<td>Radical feminism</td>
<td>Opt for a change</td>
<td>Does not consider the differences in between women</td>
</tr>
<tr>
<td>Post-structural Feminism</td>
<td>Unclear</td>
<td>Unclear</td>
<td>Relativism</td>
</tr>
</tbody>
</table>

2.3.1. Feministic Empiricism

The stance of liberal feminism might be the discourse that has been more central during later decades. Liberal feminists base their argumentation on that men and women are equally intelligent, and that the subjugation of women is based on the fictious stand that men are worth more than women. According to liberal feminists, men and women are thus equal but their
socializing process differs, hence, maintain and reproducing androcentrism. In response, liberal feminists thus seek to equalize the latitude for women by enhancing their democratic – and human rights to the same level as men. However, the criticism found is often that this line of theory sees the women as passive players, rather than actors that can enable change. Most of the research that has been made with a liberal feministic agenda in mind does indeed emphasize the similarity between men and women’s cognitive abilities; yet women are repeatedly, unconsicisly in many cases though, compared to men who are seen as the norm. Hence, by constantly comparing women to men and essentially defining women as the second gender, women are never valued as a “whole” individual, but rather as a complement to men. Most of the mainstream research today on women in leading positions do follow the stance of liberal feminism. In this, systematic observations are used in order to produce a judgment, and the occurrence of women is more or less treated as a variable in a multiple regression; its significance is searched for, but no further attempts are made to problematisizing the meaning of gender (Muhonen 1999).

2.3.2. Feministic Standpoint

In contrast to liberal feminism, the radical feminists are seen as more active as they have a more forceful ambition to change the power position between men and women. By focusing on the interests and ideas of women, the advocators of radical feminism seek to emphasize the female perspective in different endeavor s (Hawkesworth, 1989). The interests of women that were previously neglected are thus brought to the surface. Yet, many criticize the stance of radical feminism and argue how one essentially by emphasizing differences between men and women actually maintain the current status quo. Also, the clustering of women and the naming of females under one umbrella has likewise been criticized; many argue how the female category is not one communion, but rather a layered and multifaceted identity (Olesen,1994). Hence, generalizing women and assuming that all women experience the same subjugation is found to be one of the most critical detractors of radical feminism. In terms of business management, radical feminists way of emphasizing women’s distinctiveness essentially adheres to the idea that women can offer something to businesses which the currently homogenous male board of directors and leaders are unable to. This means that there is a need for more female leaders which can for example complement the missing characteristics of men, such as better people’s skills. What becomes problematic is that by labeling such characteristics to women, their ability
to think rationally is considered as weak. Also, the imbalance in power can thus be justified by this, as men are then considered as the more rational being with the intelligence to take more logical decisions than women who are seen as more people oriented (Muhonen 1999).

2.3.3. Post-structural Feminism

To reckon women as having multiple experiences and detaching the label of a universal femininity is quest adopted by social feminists. In their idea, the diversity in women’s experiences is essential to highlight, which means that each and every woman’s subjugation is different from the other. In this, the thought of an absolute truth as confounded and pluralism is seen as central. Ideas such as gender and what constitutes a good leader are thus seen as constructions, in which the optimality and success of each is dependent on the situation at hand (Hare-Mustin and Marecek, 1988). However, this relativistic stand point makes it hard to form a sustaining policy as to battle inequalities, and much of the subjugation is said to be left in the sphere of philosophies rather to be counter battled through solid actions. Some argue that the ideas of feminist structuralism are imperative to consider, but that one can still believe in certain truths; such as the fact that women are less powerful than men in all societies (Muhonen 1999).

As a conclusion, the whole feminist theorization, claiming that women are less powerful and that this needs to change, is imperatively the discourse from which the situation of female leaders will be viewed upon in this paper. Essentially, a conjuncture of the three feminist viewpoints seen above is made in the following chapters, and claims from all three orientations will be interlaced.

2.4. Females in leading positions

During the latest decade, a dramatic change has occurred in the demographics of labor. The working environment has transformed radically along the emergence of female leaders, and it will also continue to do so as more women try to advance in their career. Yet, the reality of underrepresented women in the corporate sector remains ubiquitous, and women stand as a minority among leaders (Accenture, 2006). The common theoretical framework focusing on working women is very wide, but can still loosely be seen to revolve around the situation and
person centered contingencies of women. Situational constraints in both organizations and at home tend to point the labyrinth of power and opportunities as decisive force, whilst the dynamics of the person centered theory investigates codes of socialization, including gender stereotypes and characteristics, or more specifically, the female way of leading. To begin with, an overview of the situational dilemmas women face at home and work is given, which ought to affect their career development (Muhonen, 1999). This chapter is used to shed light on the different starting points men and women have when entering demanding job positions. Then, a section focusing more on the personal characteristics that causes men and women to possess different positions will be forwarded.

2.5. Situational perspective

2.5.1. Domestic situation

The question of how family life affects our professional choices, and vice versa, has long occupied many researchers. Previous articles published on the issue have shown that the distribution of work has been of traditional type, i.e. women bearing the responsibility for domestic chores, even when they have had strong careers (Bloom, 1998). Found is the fact that when women leave their job site, they continue home to take care of children and conduct other housekeeping activities, whilst men are given the possibility to cool down. In 1998, Bloom conducted a study on leaders in the county council and showed how women’s total work load amounted to approximately 74 hours per week, including both tasks on the job and at home, whilst men had a corresponding figure of 67 hours per week. Bloom (1998) did however also point to the actuality that female leaders have a much more evenhanded relationship with their spouses when compared to the relationship that male leaders share with their partners. Male leaders tend to have much more time available for working as their spouses are those in charge of domestic chores. This may be one of the reasons for why many females choose to not advance in their career and take on leading management positions; presumably they will be burdened with both work and maintaining their homes, thus being burnt out much faster than their male co-workers.

An amount of studies show that many female leaders tend to be unmarried and also have fewer children than both male leaders and women in lower positions (Davidson and Cooper, 1987). However, an increasing trend can be witnessed with so called dual career families in which both
spouses opt for careers whilst having children as well. In this exemplar, Greenhaus and Beautell (1985) recognize three different conflicts that may arise: time-based, strain-based and behavior based conflicts. In the primary two cases, spouses may find it difficult to divide their time or/and get their thoughts off work/home. The behavior based conflict may pose difficulties in defining roles and responsibilities of each individual as different, and sometimes opposing, behavior is expected at work or/and at home. Nonetheless, advancing career wise may be a fruitful approach to everyday dilemmas as such an accomplishment may give a sense of triumph. In this case, the increased self esteem can make women more capable of handling their situation as they are more autonomous and stronger financially. This lies in line with the positive psychology model offered by Karasek’s in 1979, where the relation between job tasks and the degree of control over them are plotted. A woman’s working life and home situation are strongly related, and may even become a decisive force when choosing a career. However, the higher up she climbs the hierarchy, the more in control she becomes of her situation; thus granting her harmony both at work and at home (Karasek, 1979).

2.5.1.1. Sharing the burden and flexible working hours

Organizations are always thought to have a leader who can answer for the actions of the firm (O’Toole, Galbraith & Lawler, 2003). Especially seen in the Western culture, the advocacy for a single leader is well persistent. The notion of shared leadership has however become more common, and many try to break old traditions by adapting a more collective framework for decision making. One of the reasons is due to the transformed economic climate today. On the global arena, businesses today face many more dilemmas in regards to their operations (Renstig and Sandmark, 2005). Hildingsson and Krafft (2003) portray how the high level of intensity, which is connected to leaders, results in very stressful situations. Given these negative experiences, the role of the leader has started to change. Before, status power and capital were well used as a carrot stick tempting people to mantle the responsibilities of a leader. Today, shared leadership is used to engrraft and harmonize the work place, but also to stimulate and create a more positive atmosphere (Nordkvist and Sillman, 2000). Interestingly however, many have come to see shared leadership as something well connected to the way women lead.
One explanation for this preference is the fact that many women still carry the responsibility of their homes, and thus need shared leadership to succeed in both endeavours. As Masui (2004) points to in her study of 15 different female leaders, these women indicate that the underrepresentation of women on corporate boards and as leaders is due to pregnancy and parental leave. This argument is also supported by Statistics Sweden; 37 percent of women with children under the age of seventeen believe that their careers have been negatively influenced by their choice to become mothers (Statistics Sweden, 2002). Many companies do not have an inherent system of shared leadership and find it hard to find replacement for female board members or leaders that request parental leave. Consequently, women in a fertile age are often neglected in the selection processes and do not advance horizontally to higher levels of leadership. Companies are thus much more prone to advance males to leadership positions as they are not equally limited by biological expectations, nor do they bear similar responsibilities following a child’s birth (Svensson, 2006). In this, many are now suggesting that shared leadership should be incorporated into firms as to offer women more leeway to attain longer and higher careers. Likewise, flexible hours and the possibility to work from home have been brought up as viable solutions.

2.5.2. Limits to the top – the glass ceiling

Situational obstacles constitute a major source through which the underrepresentation of women at the top is explained by. Much of the current research therefore centralizes and focuses on the systems which produce and reproduce inequality both at the work place and in the society as a whole. In SOU 1994:3 it becomes evident that boundaries and opportunities in organization are what, amongst others, form the behavior of each and every employee, and likewise set the standard of an appropriate leader. Additionally, the behavioral structures in society and at home both reinforce and co-create the residing system in organizations. In boardrooms, a specific culture resides which is created through a certain behavior, unwritten rules, habits and manners of communication. What has been noticed is that when one or two women work on a board, they often feel unimportant, marginalized and minor in the faces of other men. However, when there are three or more women, normalization occurs in the board group which allows women to feel more included and important. Yet, for women to even reach the boardrooms has been seen as quite problematic (SOU 1994:3). The metaphor of a “glass ceiling” has been well used in both
media and academic literature to concretize the obstacles that women face when reaching top levels of management. Recently, the prime minister of Sweden, Frederik Reinfeldt, expressed his concerns over the obvious existence of a glass ceiling. Accordingly, although women attain higher academic degrees, they still remain heavily underrepresented at leading positions (Holmin, 2013).

There are many ways through which this intangible barrier can be recognized and defined. The term was initially coined during the 1970s in the United States to describe how behavioral and organizational stereotypes hindered women from senior executive positions. Invisible barriers were (are) seen as impeding the advancement of women and causing inegalitarian values to thrive. Since then, unlimited amounts of studies have increased our awareness regarding women being frequently concentrated in the most precarious areas of work. Often, they are seen to experience a “sticky floor” and too seldom break through the glass ceiling (Linda Wirth, 2001). Nevertheless, a cautious use of the term is well needed as not all unfair treatment based on gender is subject to the glass ceiling. In Cotter, Hermsen, Ovadia and Vanneman’s (2001) study, an examination of contemporary research is done, and thereafter, a consensus definition is offered. The authors try to limit the definition of a glass ceiling to include four different criterions solely. These need to be met in order to classify discrimination as that of a glass ceiling.

The first condition is that:

✔️ “A glass ceiling inequality represents a gender (...) difference that is not explained by other job-relevant characteristics of the employee” (Cotter et. al, 2001, p. 657).

By this, Cotter et. al (2001) indicate that the glass ceiling is the residual difference left after have controlled for training, education, experience and so on. Yet, measuring and controlling all of these variables is near to impossible, and restraining too many job characteristics can also prove contentious. Hence, some past job experiences might explain how discrimination occurs. For example, in a study by Naff and Thomas (1994), the variable “support from mentor” is controlled for. However, the glass ceiling might just come to stand through such mentoring if it is done with a gender bias.
Next, attention is also placed on how discrimination, expressed through the glass ceiling, is different from any other labor market discrimination. Accordingly, inequalities due to the glass ceiling are evident when the discrimination increases as women move up in rungs. Therefore, the second criterion posed is that:

✓ “A glass ceiling inequality represents a gender (...) difference that is greater at higher levels of an outcome than at lower levels of an outcome” (Cotter et.al, 2001, p. 658).

Hence, in an organization with a glass ceiling, the number of females should be lower at higher rungs. The female share of CEOs ought to be lower than the following share of officers, which is also lower than the number of female managers. On the contrary, if the gender discrimination is constant over all rungs, the inequality is probably not subject to the glass ceiling effect but rather the upshot of conventional gender inequality. Thus, even though there might be a skewed distribution of female managers on the top, this allotment has to be compared to the remaining organization to establish a glass ceiling.

The subsequent and third criterion relates to the chances women have in advancing to the top:

✓ “A glass ceiling inequality represents a gender (...) inequality in the chances of advancement into higher levels, not merely the proportions of each gender (...) currently at those higher levels” (Cotter et.al, 2001, p. 659).

In the above statement, women’s promotions and raise of income are ways to test the speed of advancement and thus detect the existence of a glass ceiling. What becomes evident here is the importance of measuring dynamics and change over time. To just consider static figurations of organizational structures and commands is thus ineffective. Indeed, more movement into leading positions, and thus promotions and increased income, will be associated with a greater number of women in top positions. However, the unjust ratio between men and women can also be dependent on entry modes. If men start at a higher level, they will be promoted faster even though an equal promotion policy exists. One way to test the strength of a glass ceiling is therefore to consider criterion two and three in junction: “Together, they restrict a glass ceiling
inequality only to situations where inequalities for promotions to higher levels are stronger than inequalities for promotion to lower levels” (Cotter et.al, 2001, p. 660).

At last, the final criterion to be met deals with women’s course of career. Cotter et al (2001) stipulate how the fourth principle is that:

✓ “A glass ceiling inequality represents a gender (…) inequality that increases over the course of a career” (Cotter et.al, 2001, p. 661).

In this, the outlooks and trajectories of women’s career are emphasized. Thus, women’s further progress ought to be blocked at some point in time, revealing the existence of a glass ceiling. A way to test this hypothesis is to actually see whether a gender gap (in either earning or authority) arises as employees work experience increases. However, difficulties in measuring this hurdle are plenty. If the gender gap increases for more experience among women starting at the bottom of the ladder, the middle and the top, we might not be looking at a glass ceiling but rather the issue of differential returns to work experience. In chorus with the second criterion, the inequality inherent in a glass ceiling must thus be greater at higher levels of outcomes. Hence, “career trajectories should be flatter for women than for men under a glass ceiling – bur more so for chances to enter top offices or earn large amounts than for the chances to enter middle management” (Cotter et.al, 2001, p. 661).

Accenture did in 2006 survey over 600 business executives, both men and women, to increase the knowledge around which factors that actually constitute the glass ceiling. The study was conducted in six different countries: Australia, Austria, Germany, the Philippines, Switzerland and the United Kingdom. The targeted audience for the survey was executives with senior leadership holding, and almost half of the group consisted of women. Interestingly, Accenture created a “Global Glass Ceiling Index” in order to measure the relative “thickness” of the glass ceiling. Questions were asked about the respective executive’s individual success factors, her/his surrounding society and the company itself. Results from the survey showed that the main difference between female and male executives lied in how they perceived their individual success. Accordingly, “detailed career planning, ambition and the ability to assert oneself” was
considered to be a much more important prerequisite for success by female executives than by men (Accenture, 2006).

2.5.3. Token women

Another reason behind women’s minority standing can be found in the work of Rosabeth Moss Kanter (1977). Kanter believes that the current behavioral pattern in organizations, in which women are underrepresented, is a result of the dynamic interaction between opportunities and power relations. In this, women are subject to heightened visibility, assimilation, and exclusion once they enter higher occupations. Certain occupational boundaries allow employees a wider leeway, whilst in other situations, opportunities are limited. Accordingly, women are appointed occupations with less opportunities and little power, so called “dead end jobs”. In this convictum, Kanter (1977) recognizes that women that do reach leading positions in groups dominated by men can be described as “tokens”. The reason is that such women become more of a symbol for their category rather than prescribed for their individual effort. They are thus more visible in the group, stand as a sheer contrast to the others and may assimilate to reckon a position at the top. Token women, or leading women, are consequently more scrutinized and appointed to a different yardstick when measuring performance; they supposedly have to work much harder to gain attention as compared to their male counterparts.

Being a contrast to the majority also means that the others become more aware of their own culture and norms whilst the woman signifies a threat to the unity. The corollary is that the difference between the majority and the token is constantly referred to and enforced as a boundary, limiting and alienating those that do not belong to the dominant group. However, women can either continue to belong to the periphery or try becoming insiders. By such, they have to prove themselves as exceptional to their kind, and often meet other women with a cold back. Clichéd assumptions about women do often circulate the floor as well. Women’s personal characteristics are often disregarded to make room for presupposed ideas about how women behave. A designated role is thus appointed to token woman to reveal her true nature; a stereotypical role which limits and forces itself upon to eliminate any individual characteristics of the woman. Consequently, the token woman may assimilate and take on the conventional and anticipated role she has, hence becoming what she is expected to be. This in turn benefits the men who find themselves in a safe and recognizable context where they can rely on predictable
patterns and intuitions. The role encapsulated woman may oppose to her chosen conviction, however, only at the risk of being acknowledged as an “iron maiden” and yet again turned back by the dominant cohort (Muhonen, 1999).

Indeed, Kanter’s theory of tokenism should be well applicable to any minority versus majority group. However, research has shown that when men are in the minority, their token position has overtly been to their benefit rather than weakening their situation (Powell, 1993). This is found to be true in the health and school sector, as well as among social workers. When men have entered these occupations, which are dominated by women, they have been able to quickly advance to the top management (Waerness, 1979). The reason for this has been argued to be that may be that organizations are built up on the basis of masculine principles, although they may be led by women. This means that the way we organize in society and our organizations themselves forestall disparity and inequality, reinforcing the absence of women in leading positions. As of Kanter’s (1977) theory, the tokenism that women encapsulate is therefore the result of power relations and not applicable to all situations of underrepresentation.

2.5.4. Homosociality and its (re)production

The fact that men dominate heavy seats in organizations often causes them to both identify and orientate their attention to those of same kin. Along the theory of tokenism, Rosabeth Moss Kanter did also shed light on the “homosocial reproduction” of male leaders. Pioneering in the subject, Kanter meant to emphasize that in this reproduction process, men tend to pick other men to fill their shoes (SOU 2003:16). The task of being a leader is often a very tough one, and is well connected to issues of trust and loyalty. Through this, the existence and reproduction of homogenous groups becomes inevitable. Consequently, women are neglected in the selection of ruling leaders. The way in which women communicate and behave is in many instances unrecognizable to the other gender, and causes a polarization between the two groups. In this, men feel secure and see recognizable patterns when communication with the same kin. Previous research has shown that women often feel that they need to dismantle their identities as women; “in order to succeed they walk a tightrope and must be neither too masculine nor too feminine” (Fagan, 2012, p.5). In Person et al’s study, one director quoted how “you can’t bring your femaleness to the fore (…) because you already look different (…) if you emphasize how different you are, you are considered a troublemaker” (Pesonen, Tienari, Vanhala, 2009, p. 337).
Hence, many women on boards experience a perplexity over which role to embrace, and are often believed to be representation a “woman’s agenda”. However, a dimension that has been forwarded in the discussion regarding male and female dynamics in firms concerns the essence of a creating a diverse management group. There are both favorable and unfavorable consequences that have defined the debate. Some however mean that diversity per se, setting aside the issue of equality, may not be optimal for the firm as difficulties in communication and information flows may arise and cause a poorer functioning. One argument is that men and women are different and have values and knowledge that may not coincide and contribute with anything greater. Instead, a homogenous management may be able to create more value for the firm by reducing costs of coordination and avoiding conflicts. In addition, reaching a quick consensus in a turbulent and changing environment may be conclusive for the firm. The negative implications that group diversity processes can bring upon is referred to “affective” or “emotional” conflicts. These may be dissatisfaction, social segregation of certain group members, reduced team work and so on (Gregoric, Oxelheim, Randoy and Thomsen, 2010). Research has shown that men do, through informal relations, bond much easier at the work place.

Holgersson (2003) suggests how common interest such as cars, alcohol, sports, women and sex bonds the male specie together, alienating the women and causing her status quo in the hierarchy. However, the exclusion is not based on some pre supposed agenda or discrimination, but rather in following patterns of safety and protecting ones legacy. The sociologist Gerd Lindgren (1996) states likewise that homosociality is to be seen as an expression for the relation that men share, and that the “enemy” are those in other positions rather than specific individuals. Hence, a fanatic obsession around preserving both the existence of the group and its achievements are often desired. Certain researchers point to the increased creativity of the management as women are included, and indicate that diversity brings new knowledge to the group as a whole. Blended wisdom, experience, and resourcefulness are said to improve the decisions of the firm. Thus by increasing the number of women, the competence base becomes more extensive. If skilled women are neglected in the selection process and replaced by less knowledgeable men, the composition of for example the board becomes non-optimal (Becker, 1971). Increased gender diversity does likewise mount diversity in other dimensions, such as age and ethnicity.
Arai and Regnér (1999) do also advocate for how diversity in the board brings along different social norms, which create discussions among individuals and encourages each member to resist any status quo like situation. A firm with a homogenous board may reach a consensus regarding any agreement without challenging the essence of the covenant. Consequently, the social cost of contravening a less well-defined normative system decreases in a diversified group as compared to when opposing a unified management. The operations of firms with non-diverse managements may become unproductive and statured, as the social costs of questioning the prevailing system are too high. It also follows that the diversity argument should not primarily be centralizing the gender discussion, but rather extend its scope to include other vital aspects. Hence, the boards should be heterogeneous in terms of other attributes such as job experience, education, age and nationality and so on. A firm may appoint a diversified board in terms of these characteristics and benefit more, rather than focusing on the gender partiality.

Found on this argumentation, Gregoric et. al (2010) postulate that fewer female directors will be appointed at the top management in (male dominated) boards with diversity in other areas, as the costs of further diversity might outweigh the benefits allied to the female inclusion. Their investigation includes boards of public companies in Sweden, Denmark Norway and Finland during the years of 2001-2008. They point to a “crowding-out” occurring as firms may experience a trade-off regarding gender, age and ethnic diversification. Huse (2008) follows this line by observing firms in Norway, and confirming that women will only make a distinctive contribution to the boards if they carry a uniqueness that has previously been absent in the management. These could include specific personality traits, age and background; attributes that are perceived differently by the male dominated board.

2.6. Person centered approach – gender bias and stereotypes

2.6.1. On an individual level; are female leaders different?

By suggesting that women’s presence adds value to the firm, one may assume that women can contribute with a uniqueness that is not offered by the currently homogenous and male dominated managements. Yet, what should be kept in mind is that there is little evidence proving
any definite and absolute difference in psychological traits between men and women, although stereotypes often get to lead the way. Still, the question of what “man made” behavior that distinguishes, and likewise unites, men and women in terms of managing a firm has drawn many researchers’ attention. In the quest of defining what makes women more powerless in corporations, many researchers try to look at behavioral patterns of children to thereafter establish reasons for the polarization in gender characteristics. Children are said to learn how to behave within the limitations that gender brings upon, and the socialization process is thus different for boys and girls. The early socialization process has been found as key in dismantling why women do, supposedly, not have the same characteristics as males do as there is a right behavior for respective gender. This is said to form the basis of career choices, and thus the ground on which female and male leaders hypothetically become either different or similar in their leadership approach. Consequently, men and women are prone to develop certain characteristics, expectations and opportunities that do not coincide (Muhonen, 1999).

Although an increase in the number of females among managers and other specialist functions has been noted, an equal increase has not been witnessed in the boardrooms (Fagan, 2012). Studies have also shown that those women that do make onto boards are, on average, five years younger than their male counterparts and equally qualified. In fact, they are more likely to hold an advanced university degree or to have graduated from prestigious universities. Still, many point to the difference in knowledge, or perhaps their lack of experience in leading firms, as the main reason. Others say that women are neither ambitious nor confident enough to take on a leader’s role. Similarly when discussing the underperformance of females, some propose that women’s experiences are inadequate for leading a firm. Contrasting this are arguments that if women perceive discrimination and unjust treatment, their motivation decreases and affects the firm’s performance negatively.

Several studies have investigated the gender diversity and corporate governance sphere, and the results have been equally distinguishing as the number of examinations. On the individual level, the underrepresentation of women may thus exist because of the possible differences that men and women have, or are believed to have, in terms of human capital. Boschini and Person (2005) investigate this partiality between men and women by reviewing earlier research made within five major parameters of preference. These include men and women’s position regarding
risk aversion, impatience, altruism, time consistency and rationality. They verify that a majority of studies have ascertained that women are more risk averse than men, but otherwise the differences are insignificant among the remaining parameters. Another example is Kabacoff and Peter’s study in 1998 in which they note how women are more task and result oriented, whereas men more tender to form sustainable strategies. Hence, men were found to be more prone to take risks without actually caring too much about final goals, whereas this was the main concern of female leaders. Another difference was the fact that men preferred a more controlling jargon while women seemed to lead with more energy, emotions and intensity. Hence, men were seen to have a more objective and distanced leadership profile and enjoy working with full control. Their ability to negotiate and persuading others to follow their lead was also well admired. Concluding was the result that men have more business skills whereas women posses people skills; nevertheless, both being equally effective leaders (Kabacoff and Peters, 1998).

Brusch (1992) does in her study also look at previous research made in the field, and quotes that female leaders, on an aggregate level, act quite differently from men in the light of business decisions. The foremost business goal for females seems to be pursing social objectives together with economic goals, whilst men concentrate mainly on the latter vision concerning profitability and growth of the firm. They find a rather substantial disparity in the financial performance of firms owned by males and females, where females repeatedly file lower profits. The largest obstacles facing women are accordingly those of a financial nature. Obtaining credit and planning the economic ventures of the firm have thus been noted as quite challenging for women (Brusch, 1992). In a study on the subject of Swedish female entrepreneurs, Fölster and Wikner (2007) illustrate how female owners/entrepreneurs bear less debt than their male counterparts. Supposedly, an expanding firm does need to employ debt in order to finance its growth and expansion, and the risk aversion of women may then negatively affect the firm. However, they do also explain that women in Sweden might typically be active in the service sector in which capital investments are not of equal importance. Their findings can be seen in Table 3 below.
Table 3: Firm Mortgages

<table>
<thead>
<tr>
<th>Sum of firm mortgages in SEK</th>
<th>Firm owned by women %</th>
<th>Firm owned by men %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.000-100.000</td>
<td>13.9</td>
<td>10.9</td>
</tr>
<tr>
<td>101.000 -</td>
<td>86.1</td>
<td>89.1</td>
</tr>
<tr>
<td>Sum</td>
<td>100.0</td>
<td>100.0</td>
</tr>
</tbody>
</table>

Fölster and Wikner (2007) do also investigate Swedish female entrepreneurs’ creditworthiness, and find them as overrepresented in the higher risk classes as compared to men, which is seen in Table 4. This not a superior belief dominated in the Swedish markets alone. Bigelow and Parks (2006) reverberate this finding by reporting how investors seem eager to invest 300 percent more in male directed firms than female lead ones.

Table 4: Credit Worthiness

<table>
<thead>
<tr>
<th>Credit worthiness</th>
<th>Women</th>
<th>Men</th>
<th>Difference men and women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very little risk (5)</td>
<td>34.0</td>
<td>34.2</td>
<td>-0.2</td>
</tr>
<tr>
<td>Little Risk (4)</td>
<td>31.3</td>
<td>32.2</td>
<td>-0.9</td>
</tr>
<tr>
<td>Normal Risk (3)</td>
<td>23</td>
<td>22.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Risk above Normal (2)</td>
<td>7.1</td>
<td>6.6</td>
<td>0.5</td>
</tr>
<tr>
<td>High Risk (1)</td>
<td>4.6</td>
<td>4.5</td>
<td>0.1</td>
</tr>
<tr>
<td>Sum</td>
<td>100.00</td>
<td>100.0</td>
<td></td>
</tr>
</tbody>
</table>

Note: Risk group within brackets.

Women thus bear less debt, but are also considered as riskier borrowers from the external markets. However, concluding that women may add or deter the position of a firm due to specific characteristics is however very hard, as a number of variables impact the standing of a company. By dividing leadership styles into a gender perplexity is very troublesome. The idea that women have a different leadership style just because of their gender is not of a consensus meaning, and many say that this partiality is precisely what contributes to the existence of certain
stereotypes (Solberg, 1997). Assuming that women are incompetent to lead and maximize profits of a firm may also point to a “blame the victim” exposition (Geis, 1993, p. 33). Thus, the example that women’s behavior causes a firm’s demise, rather than for example the structure in an organization or society, implies that it is the women that need to change (Muhonen, 1999). Interestingly, Chell and Baines (1998) theorize the possibility if even the term ‘performance’ is gendered. Most research uses financial success to measure performance, however, women may evaluate success in a more sociological and holistic manner. Hence, their perception of a greater achievement may be finding a balance between the firm and family, and intertwining these roles productively. This means that women will always perform poorly when financial measures are used as a standard.

2.7. The situational versus person centered perspective

Contemporary research, much in line with the person centered approach, does at many times try to explain female leadership as something different in nature, alluding to the idea that female leadership is absolute and somehow inherent in, to varying degrees, each female leader. More precisely, the terminus a quo is to look at the female leaders and find certain characteristics that distinguish them from male leaders. In order to establish whether female and male leadership are of the same type, an underlying assumption is made that either the female leader is similar to, or different from the male one. The judgment whether women are fit for leadership positions is thus always relative to the characterization of men. Eagly and Karau (2002) state that stereotypes about women’s leadership may precisely be what cause their underrepresentation at top positions; it is not the real personality of the leading women which is brought into attention. Besides, the differences found between men and women are as many as found between women themselves. The notion of culture, tradition and experience thus plays a very big role in shaping each and every woman’s persona (Solberg 1997). Setting all these attributes aside and searching for a universal woman with a typical leadership style may therefore be gainsaying. Instead, a more intersectional approach may prove necessary where multiple ground of identity are considered, and likewise, analysis of the opportunities and limitations that women face are imperative.

Wahl (1996), advocating for a situational approach, chooses to observe women’s position in organizations and thereafter conclude which differing characteristics women develop as a
consequence. It is according to her important to make visible those conditions that cause women to be underrepresented, rather than searching for absolute traits that unify and define their subjugation. In line with this, Masui’s (2004) study of 15 female leaders shows that the negative and pitiful picture of women with weak characteristics is not a true apprehension of corporate reality. Instead, these female leaders state how their male colleagues have been a major support and mentor in developing their competence and career ambition. Their explanation to the absence of women on top positions rather relates to issues of pregnancy and maternity leave, hence pointing to the situational problems rather than gender related characteristics.

Yet, turning away from the position that socialization processes differ for men and women, and that women may hold certain characteristics in common, may prove regretful. Lips (1994) states how women are, from an early age, culturally prepared to face powerlessness. Women are taught how they are unable to influence the course of society and fellow beings, and that they are incompetent to solve complex tasks. Indeed, this conviction is not explicitly portrayed, but occurs through the behavior and credos of, amongst others parents, friends, and teachers and so on. Young girls thus receive subtle signals in regards to their incapability, which may later result in characteristics such as insecurity or less willingness to take risks when they entering adult life. Later on, women may only be expected to be good at certain things, such as people skills, which keeps them off limits from more complex assignments. Nevertheless, it should also be kept in mind that even though our surrounding environment and people affect our behavior, they do so to a varying degree for each individual. In this, it becomes obvious that there are factors in a person’s personality, such as confidence and locus of control, which modify how much a person is affected by the surrounding atmosphere. Gender is not solely constructed between the four walls of an organization or at home, but is also formed by other influences. Employees do already have a presupposed idea about how they ought to act depending on their gender even before they start working. In the situational scenario, the scope for individual characteristics and responsibilities are eliminated, causing for example women to be seen as inactive players with no ability to affect outcomes (Muhonen, 1999).

The question about which discourse serves as a superior theoretical framework is imperative to decide, and many researchers have been seen to choose either one or the other. A connection of the two perspectives is highlighted by Muhonen (1999) who combines these perspectives to gain
greater knowledge about women and their careers. Assuming mutual exclusivity is therefore not necessary as both perspectives illuminate interesting conceptions about women in firms. A position is thus taken that the individual is indeed affected by the organizational and societal structures in which she acts within, but she also holds the ability to change these given her personality and individual goals. Indeed, the extent to which females and males are affected by the particular perspectives may vary. For example, the situational boundaries may prove more problematic than person centered dilemmas for women when compared to men. In 1982, Sonnenfeld and Kotter stated how a person’s career is essentially the result of the interaction between organizational, domestic and personality traits in a certain society, and not a result of any single main factor. In light of this, the discussion about women’s underrepresentation will revolve around both perspectives in this paper, and they will be used as a tool to problematize the defiance of women. Yet, more focus will be placed on the situational perspective as it is difficult to draw any conclusions on the personality and individual behavior of women in family businesses as no quantitative methods have been employed to explore this proposition.

3. **Women in Family Firms – a special case?**

There is barely any research that focuses on the issue of females in family firms and their relation to the firm’s extrinsic performance. As this type of businesses are heavily affected by the relations and events occurring in the family, it is quite surprising that not much research has been made to deter the possible causality between gender and family business success. However, a great deal of literature does shed light upon how women are treated and perceived in family firms, thus offering us a guiding hand in disambiguating the performance effects that females possibly have. Essentially, there are two different lines of advocacies; those that see women in family businesses as invisible and those that note the active and leading role of family business women. Firstly however, an introduction to what a family firm is well in place. Following thereafter is an overview of both perspectives.

3.1. **Defining family firms**

The definition of family firms is very wide, and numerous versions of it have been adapted in studies. Yet, many researcher choose to see family firms as an organization both controlled and managed by several family members from different generations, including authors such as
Anderson and Reeb (2003) and Shankar and Astrachan (1996). In this, any firm that is managed by the founder or his/her family is considered to be a family firm (McConaughy, 1998) or the founding family or individual needs to own a substantial share in the firm (Porta, Lopez de Silanes and Shleifer, 1999). Bjurgren and Palmberg (2010) however choose to define family firms in terms of voting rights and declare an organization to be a family firm if an individual owns, directly or indirectly, at least 20 percent of the total voting rights. In this, the family needs to be the largest owners. Other differences that are used to define family firms from nonfamily firms can be seen in the table below by Stewart and Hitt (2012, p. 60).

Table 5: Differences between family and nonfamily firms

<table>
<thead>
<tr>
<th>Variable</th>
<th>Nonfamily firms</th>
<th>Family firms</th>
</tr>
</thead>
</table>
In this paper, the definition of family firms is simply based on the information provided by the firms investigated. Hence, the approached firms had to answer whether they considered themselves to be a family firm at the time when the study was conducted (2008).

3.2. The invisible woman

The framework in which family businesses operate within is by some seen as highly traditional. For example, the underlying principle that a son should take over the father’s business has more or less always prevailed (Tucker, 2011). Along this, values such as safety and stability are well rehearsed, leaving little room to unexpected events and flexibility. The term “role” is often impregnated through studies to portray the partiality that women face concerning their responsibility in the family and business (Cole, 1997). Frequently, women are said to endure a conflict between the two, which produces a role confusion. According to Cole (1997) women face a “choice (…) between accepting a more traditional role and attempting a self promotional attitude to bring vitality and respect to her business role” (p.355). The two responsibilities are thus polarized, and do in a sense have a negative relation to each other; when the business success of the women increases, she is at the same time sacrificing her position in the family. The research made in the field of family businesses has shown that women do indeed take a vital, but still hidden, place in the business. Hence, even though they play a key function in the creation of the family wealth, they are often marginalized from attaining positions as managers or board members, not to mention as owners (Ahl 2002). There are several cases in which the invisible woman is emphasized. This implies that studying the performance effects of involving female family members becomes difficult, as their efforts are not recognized. Danes and Olsson (2003) do expose how only 47 percent of the wives in their family firm sample received a salary for their work. Similarly, the issue of inheritance is well connected to the invisibility of women in family firms, as they often encounter the primogeniture hurdle; the assigning of leadership to the eldest son in the family (Cole, 1997). Women are thus often delegated to perform the paper work of the firm (source). The daughters are often neglected in the process of inheriting a family firm, and are traditionally positioned at an inferior post compared to their brothers or other male family members.
Danes and Olsson (2003) measure the overall success of the firms through considering several family firm couples and their response to disruptions. They discover tensions to be higher when the wife works within the firm. Unfair workloads, lack of role clarity and failure to resolve conflicts are examples of tensions which top the list, along with quarrels over authority and tension over unfair compensation. By investigating 391 family firm couples, they map the perception of the husbands and wives. They find that when the wife is the major decision maker of the firm, more friction occurs concerning role clarity and decision authority. Also, a higher level of tensions seems to be the major cause of lower business and family success.

3.3. The family business as a reservoir

Some propose that women active in family firms face better opportunities and find the family business a “reservoir of great careers” (Cole, 1997, p. 354). Daughters have often been seen as taking up positions in emerging and strategically important areas, whereas sons do often work with well acknowledged tasks that focus on maintain the core of the business (Bjursell and Bäckvall, 2011). Contemporary research shows that women in family businesses are much more likely to enter and attain higher leadership positions in the family business than other women succeed with in nonfamily firms (Bjursell and Bäckvall, 2011). One explanation to this is the fact that family businesses precisely try to unite the two cornerstones in its foundation: the family and the business. Given a narrowing the family business woman’s professional and private role, she may find it much easier to become acquainted with the business and its operations, and thus take on a leadership role. When females enter companies outside their family domain, they may face the famous glass ceiling; thus restricting their advancement to the top.

Salganicoff (1990) does in her report file superior conditions for women in family firms in terms of superior positions, better incomes, and more flexibility in working hours. As several women may need prolonged absence because of childbirth, family firms do also allow more space for personal matters. In other firms, this may be viewed as an obstacle as the decisions are taken based on profitability. This implies how there ought to be more women in family firms than nonfamily firms, as their career path is set to be leaner. Indeed, a growing amount of research has today started to stumble over evidence that women in family businesses actually benefit from joining their two roles as mother/wife and business woman to ensure success of the family firm.
As seen, both female ownership and female CEOs are increasing in numbers in family firms (Fahed-Sreih and Djoundourian, 2006). Fitzgerald and Folker (2005) investigate family firms led by women and distinguish between two different approaches that the women might employ. One of the ways signifies a more business oriented approach, while the other method compromises a more family oriented attitude. They formulate a conceptual model in which the family approach is hypothesized to cause better family functionality, and the business approach to result in higher profits for the firm. Their statistical outcome supports the primary hypothesis, but does not confirm any relation between a business approach and better performance. The attributes that females in family firms expose have also been discussed. According to Salganicoff (1990) these women possess a much higher level of sensitivity and care towards the requests of others, are more loyal to the firm and prioritize the well being of family members. These characteristics form the women of family firms to become skillful peacemakers, who above all care for the alliance of the family members. Thus, a firm with proficient problem solving methods does supposedly also perform better in financial terms.

4. Methodology

Characterizing the relationship between theory and research can be done in many different ways, allowing a specific method to become the ruling technique in a study. As Olsen defines it, “a methodology is a principled and well-argued position about how techniques of research are going to fit a given research topic” (Olsen, 2007). It is important to understand that a method is not a neutral tool, but rather a way to see the connection between different perspectives of social reality (Bryman and Bell, 2003). The method used thus compromises as set of techniques in which the underlying assumptions about the world (the ontology) and the assumptions about how to create truthful statements about the world (the epistemology) are central. In this chapter, these concerns are addressed. Firstly however, possible research approaches are discussed as to establish which reasoning process suits and dominates this thesis. Thereafter, different epistemological and ontological orientations are discovered.
4.1. Research approach

4.1.1. Deductive reasoning processes

The most common way of conducting quantitative research adheres to the principles of deductive theory. In this, the researcher forms hypotheses on the basis of what is known about a specific theory or domain, and then tests the posed problem through an empirical investigation. Consequently, existing grand theories are used to guide the choice of a research framework and hypotheses formulations. Colored by these is then the data collection. In the last step of the business research, the findings of the study are placed back to the pool of enquiry, which are then used to clarify and strengthen the inducement of a theoretical idea. The process of deduction can be viewed in Figure 1. Essentially, the last step of the deductive approach adheres to the idea of induction as the researcher uses his or her findings to revise current theorizations (Bryman and Bell, 2003).

Figure 1: Deductive reasoning

Theory → Hypothesis → Data Collection → Findings → Hypotheses confirmed/rejected → Revision of theory

4.1.2. Inductive reasoning process

Another way of conducting research is to thoroughly follow the sequence of inductive theory. In this process, the researcher does not look for theories that are to be tested, but rather finds theory as an outcome of research. Hence, the process of induction means that the researcher draws generalizable inferences out of the testing made (Bryman and Bell, 2003).

4.1.3. Retroductive reasoning processes

During later times, the deductive and inductive reasoning processes have been seen as insufficient to guide research strategies. In relation to rise of various epistemological branches, the pool of reasoning processes has also widened. In this, the notion of retroductive reasoning has gained momentum as a process anchored in critical realism. Retroduction is a type of inference in which social phenomena are explained by identifying mechanisms which are capable of producing them. In this, the motives and opportunities are studied to postulate the
occurrence of social phenomena (University of Arkansas). To exemplify and contrast this process to deductive and inductive reasoning, Olsen (2007) states how:

- **Deduction**: is the reasoning from generality to data via hypothesis testing;
- **Induction**: is the reasoning from data to generality;
- **Retroduction**: is the reasoning about why things happen including why the data appear the way they do.

Often, retroductive research strategies are used to uncover the real structures and mechanisms which are producing the empirical outcomes in a study. Ray Pawson illustrates generative causation, or retroductive reasoning, in the following way (Pawson, 2008):

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**Figure 2: Retroductive reasoning**

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In this, the different components can be viewed as following:

- **Outcome/Pattern**: The retroductive reasoning has as a goal to explain what causes a specific outcome. Hence, the outcome is not due to for example different elements being effective at the same time and asserting influence of phenomena, such as X1 and X2 correlate to Y in a regression, but rather because of the *associations as a whole of all the mechanisms*.
- **Mechanisms**: The mechanisms, or generative mechanism, explain why patterns of outcome turn out the way they do.
Context: Outcome patterns are, in critical realism, always dependent on context. Hence, as Pawson states, “context act as the odd maker in generative explanation” (Pawson, 2008, p 16).

In this, the first step is establishing a hypothesis, but not from a blank slate, but rather based on previous research made in the area. Thereafter, possible reasons and motives for the empirical results are discussed. According to Ward and Gimbel (2010), the hypothesis formulation in retroductive reasoning follows as:

- Surprising phenomenon P is observed.
- If hypothesis H were true, H would explain why P would be expected.
- Therefore, there is reason to suspect H may be true.

An example of retroductive reasoning would be the work of police men. They find the profile of a possible suspect by looking at motives, means and objectives. The assumptions that we make about what knowledge is and how it is constructed are however imperative to denote as well before settling on a final methodological approach. The presumptions made about knowledge consequently shape the research process, and do also facilitate the choice of a particular method. At the same time, it also allows the reader to judge the credibility of the findings and conclusions in the paper. In the following section, a closer look will be taken at the epistemological orientation found in common business research.

4.2. Research philosophy

4.2.1. Epistemological concerns

What is, and ought to be, accepted as knowledge is what lies as the core of epistemology. When defining what essentially is knowledge, the selection procedure is important to delineate. One question at hand is often whether our social surroundings should be studied in the same way as in the natural sciences; hence following the same processes, principles and ethos as those that study natural sciences do. The branch of theorists that do believe that our social world should be investigated in this manner concur under the two positions of positivism and critical realism. As will be noted, these theories do however differ greatly from each other. Those that oppose the application of a scientific modulation belong to the position of Interpretivism (Bell and Bryman, 2003).
4.2.1.1. **Positivism**

Positivists are those that adhere to the idea that the methods applied in natural sciences can well be used in the discourse of social studies as well. According to Bryman and Bell (2003, p. 14), knowledge understood in terms of positivism is said to include the following principles:

- “The principle of Phenomenalism: only knowledge perceived by our senses is truly to be apprehended as knowledge.”
- “The principle of Deductivism: The purpose of theories is to formulate hypotheses that can be tested, which then allows for an assessment of the rule stated in the theory.”
- “The principle of Inductivism: Knowledge is gained through the assembling of facts that provide the basis to form a law or rule.”
- “Any knowledge that is gathered, and the way science is conducted, must be unbiased and value free, hence of an objective essentiality.”
- “The true domain of a scientist or researcher should be to make scientific claims rather than base any indictment on normative statements.”

4.2.2. **Critical Realism**

Realism is another philosophical position that provides an account for the study of scientific knowledge. There are essentially two major forms of realism, empirical and critical realism, of which the latter will be approached more in depth. Similar to positivists, critical realists state how researchers ought to apply the methods of natural science when investigating social phenomena, and do likewise see the approached reality is peripheral to us. However, even though critical realists believe that an entity can exist and be external to us, they also assert that the social world is always mediated and thus subjective in nature. They do not search to prove the existence of entities and processes which are constitutive of the phenomena of interest in the first place. In this way, the critical realists rely on the novelty of a “generative mechanism”, meaning they rely on mechanisms which explain why outcome patterns turn out as they do. Hence, critical realists are content with viewing the effects of a specific phenomenon, rather than the phenomena per se. In addition, the existence of material entities are said to be real if they have an effect on our behavior. Hence, even though the supporters of critical realism assume that the reality being studied is external to the social actor, they do not, like the positivist, believe that the studied reality is a direct mirror image of reality. Instead, critical realists argue that the
conceptualization made is just one way of knowing reality; thus accepting the studied reality is a provisional mirroring (Bryman and Bell, 2003).

Also, critical realism’s opposition to positivist approaches is manifested in how the acquisition of social knowledge is made. As seen, critical realists further how human experience can only be understood by investigating cultural norms, values, symbols and social processes, whereas positivists search for explanations which are factual and amenable to observation. For researchers adopting the critical realist’s epistemological position, the task becomes to construct hypothesis about these mechanisms and see what their effects are. Much of the contemporary formulation of critical realism can be attributed to the ideas of Roy Bhaskar (2003). Accordingly, he outs to understand reality by asking what properties do societies and people have that might make them eligible objects for knowledge. The core idea of critical realism states how “we will only be able to understand – and so change – the social world if we identify the structures at work that generate those events and discourses” (Bhaskar, 1989, p. 2).

4.2.3. Interpretivism

In opposition to the critical realism and positivism, we find the interpretivistic view. Interpretivism is a philosophy that does not accept that knowledge in the social world is to be gathered and constructed in the same way as in natural sciences. Instead, the followers of interpretivism argue that the subject matter that is studied in the social sciences, people and institutions, are fundamentally different from that of the natural sciences. In their meaning, studying the social world requires a different logic and research approach; an approach that accounts for the distinctiveness of human beings and which “requires the social scientist to grasp the subjective meaning of social action” (Bryman and Bell, 2003, p. 16). Essentially, the researchers that follow the ideas of interpretivism believe that it is the job of the social scientist to understand people’s common sense thinking, and thereafter interpret their actions to deduce the social world from their point of view. Hence, when investigating the social world, a positivist approach to epistemology is mainly done when the emphasis is placed on explaining human behavior. In contrast, the heritage of interpretivism is more concerned with understanding human behavior, and has a more empathic understanding to human action.
4.2.4. **Ontological Assumptions**

Besides deciding on the epistemological concerns of a study, establishing a view on social entities is another important methodological concern. This brings us to the orientation of ontology, in which the nature of social entities is discovered. The main question at hand is how social entities can and should be perceived; are they “objective entities that have a reality external to social actors”, or ought they to be seen as social constructions that are created and “built up from the perceptions and actions of social actors?” (Bryman and Bell, 2003, p. 19). There are basically two different “grand” ontological positions that can be taken, objectivism and constructionism, which are elaborated on further in the following sections.

4.2.4.1. **Objectivism**

Objectivism is an ontological position that exerts how social entities and their meaning have an existence autonomous from social actors. Implicitly, this means that a social phenomena, such as organizations, have a reality that is external to those actors that enlive it, such as employees. An organization is thus able to pressurize individuals to follow its rules and regulations, and those who do not conform to it are admonished. Essentially, what can be noticed is how the organization has its own way of operating, as if it has a tangible reality of its own. In this, no single individual is able to change the flow of operations and the each actor internalizes the beliefs and values that characterize the organization. The organization thus shares the nature of an objective, confirming to an objective reality. However, in opposition to this ontological stand are those that see social entities as the result of interactions and processes (Bryman, 2012).

4.2.5. **Constructionism**

Constructionism opposes the view that the actors in social phenomena, as employees in an organization, have no role in creating the reality in which they exist. Instead, this philosophy emphasizes how the meaning and existence of organizations are continuously being shaped by its very actors. The existence of entities is thus created through social interaction, and is constantly revived. Hence, instead of viewing an organization as an autonomous and independent source that acts upon and restraints people, constructionism “invites the researcher to consider the ways in which social reality is an ongoing accomplishment of social actors rather than something
external to them and that totally constraints them” (Bryman, 2012, p. 34). Essentially, the existence of organizations thus occurs through interaction, and is not confined to inertial rules as explained in objectivism.

4.3. Discussing and motivating the research approach and philosophy

How we think of the world (ontology), what we believe can be known about it (epistemology), and how we think it can be researched (methodology and research techniques) are central terminologies that need to be addressed in any study. As the main aim of this paper is to use feminist theory, and belonging perspectives, to infer why women are underrepresented and whether their presence affects performance, the chosen epistemological position is that of critical realism. Even though this is a quantitative study, the commonly used framework of positivism is disregarded. The reason is that the theories used in this paper essentially study norms, cultures and behavior. Hence, the construction of gender and prevailing power structures are realities which are difficult to measure. The way in which the social reality is studied in this paper adheres to the principles of natural science as statistical data will lay the ground for explaining the functioning of organizations. The paper’s conceptual framework thus coheres to the critical realist idea that social phenomena are “produced by mechanisms that are real, but that are not directly accessible to observation and are discernible only through their effects” (Bryman, 2012, p. 618).

Critical realists view the social phenomena as something external to the social actors, and do believe that a natural science approach is necessary, which is essentially the method employed in this study. This therefore excludes the use of interpretivism as a main course of guidance as well. Hence, critical realism will enable us to see which mechanisms are at work in organizations as to cause a skewness in gender distribution, and why the outcome is underrepresentation of women. In relation to the critical realism position, the use of retrospective reasoning is also well in place. The retroductive process serves as a better conductor at elucidating the connection between current theory and the topic of investigation, and also allows underlying structures to be brought forward. The central idea in the critical realism is to understand patterns and structures of social phenomenon. When seeking to understand and uncover these mechanisms which cause the subjugation and minority stand of women, the use of retroductive reasoning is thus more suitable.
As before mentioned, quantitative studies often adhere to the epistemological assumptions of positivism and use deduction as a main reasoning process (Bryman, 2012). Related to this is also the use of objectivism as a main course of ontological orientation. The tendency to use the rigid indications of positivism and objectivism in quantitative studies is however by no means equivalent to excellence any longer. In light of critical realism then, neither the sphere of objectivism nor constructionism seem amenable. Instead, critical realists believe that the “social world is reproduced and transformed in daily life” (Bhaskar, 1989, p.4). As seen, critical realists oppose the notion of objectivism as they assert how the access to the social world is always mediated and solely an apprehension of reality. Also, the terminology of constructionism comes off as inadequately nuanced (Fleetwood, 2005). In critical realism, social structures are not judged to be reducible to individual actors, as in constructionism, nor is it believed to be externally given. Hence, social structures are believed to have a reality of their own, while they are constantly being produced and reproduced by human actions.

4.4. Research objectives

After have decided on the research philosophy and approach of this thesis, its objectives are equally important to emphasize. Saunders, Lewis and Thornhill (2009) state how research objectives can broadly be divided into three different groups. These include:

- Exploratory research
- Descriptive research
- Explanatory

When the research done on a specific topic is modest, the typology adheres to an exploratory agenda. In this, the researcher adapts the role of a discoverer and has a more adaptable attitude towards possible changes. The principal objective of descriptive studies is on the contrary to portray events and situations as accurately as possible. This can in a sense be an extension of the exploratory research. It is important the researcher has prior knowledge about the topic of interest, and that he/she has a clear picture of the phenomena at hand about which data is to be collected on. The aim of descriptive research is to infer data and find characteristics of what is being studied. The rationale is to identify frequencies, averages and other statistical calculations. Lastly, explanatory studies are those searching for causalities between different variables. Here,
the focus is placed on studying situations or problems to explicate the relationship between various variables.

In this study, the aim is primarily to see whether women are underrepresented differently in family versus nonfamily firms, and to see whether their, although small, presence affects the financial stability of both family and nonfamily firms. In light of this, the chosen research objectives are of descriptive type a statistical regression and averages are used to elucidate women’s circumstances. However, to the knowledge of the author, a thorough comparison of females as leaders in family and nonfamily firms, based on Swedish statistical data, has never been made before. Therefore, the thesis carries traits of an exploratory study as well. Essentially, the topic of female leadership is put into new light were the subject of interest is females in private family owned firms. Additionally, the leadership is studied in different dimensions where females as owners, board members and/or CEOs. The fact that this data is unique adds to the exploratory characteristics of the thesis (Saunders, Lewis and Thornhill, 2009).

4.5. Research design

As Srivastava and Rego (2011) establish, the research design can be seen as a compressive plan to denote the sequence of operations that a researcher expects to carry out. The idea is that a research design will establish the methodology for:

- Collection of data
- Measurement of data
- Analysis of data
There are broadly five different types of research designs that dominate the field of business research. These can be seen in Table 7 (Bryman and Bell, 2003).

**Table 6: Various research designs**

<table>
<thead>
<tr>
<th>Type of research design</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experimental research design</td>
<td>Is more a classical form of research that has the purpose to study casual links between different variables. Is perceived as a <em>true experiment</em> with high internal validity in the sense that it engenders robustness and confidence.</td>
</tr>
<tr>
<td>Cross-Sectional or Survey design</td>
<td>Is when a research entails the collection of data one more than a single case; is done at a single point in time; is of quantitative type; includes more than two variables of interest which are then studied to deter a pattern of association.</td>
</tr>
<tr>
<td>Longitudinal design</td>
<td>Is usually an extension of survey research based on questionnaires or personal interviews. Hence, includes several occasions in which the survey is replicated across time.</td>
</tr>
<tr>
<td>Case study Design</td>
<td>Is when the study revolves around a single case. In this, an extensive and detailed analysis is made in a given setting, as for example in an organization.</td>
</tr>
<tr>
<td>Comparative design</td>
<td>Is when two contrasting cases are researched but by using more or less the same method. In this, the notion of relativism is central as it is believed that we can only apprehend social phenomenon when they are contrasted and compared to others.</td>
</tr>
</tbody>
</table>

In light of the research designs depicted, this study purely adapts the cross sectional approach. As seen, the data collected is to include several entries in the form of various closed family and nonfamily firms. Also, the data will be collected on year 2008, when the survey was conducted.
by Centre for Family Enterprise and Ownership. In accordance to the criteria of cross sectional studies, the variables of interest are more than two and include female presentation on boards and as owners. Hence, to illuminate the position of females in leading positions, the cross sectional design method establishes the uniqueness of the study.

4.6. Source of data

The collected data can mainly be of two sorts, either primary or secondary, of which both carry a significant importance. The primary data is what the researcher gathers by observations. It ranges from surveys to conducting interviews, observing behavior, doing experiments and so on. In this, the researcher is active and directly involved in the collection of data. In the realm of primary data collection, observations can be made in two ways, either through participant observation or structured observations. The principal method is more related to qualitative methods and often used in social anthropology as the researcher shares the activities with the objects of interest (Saunders s 283). By contrast, structured observations include a more predetermined structure with a more detached stance. The main concern is quantifying behavior rather than experiencing them. In relation to this thesis, a structured approach, through the use of a survey, has been taken as to record the occurrence of female leaders in Swedish firms.

Secondary data can be quantified as data that has already been collected for some other purpose than that of the researcher’s study. It can both take the form of raw data or published material. Included in this category are thus written materials, previous surveys or simply financial information extracted as summaries Secondary data can thus be used to elucidate the problem at hand further (Saunders, 2009). In relation to this thesis, the secondary data used includes information gathered about the board structures of the organizations. Hence, information about ownership was gained through the primary data collection, whilst the mapping of females on boards and as CEOs and alternate members was made possible through the use of 121.nu. All the 796 companies were investigated one by one in this database as to plot the board structure. Additionally, background information about the occurrence of females in leading positions was found through by various reports issued by the Swedish authorities.
4.7. **Data collection**

Compared to other countries, such as Norway, there is no database on privately owned companies in Sweden. For this reason, the only method through which information can be gained is through conducting surveys or possibly visiting the firms. At the time when the study was conducted, in year 2008, there were almost 300 000 privately owned companies in Sweden. Given this high number of companies, the use survey was the most suitable. A similar approach was adapted by Klein in year 2000 when she studied the activities of family firms (Klein, 2000).

To begin with, a representative selection was made in which all the companies with more than five employees, between the years 2007-2008, not to be investigated. The reason for dropping firms with less than 5 employees was simply that most of the privately owned companies in Sweden do have more than five employees. Also, many of these so called micro firms are often inactive. The remaining companies were then divided into different size pools depending on the number of employees (5-9, 10-19, 20-49, 50-99, 100-199, 200-499, 500-999 and at least 1000 employees). Following this, an entry was made into the database Amadeus (Amadeus - Bureau van Dijk) in which information about all Swedish privately owned companies, with more than five employees, was extracted. In 2008, Amadeus had a total of 280 122 firms that matched this criteria. The amount of companies with 5-9 employees amounted to 31 109 companies. Thereafter, the number of companies observed gradually decreased with only 432 companies in the pool of 500-999 employees, and there were only 474 firms with at least 1000 employees.

4.7.1. **Sample selection**

All the companies, across the eight size classes, were then numbered from one and upwards. Following this, a random sample, based on the respective size pools, was made. This resulted in 2522 companies being selected to include in the random sample. A survey (see Appendix) was then sent to each one of the 2522 randomly chosen firms. In accordance to Swedish law, the financial books of all firms are open to the public. Questions about the name and ownership share of the five biggest owners were thus asked about. Also, a question was also posed to the board members and owners of the firm about whether they perceived the firm to be a family firm. In the first send out, a total of 552 companies out of the 2522 approached replied, which
was far less than expected. Therefore, a second send out was made in which an additional 489 companies replied. In total, the answering frequency thus landed at 1041 replies, which is 41.28 percent of the random sample. By receiving the owners’ names, a mapping of the occurrence of female ownership and their ownership share was made possible. Also, secondary information about the board members of each firm was found through the site 121.nu. Given that that the information asked for is supposedly open for public use, the answering frequency can be considered as low. However, surveys do generally not generate a high answering frequency (ref??). For that reason, the number of respondents can be seen as unusually high. The following table discloses the frequency of answers across all eight size pools, along with the number of firms in each division.

### Table 7: Answering frequency

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Number of companies in the random sample</th>
<th>Number of replies</th>
<th>Percentage of replies based on the random sample</th>
<th>Number of Family firms</th>
<th>Number of non family firms</th>
</tr>
</thead>
<tbody>
<tr>
<td>5-9</td>
<td>622</td>
<td>183</td>
<td>29</td>
<td>105</td>
<td>73</td>
</tr>
<tr>
<td>10-19</td>
<td>359</td>
<td>122</td>
<td>34</td>
<td>73</td>
<td>47</td>
</tr>
<tr>
<td>20-49</td>
<td>242</td>
<td>114</td>
<td>47</td>
<td>53</td>
<td>57</td>
</tr>
<tr>
<td>50-99</td>
<td>391</td>
<td>161</td>
<td>41</td>
<td>68</td>
<td>90</td>
</tr>
<tr>
<td>100-199</td>
<td>205</td>
<td>107</td>
<td>52</td>
<td>36</td>
<td>71</td>
</tr>
<tr>
<td>200-499</td>
<td>250</td>
<td>139</td>
<td>56</td>
<td>46</td>
<td>89</td>
</tr>
<tr>
<td>500-999</td>
<td>216</td>
<td>89</td>
<td>41</td>
<td>17</td>
<td>70</td>
</tr>
<tr>
<td>&gt;1000</td>
<td>237</td>
<td>126</td>
<td>53</td>
<td>21</td>
<td>102</td>
</tr>
<tr>
<td>Total</td>
<td>2522</td>
<td>1041*</td>
<td>41</td>
<td>419</td>
<td>599</td>
</tr>
</tbody>
</table>

*4 firms did not declare their status as family or nonfamily firms

What can be seen in the table above is how the answering frequency increases along the size groups. Hence, the larger firms were more prone to answer than those with fewer employees. Interestingly, a comparison can be made to the study conducted by Klein (2000) in which she uses a similar technique to investigate German companies. In her study, a random sample and surveys are also used to investigate the operation of German family firms. Initially she starts off with 274 139 German companies with a higher turnover than two million Deutsche Mark (as of
year 1995). In the random sample conducted, she ends up with 1016 firms to which surveys are sent to. From these, she receives 586 replies (58, 09 percent based on the random sample). Eventually, the total selection of firms ended with 796 entities being included, for which all the necessary information regarding for example female ownership, board participation, solvency and family firm manifestation are available. This means that 246 companies were dropped for which we the needed facts were not available. The final sample after excluding firms with limited information can be seen below in Table 9:

**Table 8: Final sample**

<table>
<thead>
<tr>
<th>Number of employees</th>
<th>Number of firms in the group</th>
<th>Percentage representation in the whole sample</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 – 9</td>
<td>147</td>
<td>18%</td>
</tr>
<tr>
<td>10 – 19</td>
<td>101</td>
<td>13%</td>
</tr>
<tr>
<td>20-49</td>
<td>85</td>
<td>11%</td>
</tr>
<tr>
<td>50-99</td>
<td>126</td>
<td>16%</td>
</tr>
<tr>
<td>100-199</td>
<td>86</td>
<td>11%</td>
</tr>
<tr>
<td>200-499</td>
<td>109</td>
<td>14%</td>
</tr>
<tr>
<td>500-999</td>
<td>59</td>
<td>7%</td>
</tr>
<tr>
<td>&gt;1000</td>
<td>83</td>
<td>10%</td>
</tr>
<tr>
<td>Total</td>
<td>796</td>
<td>100%</td>
</tr>
</tbody>
</table>

Noted in the above table is how most of the firms belong to the small and medium sized category and have less than 250 employees; a defining limit set by the European Union to denote these types of firms. Only a small proportion of the sample includes bigger firms with over 500 employees (EU:s definition av SMF / SME).

**4.8. Choice of variables**

**4.8.1. Definition of all quantitative variables**

In light of the aim of this paper, the variables selected to denote leadership mainly concern women’s presence as owners, and occurrence among the board of directors. In the regression analysis denoting the effects of women’s presence, the occurrence of females CEOs is also noted along with various other dummies that differentiate family and non family businesses. In the following table, a description of each included variable is given.
Table 9: Description of all included variables along with sources.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Definition</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Herfindahlsindex</strong></td>
<td>Measure of ownership concentration</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Numberofowners</strong></td>
<td>Number of owners in the firm (maximum 5)</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Percentage_female_owners</strong></td>
<td>Number of women in the firm / Number of owners in the firm</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Ownership_share_females</strong></td>
<td>The total ownership share held by females</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Female_share1</strong></td>
<td>Largest owner’s share if female</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Female_share2</strong></td>
<td>Second largest owner’s share if female</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Female_share3</strong></td>
<td>Third largest owner’s share if female</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Female_share4</strong></td>
<td>Fourth largest owner’s share if female</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Female_share5</strong></td>
<td>Fifth largest owner’s share if female</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Boardsize</strong></td>
<td>Number of board members in total</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Percentage_female_board_member</strong></td>
<td>Number of women on the board / Number of board members in total</td>
<td>From Survey</td>
</tr>
<tr>
<td><strong>Solvency</strong></td>
<td>(Shareholders funds / Total assets) * 100</td>
<td>From AMADEUS (2008)</td>
</tr>
<tr>
<td><strong>Sales</strong></td>
<td>Net Sales</td>
<td>From AMADEUS (2008)</td>
</tr>
<tr>
<td><strong>ln_Current_liabilities</strong></td>
<td>Logged value of current liabilities + other current liabilities</td>
<td>From AMADEUS (2008)</td>
</tr>
<tr>
<td><strong>Age</strong></td>
<td>Age = 2008- Year of incorporation +1</td>
<td>From AMADEUS (2008)</td>
</tr>
<tr>
<td><strong>Nace</strong></td>
<td>Statistical classification of economic activities in the European Community; used to control industry differentials</td>
<td>From AMADEUS (2008)</td>
</tr>
<tr>
<td><strong>Dummy_family</strong></td>
<td>equals 1 if family firm and 0 otherwise</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dummy_family_ownership_share_females</strong></td>
<td>Interaction between Dummy_family and Ownership_share_females</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dummy_percentage_female_board_member</strong></td>
<td>Interaction between Dummy_family and percentage_female_board_member</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dummy_CEO</strong></td>
<td>Equals 1 if female CEO and 0 otherwise</td>
<td>-</td>
</tr>
<tr>
<td><strong>Dummy_family_CEO</strong></td>
<td>Interaction between Dummy_family and Dummy_CEO</td>
<td>-</td>
</tr>
</tbody>
</table>
4.9. Model

In order to answer the two primary hypothesis of this thesis, independent sample testing is conducted to compare whether the average number of female owners, the female ownership share and percentage of female board members is same across family and nonfamily firms. In this, if the coefficients are found significant, no difference is to be seen between the samples. On the contrary, insignificant results mean that there is a difference between the average values in the samples. Thereafter, the remaining two hypotheses are answered through a multiple regression analysis. Here, the model of choice is an adaption of Smith, Smith and Verner’s (2006) presented figuration in “Do women in top management affect firm performance? A panel study of 2500 Danish firms”. However, the model in this paper is not tested with time series data as only one year is investigated. The model used in this paper is thus:

\[ P_i = \beta_1 X_i + \beta_2 Ownership\_share\_females_i + \beta_3 Dummy\_family\_ownership\_share\_females_i + \beta_4 Percentage\_female\_board\_member_i + \beta_5 Dummy\_percentage\_female\_board\_member_i + \beta_6 Dummy\_family_i \]

\[ + \beta_7 Dummy\_CEO_i + \beta_8 Dummy\_family\_CEO_i + \beta_9 Sales_i + \beta_10 In\_Current\_liabilities_i \]

\[ + \beta_11 Age_i + \beta_12 Nace_i + \varepsilon_i \]

Here, \(i\) indicates the firm and \(P\) is a performance calculation. The performance measure chosen is the solvency ratio. Additionally, sales, current liabilities and age are used as size proxies, whilst nace as controlling variable for industry differentials. The main variables that are to be tested include the proportion of female board members, owners and CEOs which are the first variables in the model above. Outliers will be removed by cutting 5 % on each ends of the distribution. In order to establish the statistical usefulness of the dataset, the Ramsey RESET test is to be conducted and robust standard errors to be used to erode heteroscedasticity.

4.9.1. Expected outcomes

Firstly, more women are expected to be seen in family firms than in nonfamily ones, both as owners and board members, since they supposedly face better opportunities. Along this, their ownership share is also expected to be higher. Secondly, when running the regression analysis,
the overall performance effects are likewise expected to be significant but negative for women’s presence as many studies show how women’s presence changes financial measures. In this however, women in family businesses are expected to affect solvency positively as they do not face limited access to the firm in the same sense as women in nonfamily businesses. The following table denotes how all included variables are expected to be:

**Table 10: Expected outcomes of the regression model**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Expected outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership_share_females</td>
<td>Negative</td>
</tr>
<tr>
<td>Dummy_family_ownership_share_females</td>
<td>Positive</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>Negative</td>
</tr>
<tr>
<td>Dummy_female_board_member</td>
<td>Positive</td>
</tr>
<tr>
<td>Dummy_family</td>
<td>Positive</td>
</tr>
<tr>
<td>Dummy_CEO</td>
<td>Negative</td>
</tr>
<tr>
<td>Dummy_family_CEO</td>
<td>Positive</td>
</tr>
<tr>
<td>Sales</td>
<td>Positive</td>
</tr>
<tr>
<td>ln_Current_libailites</td>
<td>Negative</td>
</tr>
<tr>
<td>Age</td>
<td>Positive</td>
</tr>
<tr>
<td>Nace</td>
<td>Unknown</td>
</tr>
</tbody>
</table>

As could be noted, family firms are expected to have a higher solvency as many studies record superior performance by family businesses (Maury, 2006). As for the other variables, financial success is expected to affect solvency positively; increased liabilities decrease solvency and; older firms are expected to have a sounder solvency ratio.

5. **Empirical Findings**
For the following section, the descriptive statistics, correlation matrices and finally regression results are presented. In the case of descriptive statistics, the results from the whole sample are displayed, as well as the nonfamily firms and family firms isolated. This facilitates a comparison between the different firm types and offers the reader a wider understanding of the possible dissimilarity between the two. However, as the regression is run on the whole sample and dummy variables are used to account for the differences between the nonfamily and family firms, the descriptive statistics and correlation matrix for the whole sample is solely included. Here, some variables that are included in the descriptive statistics are later dropped in the correlation matrix and the regression analysis. This further deliberated on under the section named correlation matrices.

5.1. Descriptive statistics

Descriptive statistics for the whole sample, nonfamily and family firms respectively are presented in Tables 12, 13 and 14 below. Note that dummy variables have not been included due to their dichotomous nature; only continuous variable are displayed in the tables below. There are in total 796 firms from which 435 are nonfamily firms, and 360 are family firms. All in all, there were 316 private firms (39,7 percent) that had at least one woman on their board of directors. Breaking down this statistics, it can be seen how there are 184 (42,2 percent) nonfamily firms that have at least one woman on their boards, and for family firms the corresponding figure is 132 firms (36,7 percent). As for women as owners, there were 31 number (7,1 percent) of firms that have at least one female owner among nonfamily firms, and 92 number (25,5 percent) of family firms that have at least one female owner. Some of the other noteworthy differences between the samples were as following.

To begin with, the descriptive statistics for the whole sample shows that the ownership concentration, measured by the Herfindahl index, is quite high; averaging at almost 77 percent. Seen seperatley, nonfamily firms have an ownership concentration of almost 79 percent, indicating that the largest owners in the firm own quite a substantial stake in the firm, whilst family firms exhibit a Herfindahl index average at approximately 75 percent.
Table 11: Descriptive statistics for the whole sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herfindahlsindex</td>
<td>796</td>
<td>0</td>
<td>1</td>
<td>0.7713</td>
<td>0.30065</td>
</tr>
<tr>
<td>Numberofowners</td>
<td>796</td>
<td>1</td>
<td>5</td>
<td>1.8518</td>
<td>1.28391</td>
</tr>
<tr>
<td>Percentage_females</td>
<td>796</td>
<td>0</td>
<td>1</td>
<td>0.0891</td>
<td>0.226</td>
</tr>
<tr>
<td>Ownership_share_females</td>
<td>796</td>
<td>0</td>
<td>1</td>
<td>0.076</td>
<td>0.21195</td>
</tr>
<tr>
<td>Female_share1</td>
<td>50</td>
<td>0.17</td>
<td>1</td>
<td>0.5666</td>
<td>0.25186</td>
</tr>
<tr>
<td>Female_share2</td>
<td>70</td>
<td>0.01</td>
<td>0.5</td>
<td>0.3587</td>
<td>0.16496</td>
</tr>
<tr>
<td>Female_share3</td>
<td>26</td>
<td>0</td>
<td>0.32</td>
<td>0.1342</td>
<td>0.09483</td>
</tr>
<tr>
<td>Female_share4</td>
<td>13</td>
<td>0.01</td>
<td>0.33</td>
<td>0.1323</td>
<td>0.11534</td>
</tr>
<tr>
<td>Female_share5</td>
<td>11</td>
<td>0.03</td>
<td>0.17</td>
<td>0.0845</td>
<td>0.04251</td>
</tr>
<tr>
<td>Boardsize</td>
<td>784</td>
<td>0</td>
<td>16</td>
<td>3.8878</td>
<td>2.56116</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>796</td>
<td>0</td>
<td>1</td>
<td>0.1513</td>
<td>0.23962</td>
</tr>
<tr>
<td>Solvency</td>
<td>796</td>
<td>0.03</td>
<td>0.75</td>
<td>0.3492</td>
<td>0.18727</td>
</tr>
<tr>
<td>Sales</td>
<td>784</td>
<td>42.59</td>
<td>8185551.5</td>
<td>96172.092</td>
<td>419392</td>
</tr>
<tr>
<td>Current_liabilities</td>
<td>782</td>
<td>0</td>
<td>52579000</td>
<td>390654.8</td>
<td>2311280</td>
</tr>
<tr>
<td>Age</td>
<td>795</td>
<td>2</td>
<td>112</td>
<td>27.6868</td>
<td>23.19529</td>
</tr>
<tr>
<td>Nace</td>
<td>772</td>
<td>130</td>
<td>9603</td>
<td>5285.54</td>
<td>1997.754</td>
</tr>
</tbody>
</table>

Table 12: Descriptive statistics for nonfamily firms

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herfindahlsindex</td>
<td>435</td>
<td>0</td>
<td>1</td>
<td>0.7892</td>
<td>0.3124</td>
</tr>
<tr>
<td>Numberofowners</td>
<td>435</td>
<td>1</td>
<td>5</td>
<td>1.8119</td>
<td>1.35492</td>
</tr>
<tr>
<td>Percentage_females</td>
<td>435</td>
<td>0</td>
<td>1</td>
<td>0.045</td>
<td>0.18119</td>
</tr>
<tr>
<td>Ownership_share_females</td>
<td>435</td>
<td>0</td>
<td>1</td>
<td>0.0392</td>
<td>0.17217</td>
</tr>
<tr>
<td>Female_share1</td>
<td>21</td>
<td>0.17</td>
<td>1</td>
<td>0.509</td>
<td>0.23473</td>
</tr>
<tr>
<td>Female_share2</td>
<td>12</td>
<td>0.01</td>
<td>0.5</td>
<td>0.3733</td>
<td>0.15447</td>
</tr>
<tr>
<td>Female_share3</td>
<td>9</td>
<td>0.01</td>
<td>0.32</td>
<td>0.1278</td>
<td>0.10195</td>
</tr>
<tr>
<td>Female_share4</td>
<td>4</td>
<td>0.01</td>
<td>0.25</td>
<td>0.1</td>
<td>0.10677</td>
</tr>
<tr>
<td>Female_share5</td>
<td>3</td>
<td>0.1</td>
<td>0.17</td>
<td>0.1267</td>
<td>0.03786</td>
</tr>
<tr>
<td>Boardsize</td>
<td>428</td>
<td>1</td>
<td>16</td>
<td>4.6379</td>
<td>2.70002</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>435</td>
<td>0</td>
<td>1</td>
<td>0.1516</td>
<td>0.22874</td>
</tr>
<tr>
<td>Solvency</td>
<td>435</td>
<td>0.03</td>
<td>0.75</td>
<td>0.3281</td>
<td>0.18644</td>
</tr>
<tr>
<td>Sales</td>
<td>427</td>
<td>231.37</td>
<td>8185551.5</td>
<td>124809.9</td>
<td>463556</td>
</tr>
<tr>
<td>Current_liabilities</td>
<td>423</td>
<td>405</td>
<td>52579000</td>
<td>554621.3</td>
<td>2850000</td>
</tr>
<tr>
<td>Age</td>
<td>435</td>
<td>2</td>
<td>112</td>
<td>28.1471</td>
<td>25.68493</td>
</tr>
<tr>
<td>Nace</td>
<td>424</td>
<td>210</td>
<td>9603</td>
<td>5460.63</td>
<td>2099.065</td>
</tr>
</tbody>
</table>
Table 13: Descriptive statistics for family firms

<table>
<thead>
<tr>
<th>Variable</th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herfindahlsindex</td>
<td>360</td>
<td>0.06</td>
<td>1</td>
<td>0.7496</td>
<td>0.2847</td>
</tr>
<tr>
<td>Number of owners</td>
<td>360</td>
<td>1</td>
<td>5</td>
<td>1.9</td>
<td>1.19236</td>
</tr>
<tr>
<td>Percentage_female_owners</td>
<td>360</td>
<td>0</td>
<td>1</td>
<td>0.1426</td>
<td>0.26095</td>
</tr>
<tr>
<td>Ownership_share_females</td>
<td>360</td>
<td>0</td>
<td>1</td>
<td>0.1205</td>
<td>0.24482</td>
</tr>
<tr>
<td>Female_share1</td>
<td>29</td>
<td>0.2</td>
<td>1</td>
<td>0.6083</td>
<td>0.25955</td>
</tr>
<tr>
<td>Female_share2</td>
<td>58</td>
<td>0.01</td>
<td>0.5</td>
<td>0.3557</td>
<td>0.16817</td>
</tr>
<tr>
<td>Female_share3</td>
<td>17</td>
<td>0</td>
<td>0.3</td>
<td>0.1376</td>
<td>0.09391</td>
</tr>
<tr>
<td>Female_share4</td>
<td>9</td>
<td>0.02</td>
<td>0.33</td>
<td>0.1467</td>
<td>0.12217</td>
</tr>
<tr>
<td>Female_share5</td>
<td>8</td>
<td>0.03</td>
<td>0.13</td>
<td>0.0688</td>
<td>0.03357</td>
</tr>
<tr>
<td>Boardsize</td>
<td>356</td>
<td>0</td>
<td>11</td>
<td>2.986</td>
<td>2.05072</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>359</td>
<td>0</td>
<td>1</td>
<td>0.1508</td>
<td>0.25253</td>
</tr>
<tr>
<td>Solvency</td>
<td>360</td>
<td>0.04</td>
<td>0.75</td>
<td>0.3748</td>
<td>0.18532</td>
</tr>
<tr>
<td>Sales</td>
<td>357</td>
<td>42.59</td>
<td>5906344</td>
<td>61919</td>
<td>357157</td>
</tr>
<tr>
<td>Current_liabilities</td>
<td>359</td>
<td>0</td>
<td>23950000</td>
<td>197457.4</td>
<td>1421260</td>
</tr>
<tr>
<td>Age</td>
<td>360</td>
<td>2</td>
<td>112</td>
<td>27.1306</td>
<td>19.79483</td>
</tr>
<tr>
<td>Nace</td>
<td>348</td>
<td>130</td>
<td>9603</td>
<td>5072.21</td>
<td>1847.556</td>
</tr>
</tbody>
</table>

Continuing looking at the ownership structure of the firms, the average amount of owners (maximum number of owners being 5) is highest in family firms; averaging at 1.9 owners (indeed, there is no such measure as 1.9 owners, but for statistical purposes and comparisons, this figure is noted). For nonfamily firms alone and the whole sample, the number of owners is slightly lower, circulating at around 1.81-1.85 owners. In a more realistic scenario though, all three samples exhibit almost 2 owners on average. The interesting point here is now the number of women that are present among these owners. Starting at the whole sample, one can see how the percentage of women being present as owners is 8.9 percent. This means that when considering the largest owners of the firm, 8.9 percent of these are women. For nonfamily firms, the corresponding figure is 4.5 percent. The presence of women is however noted mostly among family firms in which the number of female owners constitutes 14.26 percent; considerably higher than in both the whole sample at large and the nonfamily firms. Once again, these figures are just for the reason of comparison. For example, stating that family firms have on average 1.9
owners, and that women constitute 14.26 percent (0.27 women in absolute figure) does not generate a realistic output; there is no such thing as 1.9 owners or 0.27 women.

Furthermore, the ownership stake held by these women does also reveal some interesting situational concerns. For family firms, women own, on average, 12.05 percent of the firm. For the whole sample, the ownership share for women is 7.6 percent, whilst women in nonfamily firms exhibit the lowest holdings at 3.9 percent on average. Other variables denoting the ownership structure of firms is those that state how the holdings of the firm are distributed among the female owners, namely the variables named “Female_shareX” (X = 1,2,3,4 and 5). For each level, this variable shows how much the largest, second largest and third largest owner and so on, given that it’s a female, owns on average. For the whole sample, the female owner with a largest stake holds on average 56.7 percent. For nonfamily firms, this number is a bit lower at 50.9 percent, whilst females with the largest stake in family firms own an average of 60 percent. For the second and fifth largest owner though, females in family firms hold on average a lower stake than in the whole sample and nonfamily firms respectively. For the third and fourth owner, females in family firms have higher shares in the family firm. Yet, what should be noticed is that how the number of observations drop radically along the scale of owners; for example, for the whole sample, there are only 11 observations detecting the fifth largest owner’s percentage holdings. Hence, these averages should be interpreted with great caution. All things considered, it can be viewed that women are more present among family firms as owners, and on average, they have larger holdings than nonfamily firms do.

The presence of females can moreover be investigated by viewing their representation among the board of directors. Across all three samples, women take up almost 15 percent of the seats on average. Even though nonfamily firms have bigger boards, consisting of almost 5 directors, their share of women is on the same level as in family firm for which the board size is smaller, equaling 3 representatives on average. Hence, the sample shows how the representation of women in closed firm is much low, regardless of the firm type. Finally, the financial variables of the sample show how family firms are more solvent than nonfamily firms and bear less debt, whilst also recording lower sales. Finally, nonfamily firms are on average on year older than family firms.
5.2. Independent samples t-test

In order to see whether women in family firms are equally underrepresented as women in nonfamily firms, a comparison between the mean values in the sample can be conducted. Below are the results of the testing, which essentially show that more women are present as owners in family firms, and these women have a higher average ownership share than women in nonfamily firms. For the percentage board representation, no difference in the mean value was found between the two samples, as seen in Table 16.

Table 14: Presentation of the mean values

<table>
<thead>
<tr>
<th>Variable</th>
<th>Family</th>
<th>N</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Std. Error Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage_female_owners</td>
<td>1</td>
<td>360</td>
<td>0,1426</td>
<td>0,26095</td>
<td>0,01375</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>435</td>
<td>0,045</td>
<td>0,18119</td>
<td>0,00868</td>
</tr>
<tr>
<td>Ownership_share_females</td>
<td>1</td>
<td>360</td>
<td>0,1205</td>
<td>0,24482</td>
<td>0,0129</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>435</td>
<td>0,0392</td>
<td>0,17217</td>
<td>0,00825</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>1</td>
<td>359</td>
<td>0,1508</td>
<td>0,25253</td>
<td>0,01333</td>
</tr>
<tr>
<td></td>
<td>0</td>
<td>435</td>
<td>0,1516</td>
<td>0,22874</td>
<td>0,01095</td>
</tr>
</tbody>
</table>

Table 15: Individual t-test results for equality of means

<table>
<thead>
<tr>
<th>Variable</th>
<th>F</th>
<th>Sig.</th>
<th>T</th>
<th>Df</th>
<th>Sig. (2-tailed)</th>
<th>Mean Difference</th>
<th>Std. Error Difference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage_women_owners</td>
<td>123,803</td>
<td>0</td>
<td>6,206</td>
<td>794</td>
<td>0</td>
<td>0,0976</td>
<td>0,01573</td>
</tr>
<tr>
<td>Total_ownership_share_women</td>
<td>94,266</td>
<td>0</td>
<td>5,481</td>
<td>794</td>
<td>0</td>
<td>0,08125</td>
<td>0,01483</td>
</tr>
<tr>
<td>Percentage_board_women</td>
<td>1,691</td>
<td>0,194</td>
<td>-0,046</td>
<td>793</td>
<td>0,963</td>
<td>-0,00079</td>
<td>0,01709</td>
</tr>
</tbody>
</table>

5.3. Correlation matrix

To begin with, the variables that are not be used in the regression analysis are dropped in the following correlation table. Hence, the correlation matrix that will be displayed in this section only consists of those variables that are in the regression (not dummy variables) Also, the correlation matrix is not divided up into family and nonfamily firms, but does solely display values for the whole sample. Amongst others, the dropped variables include the ownership
stakes held by the five largest owners, denoted as “Female_shareX” (X= 1, 2, 3, 4 and 5) in the descriptive statistics. The reason is the lack of data concerning these variables, but also the fact that they were highly correlated to “Ownership_share_females” which make them unsuitable to include in the regression analysis. Also, the variables “herfindahlsindex” and “percentage_female_owners” were also excluded as they likewise correlated highly with “ownership_share_females”. All these excluded variables were thus previously used in the descriptive statistics as to showcase what situational differences that were to be noted between nonfamily and family firms, and likewise what the whole sample showed. However, as they were correlated to other independent variables, the issue of multicollinearity was bound to occur if they were to be included. The collinearity results for the included variables can be seen in Table 17 below.

Table 16: Collinearity table

<table>
<thead>
<tr>
<th></th>
<th>Total_ownership_share_women</th>
<th>Percentage_board_women</th>
<th>Age</th>
<th>Sales</th>
<th>nace</th>
<th>ln_Curren_libailites</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership_share_females</td>
<td>1</td>
<td>.457**</td>
<td>-.143**</td>
<td>-.064</td>
<td>.112**</td>
<td>-.312**</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>.457**</td>
<td>1</td>
<td>.001</td>
<td>.009</td>
<td>.181**</td>
<td>-.049</td>
</tr>
<tr>
<td>Age</td>
<td>-.143**</td>
<td>.001</td>
<td>1</td>
<td>.191**</td>
<td>-.211**</td>
<td>.313**</td>
</tr>
<tr>
<td>Sales</td>
<td>-.064</td>
<td>.009</td>
<td>.191**</td>
<td>1</td>
<td>-.002</td>
<td>.424**</td>
</tr>
<tr>
<td>Nace</td>
<td>.112**</td>
<td>.181**</td>
<td>-.211**</td>
<td>-.002</td>
<td>1</td>
<td>-.008</td>
</tr>
<tr>
<td>ln_Current_libailites</td>
<td>-.312**</td>
<td>-.049</td>
<td>.313**</td>
<td>.424**</td>
<td>-.008</td>
<td>1</td>
</tr>
</tbody>
</table>
After step wise selection of the variables, the issue of multicollinearity was reduced to the minimum extent possible. In this way, any bias in the variables was aimed to be averted. Indeed the variables are still correlated to a certain degree. In regards to the issue of female representation on the board and as owners, the following can be stated. A high ownership share held by women signifies a larger amount of women represented on the boards as well. However, the increase in women’s ownership share also shows how the board size essentially decreases. Captivatingly, when the ownership share held by women goes up, the sales goes down (or vice versa; the direction of the causality is not stated), although this correlation is not significant. As goes for the financial variables, they are naturally related to the other variables somewhat as financial success/failure changes the outset of other economic performance indicators.

5.4. Robustness tests

5.4.1. Ramsey’s Regression Specification Error Test

To establish that the chosen model is not misspecified in any way, the Ramsey RESET test was conducted. The following hypothesis was tested:

H0: No misspecification
H1: Misspecification

The produced F-value (3,736) resulted in 0,58 and the probability statistics at 0,6315. As the critical F-statistic is 2,08 at the 0,05 level, we cannot reject the null hypothesis of no misspecification.

5.4.2. Heteroskedasticity

In the primary stages of modeling, issues of heteroscedasticity were detected. Thus, robust standard errors were used to avert correlated residuals.
5.5. **Regression results**

The regression results below show how there are 5 significant variables out of 12 measured, besides the constant. These include the ownership share held by females, its belonging dummy that differentiates family and family firms, and the dummy that accounts for female CEOs in family firms. Also, the current liabilities and age were found to be significant. However, note should be made that the R-squared was found to be very low, 7.8 percent, which means that there is much variability in solvency that is not explained by the model.

Table 17: **Regression results**

<table>
<thead>
<tr>
<th>Variable</th>
<th>Coef.</th>
<th>Std. Err.</th>
<th>T</th>
<th>P&gt;t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ownership_share_females</td>
<td>-.1290823</td>
<td>.0599607</td>
<td>-2.15</td>
<td>0.032</td>
</tr>
<tr>
<td>Dummy_family_ownership_share_females</td>
<td>.1712031</td>
<td>.0728538</td>
<td>2.35</td>
<td>0.019</td>
</tr>
<tr>
<td>Percentage_female_board_member</td>
<td>.0265283</td>
<td>.0534863</td>
<td>0.50</td>
<td>0.620</td>
</tr>
<tr>
<td>Dummy_female_board_member</td>
<td>-.0577016</td>
<td>.0718871</td>
<td>-0.80</td>
<td>0.422</td>
</tr>
<tr>
<td>Dummy_family</td>
<td>.0061094</td>
<td>.0167124</td>
<td>0.37</td>
<td>0.715</td>
</tr>
<tr>
<td>Dummy_CEO</td>
<td>-.0228871</td>
<td>.0364</td>
<td>-0.63</td>
<td>0.530</td>
</tr>
<tr>
<td>Dummy_family_CEO</td>
<td>.1167947</td>
<td>.0559535</td>
<td>2.09</td>
<td>0.037</td>
</tr>
<tr>
<td>Sales</td>
<td>2.61e-09</td>
<td>1.42e-08</td>
<td>0.18</td>
<td>0.854</td>
</tr>
<tr>
<td>ln_Current_libailites</td>
<td>-.0186659</td>
<td>.0035477</td>
<td>-5.26</td>
<td>0.000</td>
</tr>
<tr>
<td>Age</td>
<td>.0012366</td>
<td>.0003062</td>
<td>4.04</td>
<td>0.000</td>
</tr>
<tr>
<td>Nace</td>
<td>-4.26e-06</td>
<td>3.86e-06</td>
<td>-1.10</td>
<td>0.270</td>
</tr>
<tr>
<td>_cons</td>
<td>.5261882</td>
<td>.0440021</td>
<td>11.96</td>
<td>0.000</td>
</tr>
</tbody>
</table>

\( F (11,739) = 6.09 \); \( Prob > F = 0.0000 \); \( R\text{-squared} = 0.0780 \); \( Root\ MSE = .1809 \)
6. Discussion and Analysis

The conundrum of female representation in companies has been widely debated on in a significant body of research, and likewise been part of heated news updates. Today, both theoretical reports and concrete action programs are offered by companies as to promote the advancement of female leaders. However, nonconformity over what actually causes women to be underrepresented seem to impede necessary changes, and the women are still left in the peripheral when important decisions are to be made. Nevertheless, recognition of the underrepresentation at hand seem to be closely followed by authorities, and governments in different countries have tried to counteract the skewness in gender distribution by suggesting affirmative action. In Sweden, discussions on implementing such measures have repeatedly been pointed at when attempting to confront the disproportionate representation. Undeniably, this solution does not seem far off hand either after Norway pioneered in implementing gender quotas on their public boards. Yet, even though the larger and publicly listed firms have, both voluntarily and probably due to threats of affirmative action, increased the proportion of women on for example their boards, the inability of women to reach leadership positions in private firms seem overlooked. The lack of research on this specific topic per se also suggests that the problem is not conferred to the extent that it should be. This is quite surprising given that all Swedish firms are obliged by law to share their stock register when asked. Hence, one would expect more research on the issue of female presence in private firms, but the interest of the reader is often left unrequited here.

In this study, a sample consisting of private Swedish firms has been used to declare how the presence of women looks like across different industries and size classes. The aim has been to see if women are equally underrepresented in privately owned family firms as in nonfamily firms, and to investigate whether their presence affects the financial performance of respective firm type. Data on female owners, their total ownership share, and presence among board of directors has been investigated as to confer to what extent their underrepresentation reaches. In this, a distinction has also been made between family and nonfamily firms. The reason for dividing the sample is that family firms are often surrounded by many intertwined attributes, and the role and position of women is not confined solely to that of an employee but extends beyond that. Here, a cautious note is well in order. This study distinguished family ownership by the
information provided by the approached firms, and did therefore not follow indications of proxy variables. Commonly though, the use of ownership concentration is often used to mark whether a firm is family owned or not. As can be seen in table 6, Stewart and Hitt (2012) state how ownership in family firms is nondiversified, whilst in nonfamily firms the holdings are more spread. Looking at the descriptive statistics of this paper in table 13 and 14, surprisingly, the nonfamily firms have a higher ownership concentration than family firms, thus increasing the overall average of the sample. This could be interpreted in two ways; either the common use of ownership concentration as a proxy for family businesses is misleading, or all recorded family businesses in this sample do not cite concentrated ownership as a rightful measure. Hence, the accounted firms may have their own appreciation of what a family firm is, and do not see ownership concentration as a decisive notion while locating themselves in this dichotomous grouping. Therefore, doubts over the definition are well in place, and may tamper the credibility of the results.

To begin with, the aim of the paper has been to note whether women are equally underrepresented as leaders in private family firms as in non family firms, with a special focus on their presence as owners and board of directors. Secondly, this paper searches for the causality between the presence of female leaders, as owners and board member, and its effects on the financial performance of firms, across both organization types. In the following sections, these two enquiries will be discussed separately with references made to the findings in the empirical section. The analysis focuses on the magnitude of women’s underrepresentation in family and nonfamily firms, and thereafter follows an account on the latter aim of studying female leadership and financial performance.

6.1. Women are more underrepresented in nonfamily firms than in family firms.

By viewing the underrepresentation of women in publically listed firm, a motivation to see their presence in private firms laid ground to hypothesis formulation in this paper. Additionally, a separation between family and nonfamily firms followed as to see whether women faced less or more obstacles given a specific firm type. In the descriptive statistics, the overall picture of women’s presence as owners tells that among the average amount of 1,85 owners, 8,9 percent are women. Seen in other light, this means that if firms would supposedly have as many as 11
owners on average, one of them would be a woman. Viewing nonfamily firms alone, one woman would eventually be seen if the firms had as many as 22 owners on average, generating a representative statistics of 4.5 percent. For family firms, one owner out of seven would be a woman, i.e. signifying the 14.3 percent representation. Comparing these results with other studies has not been straightforward as many articles do not denote the ownership structure of closed firms, nevertheless with a distinction between family and non family ownership. As mentioned in the previous research, a single study on Italian firms was found (Celauro, 2010), which denoted how female owners represented 9.8 of the owners (without disclosing their ownership share). As the descriptive statistics shows in this paper, the presence of female owners is then higher for the our sample.

Continuing, when primarily looking at the individual t-statistics, one could see that the hypothesis establishing equal variability between the two samples is not significant for the percentage representation of female owners or their ownership share. Hence, a conclusion can be drawn that we are prone to see more female owners in family firms, with higher holdings, than in nonfamily ones. Another figure that denotes the presence of females on top position is their representation among the board of directors. The descriptive statistics shows how women on average, in both firm types, take up approximately 15 percent of the board seats. Also, when the significance of this mean is tested across the samples, we cannot reject the hypothesis of a similar mean value between family and nonfamily firms. When the Italian Association of Family Companies researched family firms (Celauro, 2010), the presence of female board members was found to be higher in their sample, and circulated around 18.5 percent. As compared to the study conducted by Mynewsdesk on 90,000 Swedish businesses, the presence of females on the board of directors is the exactly the same; 15 percent.

Hence, the percentage of women on the boards is similar across both samples and there are far fewer female owners in nonfamily firms than in family firms – which own substantially less of the firm than women in family firms do. The question is now why we observe such low figures; and likewise, why is the figuration of female owners lowest among women in non family firms? To begin with, one of the reasons forwarded for women’s low representation is their typical responsibility for domestic chores. As Bloom investigated in 1994, female leaders spend typically around 74 hours a week on housekeeping activities and at work, while for men the
corresponding figure is 67 hours a week. To essentially balance the responsibilities of the
different roles, mother/wife versus the leader, may thus be more difficult for women as they are
torn between two positions. Consequently, fewer women may be prone to take on the challenge
that lays a head of them with joggling two demanding commitments. However, in this, women in
family firms may enjoy a wider leeway to actually combine their responsibilities. Research that
focuses on women in family businesses is mostly characterized by two dichotomous standings.
On the one hand, some researchers find women in family businesses to be invisible; hence, even
though they do work in the firm, they are not acknowledged for their efforts. In this, a pareto
situation is also portrayed in which dedication to the working role means sacrificing the
responsibilities at home.

On the other hand, some state that women in family firms find it easier to advance to higher and
more demanding positions as they are able to combine their private and professional life more
vivaciously. In light of this, the findings in this paper are more in line with the latter idea which
point to the family business as a reservoir for women. The effects of a wider understanding of
women’s responsibilities both at work and at home may explain why we see a significantly
higher female presence among the Swedish family firms then the nonfamily ones. Also, given
the narrowing of the professional and private domain, the influences of positive psychology
might take effect much faster in family firms. As Karasek’s study showed in 1979, women that
climb higher in their careers are able to harmonize their conflicting roles in the private and
working life much easier as they feel professionally empowered. For family firms, the effects of
empowerment will probably surface much faster as the family and business are thoroughly
interlaced. Hence, women in family businesses might feel motivated to advance career wise as
they are more in control of their home and work situation than other women. The implications of
shared leadership may however gain momentum in the coming future, and thus likewise grant
women in nonfamily firms more control over their private and professional statures.

Another situational barrier that has been recognized to impede women’s advancement to the top
is the so called glass ceiling. Indeed, a more appropriate context to study this barrier would be
that of a management, since there is a concrete carrier ladder that can be followed as to
investigate the exact levels at which women become more and invisible. In this study, the
existence of a glass ceiling was not looked for, however, one reflection pointing to its existence
is the following. The data collection of the thesis shows that most of the firms that replied to the survey belong to the category of small and medium sized enterprises; having less than 250 employees. Even though the data collection in this paper does not group firms that have less than 250 employees in one class, the reader can see how the number of companies with less than 200 employees constitutes approximately 68 percent of the sample. Often, literature pinpoints that SMEs never have clear distinctive board of directors, owners and management, but rather have representatives mantling all three roles. As Napoli, 2012 states: “In SMEs, ownership, board, and top management often overlap, with the same people (…) involved at all levels” (p.233). What can be told from the descriptive statistics in this study is that there are, at least for nonfamily firms, far more female board members than there are female owners. As seen, the number of women on these board is 15 percent whilst, while percentage of owners is 4.5 percent. For family firms, the difference is not equally eye-catching as there are likewise 15 percent females on the boards, but also a corresponding number of female owners at 14.26 percent.

Even though many of the criterions posted by Cotter et. al (2001) for defining the existence of a glass ceiling are not meet, one can see that the inequality is greater at higher levels of an outcome than at lower levels for nonfamily firms specifically; hence we see an indication that one of the principles might be met. Once again, women in family firms seem to be facing less stringent conditions and are supposedly breaking through the glass ceiling more frequently. This position was defended by Salganicoff (1990) as well who stated that women in family firms do face superior conditions. Yet, since the chances women have to advance to top positions have not been studied here – the third criterion established by Cotter et. al (2001) to uncover a glass ceiling - drawing too hasty conclusions is disaffirming. Accordingly, counting the number of women at different positions is not enough as there are many exogenous contingencies, unrelated to gender, that can cause this formulation. A more dynamic approach is necessary to conclude whether, and to what extent, the glass ceiling exists. In here, both the number of women that are at specific positions and the chances they hold to advance need to be highlighted.

Even though the circumstances that family firm women experience seem more favorable, it is imperative to understand that they might find it easier to break through and make a career; however, that does not mean that it is easy to succeed as a woman in a family firm. The existence of the primogeniture hurdle may mean that women in family businesses can only achieve a
specific level of success and not be able to increase their presence or influence further than that, thus meeting a barrier that is impossible to break no matter what skills women possess. This means that on a longer time horizon, females in nonfamily firms may follow better opportunities to advance and influence. The statistics shows that the average 4.5 percent female owners in nonfamily firms own 3.92 percent of the firm; for family firms, the 14.26 percent female owners hold 12.05 percent of the firm. Seen in family firms then, this means that when a firm has seven owners and one of them is a women, she does not own one seventh of the firm, but rather closer to one eight of the firm. The difference between the percentage of women present as owners in a firm and their ownership share is thus seen to be higher in family firms than in nonfamily firms; a difference of 0.58 percent in nonfamily firms and 2.21 percent for family firms. Indeed, this does not mean per se that all remaining male owners in the company own an equal share of the remaining holdings. Most probably, there are also several men that own a smaller fraction of the firm, but on average, they own more than their “male proportion” in the pool of owners. This means that studying numbers indicating the presence of women in leadership positions is not sufficient; women’s possibility to influence and ascertain power is equally imperative to investigate. One step on the way however is acknowledging the skewness, as to realize the extent of the inequality apparent.

As a conclusion, the first hypothesis of the thesis, stating that women are underrepresented as board members in privately owned Swedish firms, and more so in nonfamily than in family firms, can be rejected as there is no difference in the means between the samples. However, the second hypothesis stating that women are underrepresented as owners in privately owned Swedish firms, and more so in nonfamily than in family firms cannot be rejected as the individual t- statistics confirms a difference between the sample means. The reader can thus see how both the ownership share that women hold and the number of female owners is significantly higher in family firms than nonfamily firms.

6.2. Do female leaders possess special skills?

Much of the studies on leadership and gender have circulated around the question of how females act as leaders; are they better, equally good or worse at steering a firm than the opposite sex? Essentially, how does their presence affect the firm in question? As mentioned before, there
is a substantial amount of research on the differences between men and women’s way of leading and which obstacles women face when reaching top positions. Yet, a polarization of characteristics is not found absolute, and as much research there is advocating for a dichotomy in the behavior, a substantial amount of studies do also deny the existence of it. According to Wahl (1996), many believe that women can contribute with a different resource to the firm than leading males do. In light of this, the aim of this thesis has been to see whether the presence of female leader affects the performance of a closed Swedish firms, both family and nonfamily ones. A multiple regression was conducted between solvency and different variables decoding gender affects. Although the model did not generate a high R-squared value, meaning that the variation in solvency could scarcely be explained by these independent variables, there were noteworthy findings to be elaborated on.

As seen, when the ownership share of women increases, the solvency decreased for nonfamily firms by almost 13 percent, whilst for family firms, the increase in women’s ownership share actually increases the solvency of the firm by 4.2 percent. Both these correlations were found to be significant at the 5 percent level. Likewise, the presence of female CEOs (as compared to male CEOs) affects the solvency positively in family firms as solvency increases by 9.4 percent; whilst in nonfamily firms, female CEOs actually decreases the financial stability of the firm by 2.3 percent. Note however that only the primary coefficient was found to be significant here, and not the relation between female CEOs and solvency in nonfamily firms. Still, a pattern can be seen here in which the presence of females in nonfamily firms decreases the solvency, whilst in family firms, their presence increases the solvency. Once again, allusions to women being better-off in family firms can be made here. As Salganicoff stated in 1990, the presence of females in family firms will supposedly result in these firms being financially stronger than nonfamily firms. The reason is that women are stated to be skillful peacemakers who value the alliance of the family above all. Firms that can overcome obstacles and conflicts easily will thus find it easier to succeed and respond to demanding environments. Also, the flexibility and supposedly less concrete glass ceiling may motivate women in family firms to actually work harder to ensure financial success of the firm. Yet, it should be noted that the hypothesis testing revolves around establishing whether women affect the solvency in any way, and women in nonfamily firms do indeed affect solvency, albeit negatively. Interestingly, the regression analysis in this paper shows how the presence of female board members in family firms actually decreases the
solveny of the firm by 3.11 percent, whilst female board members in nonfamily firms increase this performance variable by 2.7 percent. However, as these variables are not significant, the hypothesis that female’s presence as board members will affect the solvency should be rejected; yet, given the significant and positive correlation between female CEOs in family firms and solvency, we actually cannot reject this hypothesis.

All in all then, the regression analysis shows how the presence of women as owners affects the solvency of the firm significantly, albeit negatively for nonfamily firms and positively for family firms. Also, the presence of a female CEO is found to affect the solvency of the firm significantly and positively in family firms; and negatively affect the solvency of nonfamily firms (although the variable is not found significant). Therefore, none of the hypothesis stating how women’s presence, either as board members or owner, contributes with a different resource can be rejected. The findings in this paper thus support the underperformance hypothesis that is evident in other studies (for example Rietz and Henrekson, 2000; Bøhren and Strøm, 2005 and Rose, 2007), but only for nonfamily firms.

Yet, the idea that family firm women might find it easier to advance is by no means consensus. Disagreements have been forwarded by for example Danes and Olson (2003) who find that the effects of female presence in family firms is hard to measure, and thus generalize, as many of these women are not recognized for their efforts. For example, they report how only 47 percent of the family firm women in their sample received a salary for their work. To measure the performance effects of women in family businesses is thus difficult as women are not justly commended for their efforts, and many of them are not even found in the list of owners and board members, not to mention as CEOs, even though they work in the firm. This unfair compensation, along with role confusion and conflicts of authority, are stated as some of the reasons for family firms being more inertial and filled with tensions. In Danes and Olsson’s (2003) meaning then, women’s presence in family firm will supposedly lower the financial success of the business as conflicts take the over hand.

The results of the regression analysis confides that women’s presence affects solvency positively for family firms; so can we now state that including women in the top management will liberate them from subjugating structures and ensure them power? When women do reach the top, they
are often hailed for their personal characteristics and said to have become of equal standing as men. However, knowing whether they have become equal or simply learned to behave like men is hard to decide. Leaders and successful profiteers are today defined with masculine attributes, and assuming that women that transform into such beings have gained equality is thus a contradiction. Therefore, even if we do assume that men and women are equally good leaders, there are stereotypical images of leaders being of a masculine type. Nevertheless, even the fact that common literature adds the subscription “female” when discussing women’s leadership also confirms the idea that males constitute the norm who head the direction; i.e. we do not discuss “male leadership” in any form.

That women that need to assimilate to the fit into the masculine description of a leader is explained by Rosabeth Moss Kanter (1977) as “token women”. In her meaning, women need to become like men in order to succeed, and often have to abandon their feminine attributes during their journey to the top. Hand in hand with this proposition is also the occurrence of homosociality; the need of a homogenous group to maintain its monolithic forming and uniform nature. This makes it much harder for any person, from either sex, to make a career and ensure company success unless they adapt to a certain manliness (Muñonen, 1999). In this, Nordkvist and Sillman (2000) also describe how the few number of females that do reach leadership positions only have some colleagues with whom they can discuss and ventilate their thoughts with. A possible reason is the thin line on which women ought to balance upon when deciding which behavior to enact; to adapt the panache of the opposite sex or rely on their female identity. Additionally, women might measure success based on a different yardstick than that of financial performance; for them, successful leadership may essentially mean something completely else than monetary accomplishments. Consequently, women may always be seen as weak and sparsely contributing to measures such as solvency.

Studying gender as a variable in a regression is thus not straightforward, and some researchers identify this approach as a contributing factor in women’s underrepresentation. Amongst them is Wahl (1996) who pinpoints that the common perception that women are believed to add something to the firm essentially justifies her exclusion as well. In her meaning, it is easy to state that women are not needed on the firms since their skills may have not added value to the company itself. As the results of this paper shows, when females in nonfamily firms take on the
responsibilities as a CEO or when their ownership share increases, the solvency of the firm decreases. For strategy implications, does this then mean that women are not supposed to be included on top positions as they eventually decrease the financial stability of the firm? When correlating performance to gender variables, a justification thus occurs in the sense that when women are not seen to add anything, they can arguably be excluded. However, when we note a positive correlation between the gender correlation coefficients and the dependent variable measuring success, we claim that women do indeed add something to the firm; they explain some of the positive variation that occurs in for example solvency. Hence, it is when males are not good enough in an aspect that the complementary woman steps in and essentially adds something to the firm. By adopting this approach, women are never acclaimed as a whole person, but rather solely for the characteristics that differentiates her from male colleagues.

When using gender as dummy variable and searching for its significance, women are ought to solve the complexities that men are weak within. This means that women are not free to contribute in any chosen field, but dominantly in the one that men are said to be frail in, which is supposedly in communication, people, and dealing with emotions and so on (Wahl, 1996). Even here, the named contributions are less of value and importance than what men contribute with to the firm; analytical skills and complex problem solving methods. These expectations, along with absence of expectations in more advanced fields, are said to essentially create the difference in men and women’s behavior, and causes the underrepresentation of the latter gender in the leadership forum. When searching for different and specific characteristics that constitute female leaders, the reason for why women have developed these skills rarely debated on. It may be so that just because women are acknowledged to be for example good listeners, they feel a need to constantly major within these skills as to attain influence in a field. Becoming a leader is essentially a process in which a person repeats a behavior if it is acknowledged and confirmed by others; hence, women may constantly respond and accelerate in feminine characteristics as they are expected to do. A relativeness can be experienced in the debate here where the females are constantly evaluated on the basis of the other gender and not vice versa. Using gender as a variable essentially authorizes this relativeness and rationalizes men’s position as the norm. In this, it would be far more effective to study what power women possess as a different resource, rather than solely highlighting how women can add something as a different resource.
Yet, not recognizing and establishing the similarities women face in terms of certain characteristics can be the reason for further status quo. Even though it may seem like blaming the victim when pointing to the unity in female characteristics, seeing women as inactive player in an autonomous organization can also be gainsaying. Early socializing processes do indeed cause women and men to act in certain manners, which eventually results in different power positions in society. Hence, more studies need to combine the situational and individual perspective as to gain a wider understanding of why women are underrepresented. For example, the approach adapted by Muhonen (1996) may prove more fruitful when searching for reasons to why women are underrepresented. Because of the delimitations of this thesis, the female characteristics that may be causing an effect on solvency have not been studied. By recognizing both the structure and behavior that cause women to be underrepresented, it is easier to raise awareness on the issue per se.

6.3. How to understand the reality of women – a note on the methodological approach of the paper

In regards to understanding why women are underrepresented, it is equally essential to clarify how we perceive and make sense of reality and social entities. In this, a weakness lies in using critical realism as a navigative tool as the subjectivity may impair the generalization that appeals to the mass. Also, the subjectivity may reduce the credibility of the study per se as the proof demonstrated, and the explanations given, are only one way of apprehending reality; thus, by no means absolute and a general consensus. Nevertheless, understanding how cultures and values, including those that define a good leader, may be subject to fluxing structures may instigate the mass to actually change the residing system. Hence, the application of critical realism, as seen in this paper, can be used to actually affect current systems and ways of socializing. Alluding to the citation by Roy Bhaskar, followed as “we will only be able to understand – and so change – the social world if we identify the structures at work that generate those events and discourses” (Bhaskar, 1989, p. 2), means that we need to study the position of women by disserting how we create our reality; in opposition to seeing this situation as autonomous to us and in line with objectivism. Consequently, viewing leadership as unrelated to gender and not subject to masculinity, means that we will supposedly never be able to actually change the
underrepresentation of female leaders. In this, the subjugation of women will be held constant as the characteristics that define a good leader will always be in terms of masculine attributes.

7. Conclusion

Many investigations show that women are underrepresented in leadership positions across different industries and firm sizes. However, extensive studies have solely been made on listed firms for which data has been easily accessed. To what extent women are underrepresented in private firms has thus not been granted the same attention. In this paper, the situation of women in closed Swedish firms is used. As Wahl (1996) states, the most commonly believed, albeit stereotypical, explanation for women’s underrepresentation circulates around three different prepositions. One of these is how women in leadership positions can actually contribute with something different to the firm. In light of this, the research question is formulated as: “How do women’s presence as owners and board members, although underrepresented, impact the financial performance of closed Swedish firms?” The data used to investigate this supposition is a unique data set created at the Centre for Family Enterprise and Ownership at Jönköping International Business School, and has been hand collected (for year 2008). As the situation of women in businesses is often recognized by situational obstacles and behavioral constraints, an attentive twist was made by grouping the sample in family versus nonfamily firms. The motivation for doing so was that women in family firms are said to face different opportunities than women in nonfamily firms do.

In light of this, the aim of the thesis was to see if women are equally underrepresented in privately owned family firms as in nonfamily firms, and to investigate whether their presence affects the financial performance of respective firm type. Four hypotheses were formulated, and followed as:

- **H1**: Women are underrepresented as board members in privately owned Swedish firms, and more so in nonfamily firms than family firms.

- **H2**: Women are underrepresented as owners in privately owned Swedish firms, and more so in nonfamily firms than family firms.
H3: Women contribute with a different resource, and therefore, their presence as board member will affect the financial performance of closed Swedish firms.

H4: Women contribute with a different resource, and therefore, their presence as owners affect the financial performance of closed Swedish firms.

Firstly, an independent sample t-test was conducted to see whether women were equally (non)present as owners and board members across both family and non family firm. The variables of interest were thus the average percentage of female board members, female owners and their average ownership share. Firstly, the results showed no significant difference between the mean representations of women on the board of directors across both samples. Hence, the first hypothesis of the paper, stating that women are more underrepresented as board members in nonfamily firms than family firms, can be rejected (yet women are found to be underrepresented overall). Secondly, more women are on average found in family firms than nonfamily firms, and these women do on average own a larger stake in the firm than nonfamily firm women do. Hence, the second hypothesis, stating that females are more underrepresented as owners in nonfamily firms than family firms, cannot be rejected.

The reason to why women are more likely to advance to ownership positions in family firms could be that these women face less stringent expectations and are not subject to the same glass ceiling as women in nonfamily firms. As for the two remaining hypotheses in which the performance effects of women’s presence are investigated, the following can be stated. Women’s presence as board member has no effects on the performance measure; however, in family firms, the presence of a female CEO affects the solvency positively. In light of this, the third hypothesis of the paper, stating that women among the board of directors will affect solvency, cannot be rejected. Hence, the presence of a female CEO in family firms affects solvency, although the percentage female board of directors does not.
Likewise, the results show how the additional effects of being a female owner in a family firm means affecting solvency positively. Women presence in nonfamily firms does also affect solvency, although negatively. This means that the fourth hypothesis of the thesis cannot be rejected either. As seen, even though the situation of women in family firms seems more positive, the quest to establish egalitarianism needs to drive further development. Repeatedly, government bodies report the extent of women’s underrepresentation, and possible reasons for it. The percentage of females on the board of directors and their presence as CEOs is often on the radar. Yet, these studies typically focus on public firms. In this, inferences need to be made in the private sector as well in order to ensure trickling down effect from the large to the smaller firms. However, what should also be kept in mind is how denoting gender as a variable in a regression is a way of noting how women’s presence affects business activity; this same tool can also be used to justify their exclusion. Therefore, more complex and longitudinal studies need to be executed in which women’s presence is merely not measured by a dummy variable, meaning the extra effects of having a women is accounted for, but rather see how powerful(less) women are at different positions. In this, acknowledging the distribution of women across different positions, and acknowledging their contribution, is only one minor step on the way.
8. References


Fölster, S., & Wikner, G. (2007), Om 80 år är kvinnorna i kapp männen som företagare!, Svenskt Näringsliv.


### Appendix

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