

Female leadership in contemporary Chinese family firms

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Abstract Drawing on a case study of a three-generation family business, this paper explores the antecedents and consequences of female leadership in contemporary Chinese family business. Our findings suggest that institutional change in contemporary China affects the role of female family members in the family system, which

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eventually gave rise to female leadership in China's family businesses. We also propose that in comparison to male leadership, female leadership in Chinese family business is more concerned with balancing work-family conflict; more dependent upon the family's endowment of resources; and more likely to favor a participative (rather than authoritative) decision-making style.

Keywords Female leadership · Family business in China · Institutional change · Case study

Asian family business is often portrayed as a male-dominated organization whose decision-making is characterized by patriarchy, primogeniture and paternalism (Carney, 1998; Carney, Gedajlovic, & Yang, 2009; Wong, 1993), with women playing only a supportive role (Danes & Olson, 2003; Gupta, Turban, Wasti, & Sikdar, 2009). However, women in contemporary China are actually rather active in business (Kelley et al., 2015). Indeed, about 15% of Chinese women engage in entrepreneurial activities, far ahead of other Asian countries (Kelley, Brush, Greene, & Litovsky, 2011, 2013). Women are also active in family business governance, and nearly one third of family businesses are run by women (Cadieux, Lorrain, & Hugron, 2002). Regarding female leaders in Chinese family firms, a 2014 report by Zhejiang University and ACFIC (All-China Federation of Industry and Commerce) illustrated that nearly one third of family business in China have female family successors who are already, or will become, family business leaders. More than 80% of those questioned in the report agreed to choose the best candidates among their children, regardless of their gender. That is to say, different from other Asian economies, women in Chinese family firms have taken an active and important leadership position.

Given the political and cultural similarities among Eastern Asian countries, the rise of female family leaders¹ in China is arguably unexpected. Indeed, despite their extensive presence, very little is known about female leadership in contemporary Chinese family firms (Brush, 1992). This paper therefore intends to explore two questions. First, why has female leadership² in Chinese family business risen? Second, how does female leadership differ from male in terms of family firms' decision-making? These two questions are both relevant and inherently connected, as the former explores the antecedents of female leadership while the later draws attention to its consequence.

Building upon institutional theory and the family embeddedness perspective, we address the aforementioned questions. Institutional theory provides a theoretical explanation regarding how institutional context affects behaviors and performance of organizations (DiMaggio & Powell, 1991; Peng & Heath, 1996). The family embeddedness perspective views the family system as embedded in economic and social networks; hence, any change in the external context inevitably results in adjustments within the family system (Goode, 1982; Redding, 1990; Wong, 1993). The combination of these theoretical lenses is appropriate for two reasons. First, the leadership literature highlights that leadership in Asia may be particularly tied to the central role

¹ Female family leadership and female leadership in family business are used interchangeably in this article.

² We use the term leader to broadly refer to the primary decision-maker in an economic organization. It includes but is not limited to business owner, manager and entrepreneur.

that family plays (Liden, 2012). Thus, exploring leadership especially in family business needs to consider the function of the family system. In addition, Asian countries all share some level of institutional void and institutional change. Aligned with the central role of family mentioned above, it is natural to build a theory integrating institutional context, family system and leadership in family business.

Combining these two theoretical views, we propose that the rise of female family leadership in China is due to the unique institutional change in contemporary China, notably through two social developments: the *Gender Equality* movement and the *One Child Policy*. The former directly improved the status of females within the family, while the latter increased the average resource devoted to any child and released women from reproductive burdens (Whyte, 1996, 2005). We also propose that the effect of institutional change is felt through the adjustment in the family system such as the changing role of female family members as well as the improved cohesion of the whole family system (Redding, 1990; Wong, 1993). Finally, we propose that compared to male leadership in family businesses (Appelbaum, Audet, & Miller, 2003; Kaufman & Grace, 2011), female leadership is characterized by high levels of balance, dependence and participative-ness, as female leadership is more concerned with balancing work-family conflict; more dependent upon family's endowment of resources; and more likely to favor participative (rather than authoritative) decision-making style among family members.

This study contributes to our understanding of family business in Asia in several ways. This paper is the first to theoretically explain the rise of female leadership in family-owned and managed organizations in contemporary China. While the literature has largely recognized the importance of females, few studies have explored the effect of external institutional context on defining the roles and responsibilities of women. Asian countries often share some level of institutional immaturity and institutional transformation, thus the lesson from China may have theoretical and practical implications to other Asian economies. In addition, in drawing upon the family embeddedness perspective, this paper links institutional context with the family system, arguing that the effect of institutional context on family firm decision-making is partially mediated through adjustments in the family structure. Such a conceptualization advances knowledge on the connection between family business and external institutional context. Finally, this paper also explores the decision-making style of female leadership in family business. In particular, we propose that in comparison to male leadership in family business, female leadership is more balanced, more dependent and more participative. It should be noted that these three features (balance, dependence and participative-ness) are related to goals, resources and governance in family business, which in turn may help explain family firm heterogeneity.

Theoretical background

Women in family business

Despite a limited number of articles and scope in the literature, three key features have been highlighted in studies that focus on women in family businesses. First, women are

often assumed to play supportive functions such as caring and nurturing other family members (Galiano & Vinturella, 1995), hence they have limited opportunities for professional development such as training and promotion in business (Gupta et al., 2009). Second, because many of the efforts made by women cannot be directly observed, it is common that their rewards and recognition do not equate to their contribution (Goode, 1982), a point identified by Greenhalgh (1994) particularly in relation to Chinese family businesses. Lastly, even when women's contribution to family business has been recognized, it is still rare for women to be considered as potential successors unless no male candidate is available (Dumas, 1998). That is to say, *ceteris paribus*, male family members are often given higher priorities compared to female family members. Indeed, women have typically had only limited participation in business and rarely have opportunities to take leadership positions, a phenomenon observed in almost all Asian economies (Gupta et al., 2009; Gupta & Levenburg, 2010).

There are several gaps remaining in the literature. First, studies often neglect the function of the family system in studying female family members in business. Indeed, the leadership literature highlights that leadership in Asia may be inextricably tied to the central role that family plays (Liden, 2012). Hence, exploring leadership especially in family business needs to consider the function of family system (Lam, Huang, & Lau, 2012). More importantly, compared to males, females often spend more time undertaking family-specific duties, so the dynamics in the family system may pose a bigger impact on female family members. In addition, studies often neglect the overarching institutional context in terms of their effects on the role and function of female family members. This is partially because inquiries in this area often focus on a single economy whose institutional context is relatively homogenous and stable (for a notable exception, see Shinnar, Giacomini, & Janssen, 2012). This issue is particularly important in Asia, as certain social movements may fundamentally alter the status and functions of female family members.

Finally, there are surprisingly few studies that have explored female leadership in the family business context (Appelbaum et al., 2003; Brush, 1992; Gupta et al., 2009). Nonetheless, as we will later discuss, female leadership may become more common given the unique changes in the Chinese institutional context. Exploring this issue may thus enrich our understanding of the connection between external environment and family business, as well as the broad picture regarding interactions between context and leadership.

Family system in family business

Although the basic form of family business originates from the involvement of the family system in business, studies from the angle of family or the family system remain limited in the family business literature (for a notable exception, see Penney & Combs, 2013). The family system is composed of inter-dependent individuals connected by blood, marriage, adoption, or other family-centered relationships (Bubolz & Sontag, 1993). The family system also includes inter-personal relationships among family members, as well as various roles and functions fulfilled by each family member. Such a definition classifies the scope of family system, and also highlights inter-dependence as the definitive nature of the family system. It further considers

family members' roles and their relations as inherent components of the whole family system.

The family business literature has recently recognized that the interplay between family and business may lead to idiosyncratic goal setting, resource management and family governance in family-owned and -managed firms (Chua, Chrisman, Steier, & Rau, 2012). In addition, the leadership literature highlights that the responsibility and functionality of leadership in Asia are often tied to the role that family plays (Liden, 2012). When these two aspects are combined, exploring female leadership in Asian family business would thus require a close look at the family system in terms of what type of family would facilitate the rise of female leadership in family business.

Institutional context in Asia

The institutional context in Asia has attracted an increasing amount of scholarly attention, with two features highlighted in particular. First, some argue that some Asian economies are characterized by institutional voids, defined as a high degree of informality, the lack of institutional facilities, norms, and regulations (North, 1990; Steier, 2009). Given such institutional voids, organizations often favor informal institutions such as social networks, personal trust and family kinship above formal institutions (Peng & Heath, 1996). In addition, institutional change, defined as the dramatic modification of existing formal regulations and rules in the society, frequently occurs in Asian economies (Carney et al., 2009; Redding, 1990). Given such institutional change, companies as well as other social organizations have to adjust their structures and functions in order to maintain legitimacy in society (Scott, 1987).

It is important to note that, aligned with the central role of family mentioned above, it is pertinent to craft a theory integrating institutional context, family system and leadership in family business in Asia. In doing so, we thus intend to consider "contextual variables more unique to Asia" (Lam et al., 2012: 200) and integrate them into our theoretical framework of female leadership in Asian family business. Asian countries share a high level of similarity in leadership. One of them is the "male-dominance" tradition in leadership and the "male-preference" in family business succession (Liden, 2012; Pellegrini & Scandura, 2008), and Chinese society more generally (Leung, 2003). Thus, the rise of female leadership in Chinese family business is then arguably unexpected and surprising. As we further elaborate, we believe it is the combination of institutional change and family system adjustment that has contributed to the emergence of female family leaders in China.

Theoretical framework

This paper employs an integrative theoretical umbrella in which we incorporate institutional theory and the family embeddedness perspective. Institutional theory provides a theoretical explanation regarding how institutional context may affect behaviors and performance of organizations (DiMaggio & Powell, 1991). The family embeddedness perspective stresses that the family system is inherently embedded in economic and social networks, and thus any change in the external context would inevitably result in adjustment in the family system (Goode, 1982; Whyte, 1996). Further, any change in the structure of the family system will inevitably result in

changes in family firm's decision-making (Redding, 1990; Wong, 1993). Such a conceptualization reflects the fact that the family system is ultimately the endowment of goals and resources which are then transmitted into the firm's decision-making via the family's involvement in business. Unlike orthodox institutional theory, such an integrative framework suggests that the effect of institutional context on family firms is mediated by adjustments made within the family system (Miller, Le Breton-Miller, & Lester, 2013).

Methods

Case selection

We analyze the case of NL Corporate (NL Co.), a family firm located in Yiwu, Zhejiang Province, China. The city is a jewelry industry cluster, comprising over 70% of domestic market sales and around 30% of global market sales. NL Co. is a highly diversified business with interests in fashion jewelry, real estate, venture capital, eco-agriculture, small credit banking and international trade. It has branches in several Chinese cities (Yiwu, Shanghai, Hangzhou, Xinjiang, Hong Kong), and overseas in Los Angeles, London and Dubai. As of 2015, NL Co. had total assets of nearly US \$3 Billion, around 5000 employees, and exported to over 100 countries.

Case studies offer idiographic richness due to their ability to study the complex phenomena compared with nomothetic empirical methodologies (Larsson, 1993), and can deal effectively with multiple stakeholder conditions. The case approach allowed us to capture the dynamics of the institutional context as well as gain multiple stakeholders' perceptions regarding adjustments in the family system, including the decision-making style of the female leadership in the family business.

Family business in China

Just like other economies, family firms are strongly prevalent, if not more so, in China (Sharma & Chua, 2013). The literature largely suggests that the prevalence and prosperity of Chinese family firms are due to many contextual features which include, but are not limited to, information asymmetry (Lu, Tan, & Huang, 2013), relational strength (Song & Wang, 2013), *guanxi* networks (Dou & Li, 2013) and ownership concentration (Deng, Hofman, & Newman, 2013). For instance, Su and Carney (2013) showed that intellectual capital can be a valuable resource that may bring in sustainable competitive advantage in Chinese family firms across generations, and Au, Chiang, Birtch, and Ding (2013) used a compelling case to show that the inter-generational entrepreneurship can be a unique way to foster family business succession in this context.

It is also worth noting that institutional voids and institutional change happen simultaneously in contemporary China (Whyte, 1996). Indeed, as the most basic unit in society, the family system often proactively adapts and/or reacts to changes in the context. Hence, any external influence (such as institutional voids and institutional change) will affect the family system before it poses any influence on family-owned and -managed business. This suggests that family firms are prevalent and prosperous in

China not only because of the involvement of the family system in “filling” institutional voids, but also that compared to other social and economic systems, the family system is more likely to adjust in response to institutional change.

Institutional context in China

The primary driver of China’s divergence from other Asian economies is certain political and social movements advocated by the Chinese government. Of greatest relevance to this paper are the *Gender Equality* movement and the *One Child Policy*.

Until 1978, China was a socialist planned economy where gender equality was seen as a key social principle. The 1954 Constitution enacted expressly stated that females and males enjoy equal rights. In legal terms, China actualized the ideal of equal pay for equal work without the consideration of gender disparity. Indeed, in the era of the planned economy (1949–1978), women’s legal status changed from “private property in family” to a “social property,” and Chinese women started to gain equal rights and status. Divergent from other Eastern Asian countries, the *Gender Equality* movement liberates women from the customs and habits of a “male-dominance” society through equal opportunity to participate in paid work.

The *One Child Policy*, initially designed as a temporary measure to curb a surging population, was introduced in 1978. One effect of the policy is that women were released from the burden of reproduction and thus able to devote more time and energy to other matters. Another effect of the policy was that children are assigned more resource per family, as the total number of children within a household reduces. In effect, the policy built a better nurturing system for women through improved health care and education. In addition, the pool of successors in family business shrunk, leaving families with no option but to consider daughters as potential candidates, while, importantly, adult women’s careers no longer suffered through frequent child birth. We propose that these two social movements are the fundamental drivers of female leadership in China’s family firms.

NL Corporate: A case in China

There are a number of reasons why we choose to analyze a female family leadership case in China. First, the rise of female family leadership in China can be considered unexpected. In addition, China was an economy with great institutional immaturity, while the country as a whole has changed substantially in its political system. China is then an appropriate “sample” to explore the effect of institutional factors on business organization. Finally, given the geographical proximity and cultural similarity, analysis of experiences in China may likely shed light on other Asian countries.

There are also a number of reasons why NL Co. offers an excellent case to examine female leadership in contemporary Chinese family firms. First, emerging and growing in the rural parts of Southeast Zhejiang province, private firms such as NL Co. have been the main driving force for China’s market development. The business and personal development of NL Co. and its female leader are similar to various private

enterprises and their founders within the context of institutional change in China. Second, NL Co. has multiple family members across generations involved in both ownership and management, which is relatively common in China and other Asian economies (Au, Craig, & Ramachandran, 2011). Indeed, the company has been handed down across three generations within the family.³ Furthermore, the NL family has a tradition of “gender-free” leadership selection.⁴ The original business founder and the current leader are both female family members.

Data collection

Interview and archival data were collected during several trips to NL Co.’s Head Office in the city of Yiwu, China. Semi-structured personal interviews were conducted with seven family members across three generations, including the current female leader, her mother (the first entrepreneur), her husband (business partner), her son (successor), her sister (business partner) and other family members, and seven non-family managers of NL Co. including the Chief Operating Officer (COO), HR Director and others (Listed in Table 1).

Interview questions, adapted from the global research initiative Successful Transgenerational Enterprises Project (STEP) run by Babson College in the US and founded in 2005, investigated family roles and business history, leadership styles, decision-making processes and institutional context. Identical questions were asked of each informant, with necessary adjustments in phrasing. All interviews were conducted by two of the authors, recorded, and transcribed verbatim with field notes within 24 hours of the interview. The original record was in Mandarin Chinese, and then translated into English by one author. To ensure accuracy, this translation was then validated by another author. Audio recordings include 35 hours of interview, while transcripts records and field notes comprised more than 30,000 words.

All the data were then triangulated with other pertinent material, including archival data provided by the company relating to the firm’s history. The Chinese language published autobiography of the female leader, company web sites, press coverage and industrial reports were used to provide further validation of the company’s significant event time-line. Given the account of events in both family and business systems as well as the institutional context, we identified important events between 1954 and 2015, covering over 60 years across three generations. The essence of the findings from the NL family and business data analysis is presented in Table 2.

³ Formal private businesses started to emerge following the 1978 “Reform and Open-up.” However, before this time, private business still existed in the informal (grey) economy, filling the void left by the state-owned enterprises. To some extent, the Reform and Open-up or the beginning of economic transformation was partially driven by the prevalence of informal business activities in China. The business is considered a three-generation family firm because we consider the business as it existed in the informal economy as an inherent part of the company’s history. Although the business was formally incorporated after 1978, the foundation of the business was built before 1978.

⁴ Gender equality has a great impact on NL family that they believe capable women can be just as effective leaders as their male peers.

Table 1 Informants and family firm positions

No.	Informant code	Family status and current position	Family Generation
1	FEL	Female Leader / Chairwoman	G 2
2	FFM	Sister / Vice Chairwomen	G 2
3	MFM	Husband of Female Leader / CEO	G 2
4	SUS	Successor / CEO of jewelry branch	G 3
5	MFM	Nephew 1 / Intern of real estate branch	G 3
6	MFM	Nephew 2 / Intern of finance department	G 3
7	FFM	Grandmother / Retired entrepreneur	G 1
8	NFM	Chief Operating Officer (COO)	–
9	NFM	Group PR Director & Assistant of Chairwoman	–
10	NFM	Senior Manager & Assistant of CEO	–
11	NFM	Senior Manager & Successor Assistant	–
12	NFM	Administrative Director	–
13	NFM	Human Resource Director	–
14	NFM	Senior Manager & R&D Director	–

To protect the confidentiality of the interviewees, identification is by role, not name (*FEL* Female leader, *FFM* Female family member, *MFM* Male family member, *NFM* Non-family member, *SUS* Successor, *G* Generation)

In analyzing the data, we depict the storyline highlighting (1) the initial establishment of the family business; (2) the evolution of the family system with the emphasis on the female's role and function and (3) decision-making led by both senior and junior (female) family members. We also include the timelines associated with the institutional change and family system adjustments. This paper highlights the three storylines over time: the institutional context, family system, and the business' development.

Analysis procedure

Case analysis was conducted following the typical procedure of grounded theory which was undertaken in six steps (Corbin & Strauss, 1990). These steps include the gathering, organizing, and content-analyzing of the data.

- Step 1. To start, research questions and broad categories were defined *a priori* to guide the field research. For our study, the research questions were based on the existing literature on women in family business and Chinese family firms. To supplement the literature and to confirm the saliency of the questions, we conducted preliminary conversations with the female leader of NL Co., and then established the parameters to select participants with specific characteristics.
- Step 2. We generated an interview protocol to analyze the cases. Specifically, the protocol provides a framework to examine what factors cause adjustments in the family system, which in turn gives rise to female leadership. In developing the protocol, we discussed expected categories of outcomes based on the

Table 2 The institution, family and business events chart

Year	Institution	Family	Business
1954	<i>Gender Equality</i> written into the Chinese Constitution.		
1962	Contemporary baby boom.	FFM (G1) married. FEL is born. (She has five sisters and one brother in following ten years ^a).	FFM (G1)'s part-time job mending clothes. FFM (G1) joins the "feathers-for-candy" business.
1978	The implementation of family planning policy to control rapid population growth.		FFM (G1) and FEL, the mother-daughter peddling team start embroidery business.
1982	<i>One Child Policy</i> introduced as a national policy.	FEL marries MFM (G2).	FEL starts peddling business alone.
1984			MFM (G2) joins the business. Husband-wife peddling team for selling embroidery.
1985		SUS (G3) is born as the eldest son of G3. He has 13 cousins in next 25 years.	NL family transforms from peddling to shopkeeper in Yiwu small commodity markets.
1986	Compulsory-education law and implementing detailed rules ensure the educational rights of Chinese young women.		FFM (G1) founded her small sewing business with another daughter.
1990	The State Council Working Committee on Women and Children set up as the national machinery for promoting women's status.	NL family build a big house and the whole family (8 sub-families) live together.	NL family opens the first jewelry exclusive shop in Yiwu.
1995			FEL found NL Jewelry Ltd. ^b
1998	Government promotes women's participation in politics decision-making and debate.		FEL is elected as the NPC member and leader of jewelry industrial association.
1999			1st transformation of NL Co. in professional management, brand making, employee training and distribution channels.
2001	China introduces policy to stabilize lower birth level and raise birth quality.	NL family build a new house located in the new factory. The whole family still live together.	NL's products first show up in Hong Kong Jewelry exhibition. Through the acquisition, MFM (G2) controls two local real estate firms.
2003			NL Jewelry upgraded into NL Group.
2004			

Table 2 (continued)

Year	Institution	Family	Business
2005	Promoting women's equal participation in economic development and fully safeguarding women's economic right and interests with project and laws.		NL Co. allied with other firms and founded FY capital. NL Co. starts diversification into many industries.
2006			NL Co. reoriented their international market from developed countries into emerging countries. FFM (G2) (the sister of FEL) led this internationalization.
2008		SUS (G3) graduates from college.	2nd transformation from wholesale to retail. SUS (G3) joins NL Co. as the leader of G3. The group have three parts (jewelry, real estate, finance) controlled by FEL, the husband of FEL, and SUS.
2009		Two adult cousins graduate from college.	One MFM (G3) joins the firm, and the other joins the firm.
2011	<i>Gender Equality</i> introduces as a national policy.		SUS (G3) becomes the CEO of NL Jewelry, launches four new brands in next five years and builds platforms for e-commerce.
2014		SUS (G3) gets married.	One MFM (G3) become the assistant of CEO in real estate, the other MFM (G3) becomes the assistant of CFO.
2015	Chinese government loosens restrictions of <i>One Child</i> Policy.	G4 is born.	SUS (G3) becomes CEO of NL Group. Shindy Co. is launched as the first fashion jewelry e-commerce platform. NL starts IPO plan.

FEL Female leader, FFM Female family member, MFM Male family member, SUS Successor, G Generation

^a This is a normal family size before the implementation family planning policy since 1982

^b Yiwu government held the open attitude for the business development and introduced a series of movement to solve the difficulties of the business

theoretical and empirical literature from family business, sociology and institution theory.

- Step 3. We asked each interviewee identical questions with phrasing adjustments. When the respondents raised issues that provided rich insights, we would discuss those particular issues in great depth with the interviewee. Interview transcripts, archival data and field notes were organized to build an event history database, in line with single case analysis (Karra, Tracey, & Phillips, 2006; Van de Ven & Poole, 1990), allowing us to develop a narrative of the firm's creation, emergence and operations and the family involvement throughout. Case materials were then cross-checked by key organizational members from NL Co.
- Step 4. We used the protocols to analyze the record of each respondent and the research questions. Afterwards, we focused on the similarities and differences identified in the interviews, especially when they appear relevant to the research questions. We built and modified the categories generated from Step 1 when we discovered information that was either in support of or counter to our expectations. In addition, we created new categories to reflect insights that did not fit into existing categories.
- Step 5. We re-examined the data to identify initial concepts and conceptually similar events, actions and interactions to form categories and subcategories through a process of open coding (Corbin & Strauss, 1990). This helped gain new insights, breaking through standard ways of thinking about or interpreting phenomena reflected in the data (Corbin & Strauss, 1990). This inductive process focused on the antecedents and consequences of the female leadership in Chinese family firms. This was an interactive process allowing us to move between data, emerging patterns and the literature until the data were collated into adequate conceptual themes (Eisenhardt, 1989; Tracey, Phillips, & Jarvis, 2011).
- Step 6. Lastly, we used the field evidence to generate a set of testable propositions that lay the foundation for future research, grounded upon our research questions.

Findings

The iterative process between data analysis, literature enfolded, and writing resulted in a grounded model of female leadership in an institution-family embeddedness perspective. On the one side (Fig. 1, Dimension 1), the improvement of female economic and social status stems from the institutional change (*Gender Equality* and *One Child Policy*). On the other (Fig. 1, Dimension 2), the family adjustment in females' role may contribute to better family cohesion which is needed for the rise of female leadership. And finally (Fig. 1, Dimension 3), female leaders may make idiosyncratic decisions, and thus change goal-setting, resource-endowment, and governance mechanisms in family firms. In this section we provide selective evidence of each dimension in the grounded model (Fig. 2). We include additional representative quotes from our ethnographic interviews in Table 3.

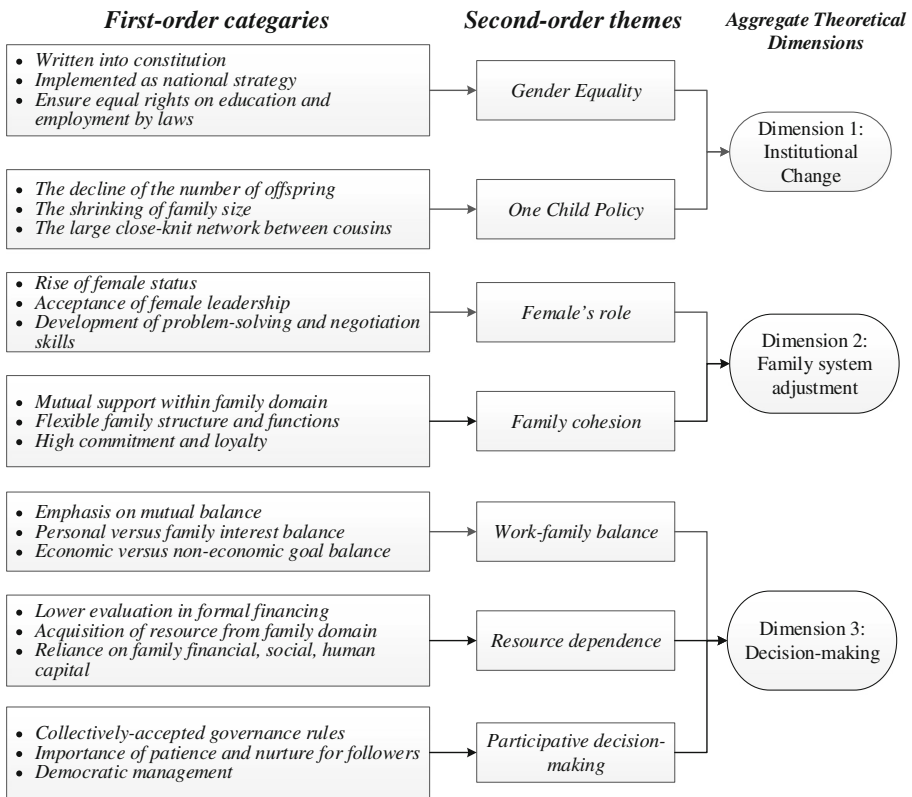


Fig. 1 Data structure

Dimension 1: Institutional change

To address the research question: “why has female leadership thrived in a male dominated context such as China?” two specific findings emerge from the analysis. The first finding is that the *Gender Equality* movement resulted in a the actualization of a gender-equal ideology and culture emerging in the social domain, which in turn legitimized young females’ participation in education and employment. The second finding is that to cope with the scarcity of resources, the *One Child Policy* was introduced to curb birth rates, leading to the release of capable females in the job

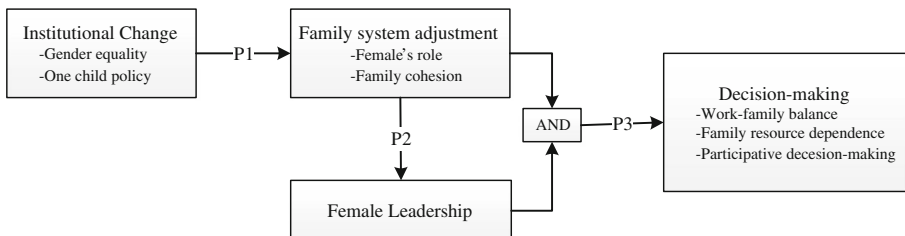


Fig. 2 Framework of female leadership in family firms

Table 3 Dimensions, themes, category and representative data

Second order themes	First order representative data
	Overarching aggregate Dimension 1: Institutional change
1a Gender Equality	<ul style="list-style-type: none"> •NFM: “She has such a great achievement due to her effort, as well as the Chinese policy change and governance reform.” •NFM: “In the economic field, China did quite well for gender equality. Female entrepreneurs and leaders are taken as the ‘typical new women,’ which is a symbol and an imperative stage in the social development. •FEL (G2): “Women are not inferior to men in the business field. Don’t be shy and unconfident in the professional field. Getting complacent with small achievement will hinder women in career success.” •FFM (G2): “My mother (G1) insisted that we need to be brave to pursue dreams. She taught our girls the basic business skills, geographical knowledge and communication ways for business.” •NFM: “Society will give respect to women who make a great contribution with their own effort.”
1b One Child Policy	<ul style="list-style-type: none"> •NFM: “Avoiding fines imposed for disobeying the one-child policy; some mothers move to other cities when they give birth to more children. But most of them stay at home and complete childbearing when they have one kid.” •MFM (G3): “Most of the Aunts (G2) in NL family have less than two kids.” •FEL (G2): “I am too busy. My sons have to take care of themselves in their daily living. But I pay more attention to their mental growth.” •NFM: “Having few children lessen the household of working women that they can pursuit their career with their full potential.”
	Overarching aggregate Dimension 2: Family system adjustment
2a Female’s role	<ul style="list-style-type: none"> •FEL (G2): “My mom organizes the daily expense of the whole family and takes care of kinship relationships. Everyone respects her. In the business though, I am the boss. But in my family, my mother is the matriarch.” •FEL (G2): “I like to be ‘entrepreneurial spouse.’ We don’t have many couples’ problem like ‘nothing in common’ etc. When we meet challenging tasks, we always shared in each other’s trouble.” •MFM (G3): Aunt (FEL) is the role model and spokeswoman of our family. We respect her and would like to become successful businessmen like her.” •SUS (G3): “She [FEL] is just a woman but taking up so many responsibilities.” •FEL (G2): “When our son was born, my husband was more willing to feed him than me.”
2b Family cohesion	<ul style="list-style-type: none"> •MFM (G3): “I think the unity of our siblings comes from being quite familiar with each other and living together all the time. As I know, most of the adult siblings preferred to work for the family business.” •MFM (G2): “If family conflict happens due to the business growing, I would rather we were still poor.” •FFM (G2): “The sense of achievement is quite different between entrepreneurship and routine jobs. We support some family members’ ventures as pilot and still need a systematic institution to continue this.” •FFM (G1): My favorite daily TV show is called ‘Golden Mediation’ which is about how to solve the conflict between family members and friends. I learned a lot and share these stories with my family. We have a very harmonious relationship and all of my kids and grandsons are filial.” •SUS (G3): “Why I choose to come back? I want to share the burden of my parents. And family firm also provides me a great platform.”
	Overarching aggregate Dimension 3: Decision-making
3a Work-family balance	<ul style="list-style-type: none"> •FEL (G2): “Competitive cooperation is our strategy. We try to satisfy the conflicting interests of our stakeholders.”

Table 3 (continued)

Second order themes	First order representative data
3b Family resource dependence	<ul style="list-style-type: none"> •NFM: “She [FEL] has spent a million dollars a year on training since 2006. Our on-line business school provide diversified courses to improve employees’ skills.” •FEL (G2): “I had the target of pulling the family out of poverty. It gave me courage to endure the hardship during those years. Our lives are much better now. And it is more critical to get along well with the family members.” •NFM: “She (FEL) makes the business more people-oriented rather than competition-oriented. It is in accordance with the sustainable goal of NL.” •FFM (G2): “As the industry leader, cultivating talents for the whole industry is our responsibility. Some of our former employees are self-employed now. Thus, they are still proud of their working experiences in NL Co.” •FEL (G2): “Female entrepreneurs are apt to be conservative. They tend to accept less investments and less challenging tasks. Maybe it is why there are less female-led business failures in 2008 financial crisis.” •MFM (G3): “My aunts have their own businesses as branches of NL Co., like small credit banking, eco-agriculture firm, international trade business etc. They used some family funds for start-up but developed quite well.” •FFM (G2): “I help my sisters to do the exportation in emerging market. The annual turnover of emerging markets takes up 30% of our exports and keeps the growth rate at 50%.” •MFM (G2): “Business spouse can be a good thing. We have shared goals and trust each other. Through mutual help, we face the difficulties together.” •FEL (G2): “I benefit a lot from my earlier experience of family entrepreneurship. Without the family cooperation, I can’t imagine NL’s achievements today.”
3c Participative decision-making	<ul style="list-style-type: none"> •SUS (G3): “We have routine family meetings, two times a year to inform important decisions and big ventures. Everyone can express their own opinions and dilemmas. The family will vote to make final decisions.” •NFM: “She [FEL] always consider about our feelings, put herself on our position to make the decision.” •FEL (G2): “We can’t always talk about our previous achievement. Changing is the only way to continue our success. We are warmly welcome the talents no matter they are the family members or not.”

FEL female leader, FFM female family member, MFM male family member, NFM non-family member, SUS successor, G generation

market as well as more resources distributed to each family member regardless of their gender. A further effect of the *One Child Policy* was to reduce the size of family labor pools, especially in younger generations who are expected to take business leadership positions in future. Note that previous research on female leadership often emphasizes psychological elements (Gardiner & Tiggemann, 1999), which frames a narrow theoretical explanation only emphasizing the micro context. To counter-balance this here we seek to add an institutional theory perspective.

Gender equality

Initially introduced by the Chinese Communist Party, the *Gender Equality* movement challenged traditional Confucian culture. Such a political endeavor influences prevailing cultural attitudes and transforms stereotypes associated with females. In 1958, females were encouraged to engage in collectivized agricultural

work which was contrary to the traditional housewife role in China, where males were seen as breadwinners and females as homemakers (Leung, 2003). In legal terms, the policy of “equal pay for equal work” was also enforced without gender disparity.

FEL (G2): “When I was sixteen, I had to do heavy labor work like my male peers.”

FFM (G1): “The production team arranged the daily work for all the members including females, and their pay is based upon working points.”⁵

The *Gender Equality* movement empowered educational rights to young females helping protect them from oppressive patriarchy and paternalism. Culturally, this changed the ideology that “ignorance is a woman’s virtue,” and females were motivated to gain further and higher education. In addition, a better education provided young females with general knowledge and capability that can be applied in various areas in future.

NFM: “The illiteracy rate of young women dropped significantly.”⁶

FFM (G1): “I encourage them (daughters) to go to school. Girls need to be independent and capable.”⁷

The improvement of females’ social status also stemmed from their participation in politics and other organizations. Females were encouraged to directly compete with males in many social aspects. This female activism was partially supported by Chinese government, for example by the introduction of a minimum threshold of female representation in the People’s Congress to ensure females have influence in politics.⁸

FEL (G2): “Chinese females have higher social status compared to other countries. But this kind of equal opportunity and environmental munificence was rarely seen in the past.”

FFM (G2): “Women participating in competition seems like a ‘violation’ to tradition.”

NFM: “She (FEL / G2) was elected in the National People’s Congress (NPC) in 1998. She is also in the nomination process as the candidate of Chinese People’s Political Consultative Conference (CPPCC) committee.”

⁵ Working point was an evaluation system used by the Communist Party from 1950s–1980s.

⁶ The illiteracy rate of young Chinese women in 2013 is 6.7%, reduced from 23.7% compared with 1995. <http://www.scio.gov.cn/zxbd/wz/Document/1450166/1450166.htm>

⁷ In 1960s, female with a high-school certificate were regarded as a highly educated person.

⁸ The percentage of female members in CPPCC will be no less than 22%. This information comes from the website of http://news.xinhuanet.com/misc/2007-03/08/content_5820140.htm

One child policy

The *One Child Policy* was implemented as a coercive measure to control the fertility and family size for the then-surgingly population.⁹ According to Chinese governmental data,¹⁰ the fertility rate in China continued its fall from five births per woman in 1970, to 2.8 in 1979, then to 1.5 in 2010.

FFM (G2): "My mother has seven kids. But in my generation, each family now has less than two."

NFM: "In 1980s, the families who have more children than allowed will be publicly 'outed' and imposed a heavy fine."

Frequent bearing and rearing of children created a tremendous burden for young females, as it greatly reduced the time and energy that could be devoted to other works (Sen, 1997). The *One Child Policy* released females from such a burden, meaning they were no longer seen as just "breeding machines."

FFM (G1): "At that time, I had no choice but to give birth until I had a son. My daughters, they don't need to suffer from that."

FEL (G2): "Good mothers will be role models rather than baby-sitters."

Fewer housework duties gave young women better opportunities in the job market. Females were no longer seen as candidates only for low-level jobs. As females' enrollment in working places increased, they started to compete for high level positions in business in NL Co.

FEL (G2): "I went back to work the next month after I gave birth to my son. If I stayed at home too much, I couldn't keep pace with market dynamics."

FFM (G2): "During all these years, I worked for NL Co. as the vice CEO. My other sisters also work here, leading the export, administration and other departments."

Institutional change has impacted on females by altering their ideas about proper and desirable forms of family life. The *One Child Policy* and the official support devoted to *Gender Equality* changed the traditional Confucian culture and ideology associated with females, and granted them with higher educational rights, more business opportunities and wider career choices.

Aligned with the *Reform and Opening Up* policies in 1978, contemporary China achieved its goals of lower fertility rates and smaller families. We consequently propose the following:

⁹ Families could have two children if the parents are rural household registration.

¹⁰ <http://www.stats.gov.cn/>

Proposition 1 Institutional change such as the movements of *Gender Equality* and *One Child Policy* in China cause adjustment in family system, leading to the rise of female's role in China.

Dimension 2: Family system adjustment

The family system can work as a mediator to transmit the external context's effect on family business. Indeed, family often works to shield women from external stereotypical effects. Here, we emphasize females' role and family cohesion to illustrate the adjustment in family systems.

Female's role

In traditional Chinese society, females were expected to be obedient to male family members (Whyte, 1996). However, females in contemporary China have achieved greater equality within the market as well as within the home (Cooper, 2013). As Goode noted, even without any ideological pressure toward a more equal division of household responsibilities, one might suppose that husbands and wives would move toward a greater sharing of domestic duties when the wife is engaged in a full-time occupation, just as her husband is (Goode, 1982).

FFM (G2): "My father (G1) is the accountant in the village. When mom (G1) went out for peddling, father took care of us instead."

FFM (G2): "It [family leader being a female] is not a big deal. In my opinion, this is just a kind of labor division in our family."

FEL (G2): "I have more social positions and more prominence than my husband, but I never felt he is inferior to me. He won't abase himself before me either."

Like male peers, females in the NL family gained equal opportunities to pursue their careers. The accumulated experiences and achievements in economic field helped them gain trust and respect in the family domain. The authority gained from family helped lay a foundation for their leadership in family business.

FEL (G1): "I bought everyone gifts with my first peddling's earnings. For their happiness, I can get through all the hardship and tiredness."

FFM (G2): "She (FEL / G2) is the eldest in our generation and sacrificing a lot for the family. We trust her and follow her."

SUS (G3): "Mom (FEL / G2) is the backbone of NL Co. and the family."

Females tend to be mediators. They help other family members to tolerate and co-

ordinate with each other in both family and business matters. In the NL family, the notable phenomenon is that two generations' female leaders are adept at protecting their family relations.

FFM (G2): "My mom (FFM / G1) always taught us to be nice and selfless. Our family never quarrels—that give us security and love."

FEL (G2): "Discarding our prejudices, respecting others' habits and banishing the complaints will bring us a happier marriage."

Family cohesion

Family cohesion refers to the degree of emotional bonding among family members (Olson, 2000). It is believed that high-functioning families maintain a relatively high level of cohesion (Penney & Combs, 2013) which often associates with sharing goals, close collaboration, low transaction costs and high trust among family members (Olson, Sprenkle, & Russell, 1979).

FEL (G2): "At the initial stage... mutual trust and understanding lowers conflicts and allows quick decision. Family members' responsible management led to rapid development of NL Co."

MFm (G2): "Difficulties increase our mutual gratitude and appreciation."

Family issues including intra-family conflicts, divergent goals, and prejudice toward some family members are common reasons that see females withdraw from professional careers. In this sense, cohesive families may help female family members advance their professional paths (Parish & Whyte, 1980).

FEL (G2): "A warm family is the solid basis of my business career."

FFM (G2): "Compared with other businessmen who have family conflicts and issues, I think my life is happier."

In a cohesive family, family members have a higher commitment to pursue a career within the family business and contribute to family-centered goals. This commitment comes from the sense of family obligation and the desire to satisfy the family's need which often involves the sacrifice of self-interest.

FFM (G2): "In last ten years, I have no salary. I am not a fool. Everyone does the same thing in NL family. If we have several people who are selfish, maybe we are not so united."

SUS (G3): "As the eldest son of my generation, I have a duty to take care of siblings, as well as NL Co. NL Co. is like my younger brother."

FEL (G2): “Our family is embraced by love, responsibility and dedication. Growing up in such a family, the juniors will learn the importance of team working and dedication.”

In sum, the evolving role of female family members as well as an improved family cohesion directly gives rise to female leadership in family business. We thus propose:

Proposition 2 The improvement of females’ role and the rise of family cohesion in the Chinese family system positively contribute to the rise of female leadership in family business.

Dimension 3: Decision-making

Previous studies reveal that male leaders often have authoritative and assertive styles while female leaders are more likely to rely on interpersonal and transformational appeals (Bass & Stogdill, 1981; Bu & Roy, 2005). Our second research question concerns how female leadership affects decision-making in Chinese family firms. To answer this question, we followed Chrisman, Sharma, Steier, and Chua’s (2013) logic that idiosyncratic combination of goal, governance, and resource causes heterogeneity in the family business population. Based upon our case analysis, three unique themes emerge: (1) balance in work-family duality; (2) dependence upon the family’s resource endowment; and (3) participative decision-making style.

Work-family balance

Contrary to male-dominated family business, female-led family businesses demonstrate a notable balance between work- and family-related issues. Work–family conflict may result in high levels of stress, lower job satisfaction, and decreased productivity (Veiga, Baldrige, & Eddleston, 2004), even in family business (Kwan, Lau, & Au, 2012). Gender roles encourage women to develop positive linkages between their work roles and family roles (Eddleston & Powell, 2012; Goode, 1982). Working with family members and in family firms provides a key means of emotional communication and work-family entrenchment. The satisfaction from work-family balance lessens the stress and tension, and also enhances professional life.

FEL (G2): “Never play the ‘iron woman’ in family, and never bring business logic into family.”

FFM (G2): “Be more considerate and tolerant; these feminine qualities will avoid family conflicts and create a more harmonious family dynamic.”

Female leaders are often capable of strengthening work-to-family and family-to-work enrichments. Work-to-family enrichment occurs when work experience improves the quality of family life, and family-to-work enrichment occurs when family experiences improve the quality to work life (Greenhaus & Powell, 2006).

SUS (G3): “When the business started, most of our relatives came for help. It gradually became NL Co.’s tradition to respect and mutually help each other.”

FEL (G2): “To be honest, I want NL Co. to be a Chinese family firm model. I have to change myself first, and then influence others.”

Redding (1990) concluded Chinese family businesses have reciprocal relations with the environment. Li, Au, He, and Song (2015) also noted that some family firms may be active in engaging in charity activities. Firms headed by women are more likely than those headed by men to pursue social as well as economic missions (Jennings & Brush, 2013). In female-led family firms, the emphasis on work-family balance also pushes firms to undertake social responsibility and keep good relations with non-family stakeholders.

NFM: “Humane practices are widely seen, such as welfare for pregnant employees and school transportation for employees’ kids. Most of our employees and their families have worked and lived here more than 10 years.”

FEL (G2): “We support our counterparts by technical guidance, financing and material supplies. Once the industry is booming, more customers will be attracted to Yiwu. We want a forest, not a big tree.”

Family resource dependence

In Asian countries, public institute and financial investors often use applicants’ social legitimacy and status as important sorting criteria (Au & Kwan, 2009; Ding, Au, & Chiang, 2015; Ding, Sun, & Au, 2014). Females may thus be perceived as less capable and thus less trustworthy if they cannot harness sufficient status. This inferior status often affects the performance expectations as well as the opportunities available to women (Falkenberg, 1990: 112). As a consequence, females often lack access to valuable resources and are often excluded from male networks (Bu & Roy, 2005: 389).

NFM: “Business world is always run by men. She (FEL) is not easy.”

FFM (G2): “As a woman, I have limited access to outside networks.”

Western scholars have found that, compared to males, female entrepreneurs tend to start with lower ratios of debt finance and much lower likelihood of getting external financing such as private equity or venture capital (Carter, Shaw, Lam, & Wilson, 2007). When applying for loans, female entrepreneurs often receive lower evaluation scores (Carter et al., 2007), and female-led firms also have disadvantages in seeking angel investment (Becker-Blease & Sohl, 2007) and venture capital (Greene, Brush, Hart, & Saporito, 2001). Striking differences are observable for formal, external financing between both genders (Carter et al., 2007). Similar themes emerge from our data:

FFM (G2): "One of my friends stumbled many times when applying for her first loan. At last, she had to ask for her father's help with loan guarantees."

FEL (G2): "Women are easily shy and less connected with external social networks, which lead to hardly any acquiring outside resources."

Familial ties are important means for starting and growing new ventures (Au et al., 2013; Redding, 1990). Due to the lack of access to external resources, female entrepreneurs or leaders are more dependent upon the family's endowment of resources (Carter, Brush, Greene, Gatewood, & Hart, 2003). On the other hand, partially due to the equal role and high family cohesion, it becomes relatively easy for females to get human, social, financial capital from family in China.

FEL (G2): "When I decided to found NL Co., we had a lack of money and talents. Only my family believed my choices and invested all their savings. It really encouraged me a lot."

MFM (G2): "I encouraged her (FEL) that even if she failed, I can still afford to support family with a small business and never let us go back to poverty again."

Blood and marriage kin-based relationships results in interests becoming "psychologically tied" in family businesses (Au et al., 2013; Karra et al., 2006). As female leaders are less likely to utilize formal and external network, they often attempt to make a better use of family human resource meaning kinship becomes vitally important as a resource in the organization.

FFM (G2): "At the initial stage, we could only rely on kinship for lack of capital and human resource. Mutual trust and understanding leads to lower transaction costs, responsible management and the rapid development of NL Co."

NFM: "She prefers to recommend family candidates on equal terms. Family talents are trustworthy and easy to communicate."

Businesses headed by women (according to Western studies) tend to be less likely to be externally financed, and are often financed by means of associating with other family members (Jennings & Brush, 2013). Thus, the family system may become a natural source supporting female-led family business. This is also apparent from our data on NL Co.

Participative decision-making

In Asia, women and men often differ in their socially-defined roles (Falkenberg, 1990). For instance, women are expected to act in a feminine and supportive way, while men's behavior should be more masculine and controlling (Bu & Roy, 2005). Rooted in Confucianism, male leadership in family business is often characterized by high patrimony and authority (Redding, 1990). In comparison, female leadership is more participative (rather than authoritative) in management. Such participative decision-making involves not only family members, but also key stakeholders such as non-family managers and employees.

MFM (G3): “Huge investment should be carefully discussed with TMT and the family committee. Negotiation improves the quality of decision.”

FFM (G2): “Our collaboration goes so well that key issues were always informed by family members. The whole family has consensus on goals and value.”

NFM: “She has patience and strong affinity with us. Compared with her husband, we like to open up our confidence to her.”

Participative decision-making is helpful to establish collectively-accepted governance rules and may help the business to set up boundaries that most, if not all, members would agree upon. Thus, it can help reduce errors that may stem from the family leader’s personal characteristics, meaning the decision-making process becomes collectively-driven rather than individually-dominated (Chirico, Sirmon, Sciascia, & Mazzola, 2011).

FEL (G2): “NL Co. is governed by its rules. We make these rules together. The CEO is replaceable, while the firm system has to remain stable by rules.”

NFM: “She doesn’t interrupt in our daily works, and just gives us suggestions when needed. She empowers us to make decisions.”

Participative decision-making also provides a way for team members to learn from each other. Here, female leadership may help cultivate interpersonal relations, power-sharing, and the nurturing of subordinates.

SUS (G3): “When I first undertook the project for the World Expo in Shanghai, my team and I met many communication problems. Mom (FEL) supported and gave me suggestions to cooperate with the team in a proper way.”

FEL (G2): “The market is the best training school. I’m preparing to pay for tuition if his (SUS) new venture fails.”

NL Co’s family stakeholders, especially later-generation family members, were encouraged to pursue personal goals, take risks on ventures, and achieve individual and collective success within a supportive environment.

FFM (G2): “We encourage them (juniors) to try. Even if they meet failure, they still learn a lot from these experiences.”

NFM: “NL Co. Group is divided into three parts of core business. She (FEL) controls the venture capital, her husband owns the real estate, while their son is the CEO of NL jewelry Co. The division is designed to empower juniors with more discretion and achieve their full potential.”

All combined, clear differences are evident in the decisions of female versus male leadership in family business:

Proposition 3a Female leadership in Chinese family business is more balanced in the work-family relationship.

Proposition 3b Female leadership in Chinese family business is more dependent upon family's endowment of resources.

Proposition 3c Female leadership in Chinese family business is more participative (rather than authoritative) in decision-making.

Discussion

The aim of this study is to explore (1) how female leadership in family business thrives in a male dominated context; (2) how female leadership affects decision-making in such a context. Based upon the case analysis of NL Co., we find that the rise of female leadership in Chinese business is primarily attributed to institutional change, through two social movements in China: the *Gender Equality* movement and the *One Child Policy*. We also find that the effects of these two social movements are largely through the adjustment in the family system which includes the changing role of female family members as well as the increase of family cohesion. In the end, we find that compared to male leadership in Chinese family business (Appelbaum et al., 2003; Kaufman & Grace, 2011), female leadership is characterized by higher levels of balance, dependence and participative-ness.

Theoretical implications

This section discusses the theoretical implications of our findings which may shed light on future studies. In particular, this study seeks to contribute to Asian family business studies in several ways.

Family business and external context

First, this paper enriches our understanding of the interaction between family business and external context. There is an increasing recognition that external context may strongly affect family's involvement in business (Sharma & Chua, 2013), and family firms tend to behave and perform idiosyncratically across nations and cultures (Redding, 1990). Yet this line of inquiry often focuses on direct comparisons of multiple nations, failing to provide a solid theoretical ground to explain why such differences exist. With some exceptions, the focus is often on the direct effect of institutions on family business, neglecting the potential mediating role of the family system (Habbershon, Williams, & MacMillan, 2003). This is surprising, as it is the family's goal and resource that eventually determine the behavior and performance in family business. In this study, we combine the family embeddedness perspective with institutional theory to suggest that the effect of external (institutional) environment on family business is mediated by the family system. Such a perspective is also useful to explain why and how certain social trends (e.g., shrinking family size, the rise of single parent families, democratization) may affect family firm behaviors and performances. This issue is particularly important to Asian economies, as Asian countries have unique historical, political and cultural systems that not only differ from western economies but also vary by each other.

Thus, for studies on Asian family business, it is important for scholars to carefully justify the context and link the context to their theoretical development.

Family business and family system

This study also contributes to our understanding of the effect of the “family system” on female leadership in family business. As the family system may significantly vary across economies, it is possible that each economy may have family systems with unique scope and structure, which affect who is included as family member, the nature of their relations, as well as the role and function of each family member. Women’s involvement in the family firm varies across nations (Gupta & Levenburg, 2010), but there is a clear understanding that the family plays an important role. The literature recognizes that leadership in Asia is often tied to the central role that family plays (Lam et al., 2012). Each Asian economy may have its own unique family systems which define the relations among family members as well as each member’s role and responsibility. It is therefore important for scholars to recognize the impact the family system can have on organizational forms and operations in studies of family business in Asia.

Female leadership in family business

When reviewing the literatures, female leadership has been largely overlooked in the family business literature, despite its obvious relevance to family business practice (Carter et al., 2003; Dumas, 1998; Gardiner & Tiggemann, 1999; Jennings & Brush, 2013). Although in general male candidates are given higher priority in choosing a family business successor (Redding, 1990), it is equally possible that females may take leadership positions, especially when the family does not have available male candidates or males refuse to do so. In addition, it is reasonable to assume that female leadership may change goal-setting, resource-endowment and/or governance mechanisms in family firms. The distinction between male and female family leaders, as found in the case analysis, may suggest that previous views on family business theory may need to be more cognizant of the distinction in female and male leadership styles in order to provide an enhanced understanding of family firms. In this regard, female leadership may be an important factor that contributes to the heterogeneity in the family business population. Furthermore, as we elaborate in the article, female family leaders can have a unique decision-making style that differentiates them from male family leaders characterized by high levels of balance, dependence and participative-ness. As Asian economies are historically patriarchal societies, this has implications for understanding contemporary Asian businesses in light of the emergence of female leadership across regions. Our study may thus shed light on the source of the rise of female family leadership as well as unique advantages of female leadership in Asia.

Cultural variables have been shown to moderate a wide range of relationships involved leadership and leader-related variables (Liden, 2012). We take a slightly different stand from this line however. Instead of treating context as a moderating contingency, we consider context (institutional change) as a potential antecedent that contributes to the rise of a particular type of leadership (female leadership) in a particular (albeit strongly prevalent) type of organization (family business). Hence, our study answers the call for “analyzing antecedents and outcomes of leadership that are common in Asia” (Lam et al.,

2012: 200). Nevertheless, we also believe our propositions may be bound by the Asian context. Again, given the similarity in terms of the leadership and followers' perception across nations and cultures (Liden, 2012), we believe this study may still shed light on studies of female family leadership in other Asian countries and some Western economies.

As noted throughout this paper, we are particularly interested in female family leadership in China. Chinese females' status has undergone significant improvement after the economic reform of 1978 (Whyte, 1996, 2005). As a group, females have started to take active and more equal roles as males in economic and social activities. However, this dynamic change has not been fully recognized by management scholars (Brush, 1992; Jennings & Brush, 2013). Although we limit our focus on female leaders in family firms, the same argument can be expanded into female employees, managers, entrepreneurs and business owners with regard to their evolving roles and functions in economic organizations. It is also worth noting that we focused on female family leaders in family business rather than female leaders in general. It is our belief that the embedded family system in business provides a more loosely constrained atmosphere (Au et al., 2013; Eddleston & Powell, 2012), allowing female family members to retain key characteristics of their activities and leadership styles. Conversely, females in other working environment may have to behave like males in order to prove their professional competence and work ethics (Cooper, 2013).

Practical implications

This study may shed light on practices in the family business setting. In this section, we specifically discuss the practical prescriptions toward policy-maker, family business manager and family business succession.

Public policy

It is important to note that female leaders have become an increasingly visible part of family businesses. In some situations or contexts, the owning-family may not have qualified male successors, so policymakers may wish to design specific policies that can encourage female leadership in family business. In particular, according to the case analysis, policies that can improve females' status in the family system and/or improve family cohesion might be particularly useful in encouraging this.

Family business management

As the case analysis reveals, female leadership in family firms is characterized by high levels of balance, dependence and participative-ness. This proposes challenges as well as opportunities to family business practitioners. Given a female family leader, qualities such as masculinity, decisiveness and authority may become less likely in decision-making. In addition, in case the owning-family concerns work-family conflict or conflict among family members, it might be helpful to promote a female family member into the senior managerial positions. As female family members often have high level of dependence upon the family's endowment of resources, they might have difficulties in gaining recognition from external parties and/or acquiring external resources. Thus, promoting a female family CEO/manager would help legitimize their position to external stakeholders.

Family business succession

This study may also shed light on the practice of family business succession. In many economies, family business founders often favor male successors. Nonetheless, under certain circumstance, the family may not have male family members available or the male candidate may not be as capable as the female candidate. Thus, the traditional male preference should be at least reconsidered given that some family firms may only have female successors in line.

In addition, the owning family needs to offer female family members access to the male-dominated business field and provide more opportunities for their career development. Furthermore, support from family founders and other family members, both at work and at home, may help female family members advance more in the business.

Also aforementioned, there might be unique issues in female leadership in family business. Thus, family business practitioners might want to design unique family governance (i.e., family constitution or family office) as well as corporate governance (i.e., provisions) that specifically address the challenges that female family members may have. In this regard, female family successor may face fewer difficulties in the succession phase.

Limitations

It is important to recognize that this article is not without limitations. First, we draw our conclusion based on a single case study. The advantage of single case is the richness in data and depth of analysis, while its disadvantage is the potentially limited generalizability of the conclusion. We consider our case to be a good representation of female-led family business in China. But we also recognize that female family business may be as equally heterogeneous as the whole family business population. Hence, replicating our study using multiple-case analysis and other statistical approaches could extend the findings and enrich the applicability.

In addition, we develop our propositions from a case study in China, which has its roots in traditional Confucian culture similar to other Eastern Asian countries. However, China has also experienced dramatic and ongoing institutional changes. Due to the data limitation, we are unable to conduct cross-country or cross-culture comparisons. Indeed, we recognize that our propositions may not be applicable to other economies and cultures that do not share the same cultural roots, but cross-culture comparison may yield new knowledge that extend our findings. Future studies are thus encouraged to explore this direction.

Finally, there are other contextual contingencies such as industrial regulation and market competition that may further affect the antecedents and consequences of female family leadership. Future studies may consider this direction and shed further light on this important topic.

Conclusion

Drawing on a case study of a three-generation family business, this paper explored female leadership in contemporary Chinese family business. We follow a broad institution-family-embeddedness perspective, which allows us to integrate institutional context with family systems, as well as female leadership in family business. We find

that certain institutional change may give rise to female leadership in Chinese family business. We also find that such a transition is mediated through the adjustment in the family system, notably by the changing role of female family members as well as improved family cohesion. In the end, it is also found that in comparison to male leadership, female family leadership shows higher balance, dependence and participativeness.

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