



Department of Business and Management – Chair of Corporate Governance

Master's Degree in Corporate Finance

***Breaking Barriers in Succession: The Role of Women in Leadership and Governance of Family-Owned Multinational Corporations***

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## ABSTRACT

This thesis investigates the role of women in succession and governance processes within multinational family-owned businesses, aiming to understand how gender influences continuity, performance, and innovation capacity in family firms. Positioned at the intersection of corporate governance, gender studies, and family business research, the study addresses a topic that remains relatively underexplored in academic literature.

After reviewing the main theoretical frameworks on family firms, succession models, and governance approaches, the thesis examines the structural and cultural barriers that hinder women's access to top leadership positions, as well as the mechanisms that foster inclusive leadership transitions. The empirical analysis adopts a qualitative and triangulated approach: in addition to six international case studies (Donatella Versace – Versace, Miuccia Prada – Prada, Delphine Arnault – LVMH, Abigail Johnson – Fidelity Investments, Shari Redstone – Paramount Global, and Ferruccio Ferragamo – Salvatore Ferragamo), the research incorporates an original survey administered to a sample of students, young professionals, and members of family businesses.

The survey collected perceptions, experiences, and opinions regarding the main challenges and opportunities faced by women in succession processes, highlighting issues such as cultural stereotypes, work-life balance, and organizational resistance, but also the growing recognition of gender diversity as a strategic asset.

Findings from both the case studies and the survey show that, despite persistent barriers, female leaders have frequently contributed to strengthening organizational resilience, renewing strategic direction, and enhancing global brand reputation. Overall, the evidence suggests that gender diversity in family business governance is not merely an ethical imperative but a critical driver of competitiveness and long-term value creation.

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## INTRODUCTION

Family-owned multinational corporations represent a significant portion of the global economy, combining entrepreneurial vision with intergenerational continuity. These firms not only generate wealth and employment but also embody distinctive governance patterns in which ownership, management, and family legacy are closely intertwined. Among the most critical challenges they face, succession remains the decisive moment that shapes long-term survival and strategic renewal.

While succession has been widely analyzed in family business research, the intersection between gender and leadership transition remains underexplored. Historically, women in family firms have often been excluded from top decision-making roles, constrained by cultural stereotypes, structural barriers, and traditional expectations. Yet, in recent decades, an increasing number of female leaders have assumed central positions in global family enterprises, redefining governance practices and reshaping competitive strategies.

This thesis examines how women contribute to succession and governance in multinational family businesses, highlighting both the challenges and the opportunities that emerge during generational transitions. After a theoretical review of family firm governance and succession dynamics, the research explores cultural and organizational barriers faced by women, as well as mechanisms that can foster inclusive and merit-based leadership.

The empirical analysis follows a qualitative and exploratory methodology, combining six international case studies—Donatella Versace (Versace), Miuccia Prada (Prada), Delphine Arnault (LVMH), Abigail Johnson (Fidelity Investments), Shari Redstone (Paramount Global), and Ferruccio Ferragamo (Salvatore Ferragamo)—with an original survey addressed to students, young professionals, and members of family firms. The survey provides further insight into contemporary perceptions of gender roles in succession, work-life balance, and governance inclusivity.

By integrating academic frameworks, case-based evidence, and survey data, the study argues that female leadership in family-owned corporations is not only a matter of equity but also a strategic driver of resilience, innovation, and long-term value creation.

## I. FRAMING THE RESEARCH: SUCCESSION, GENDER, & GOVERNANCE IN FAMILY FIRMS

Family-owned enterprises – businesses in which one or more families maintain significant ownership or control – form the backbone of economies worldwide. These firms range from small businesses to some of the largest multinational corporations. In fact, family businesses are estimated to account for over 80% of businesses globally and contribute a substantial share of employment and GDP in many countries.<sup>1</sup> Despite their prevalence and economic importance, family firms face unique challenges, especially regarding longevity and leadership succession. An often-cited statistic is that only about 40% of family enterprises successfully transition to the second generation, about 13% to the third generation, and a mere 3% survive to a fourth generation.<sup>2</sup> This attrition across generations underscores how critical effective succession planning and governance are to the sustained success of family firms. Without careful planning, family conflicts, lack of preparation in next-generation leaders, or governance shortcomings can derail the continuity of even well-established businesses.

One key aspect that has gained scholarly and practical attention in recent years is the role of gender in family business succession and leadership. Historically, family firm leadership was the preserve of men and followed a norm of primogeniture – transferring control to the firstborn son. Daughters and female kin were commonly passed over for succession due to cultural biases or stereotypical assumptions about roles by gender. Succession within family-owned businesses, according to research, “is very much biased by gender and daughters are consistently ruled out of hand.”<sup>3</sup> As a result, many talented women operating within business clans did not enjoy the same potential to head the business that their male counterparts did. However, there is a noticeable shift. Over the last several decades, more and more top management roles within family businesses have been filled by women, who have brought their own management approaches and abilities.<sup>4</sup> Surveys are now citing that approximately 24% of family-owned businesses are headed by a female CEO or president, a higher percentage than among non-family-owned Fortune 1000 firms (approximately 2.5% as of 2007).<sup>5</sup>

Yet planning for a female to succeed remains a rare phenomenon – within some studies, only 3% of family businesses specifically plan for a female to be their next head of company.<sup>6</sup> The gap

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<sup>1</sup> La Porta, R., Lopez-de-Silanes, F., & Shleifer, A. (1999). Corporate ownership around the world. *Journal of Finance*, 54(2), 471–517.

<sup>2</sup> Ward, J. L. (1987). Keeping the Family Business Healthy: How to Plan for Continuing Growth, Profitability, and Family Leadership. *Business Family Resources*.

<sup>3</sup> Vera, C. F., & Dean, M. A. (2005). An Examination of the Challenges Daughters Face in Family Business Succession. *Family Business Review*, 18(4), 321–345.

<sup>4</sup> Allen, R. S., & Langowitz, N. S. (2013). Women in family business: What keeps them active? *Family Business Review*, 26(1), 52–69.

<sup>5</sup> MassMutual. (2007). American Family Business Survey.

<sup>6</sup> PwC. (2016). Family Business Survey: The Next Generation.

between these figures indicates that while, yes, many family firms are headed by a woman, it is more often due to default (e.g. no male heir or an unforeseen gap at the top) than active succession planning. The overlap between gender, succession, and governance within family firms thus represents an important research area: how to achieve smoother intergenerational transition and to leverage the full talent pool (male and female) for top management roles.

Corporate governance is the system of rules, processes, and procedures by which companies are managed and controlled. For family businesses, corporate governance serves a dual purpose: not only must it perform its traditional function of protecting the interests of owners and stakeholders, but it also needs to address the delicate interplay between family and company. Governance in family enterprises involves balancing family influence with sound management practices, ensuring that family dynamics (such as trust, altruism, or rivalries) do not undermine the company's performance and longevity.<sup>7</sup> Effective governance structures are able to keep nepotism and conflict of interest at bay while professionalizing management and giving direction on a strategic level, all of which are very significant during the process of succession. For purposes of this thesis, corporate governance will be considered as a moderating variable in the outcomes of succession - how the structures and policy of governance can facilitate or restrict the emergence of female leaders within family businesses.<sup>8</sup>

### ***A. The Role of Corporate Governance in Family Firms***

Corporate governance refers to the system of rules, practices, and processes by which a company is directed and controlled. It encompasses the relationships among a company's owners (shareholders), board of directors, management, and other stakeholders, and provides the structure through which company objectives are set and performance is monitored.<sup>9</sup> In any company, good governance is essential for ensuring accountability, fairness, and transparency in a company's relationship with its stakeholders.<sup>10</sup> In family-owned firms, however, corporate governance takes on additional layers of complexity and importance. Unlike widely-held corporations, where ownership and management are separate, family businesses often feature a significant overlap between family (owners) and management.<sup>11</sup> This overlap can reduce some classic principal-agent problems (since

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<sup>7</sup> Miller, D., Le Breton-Miller, I., & Scholnick, B. (2008). Stewardship vs. stagnation: An empirical comparison of small family and non-family businesses. *Journal of Management Studies*, 45(1), 51–78.

<sup>8</sup> Neubauer, F., & Lank, A. G. (1998). *The Family Business: Its Governance for Sustainability*. Routledge.

<sup>9</sup> OECD. (2015). *G20/OECD Principles of Corporate Governance*.

<sup>10</sup> IFC. (2020). *Corporate Governance Handbook*. International Finance Corporation.

<sup>11</sup> Miller, D., & Le Breton-Miller, I. (2006). Family governance and firm performance. *Family Business Review*, 19(1), 73–87.

owners and managers may be the same people or closely aligned), but it introduces what scholars call *principal–principal* conflicts or other unique governance challenges.<sup>12</sup>

In other words, conflicts in family firms may arise not from divergent owner vs. manager interests (as in non-family firms), but from misalignment between family goals and business goals, or between majority family owners and minority shareholders.<sup>13</sup> Governance models of family firms are often more complex because they require two systems – the family and the firm – to interact positively and efficiently despite having different aims, values, and norms.<sup>14</sup>

One fundamental challenge in family firm governance is balancing family influence with professional management. Families have emotional and legacy interests in the business (sometimes described as socioemotional wealth, meaning the non-financial value they derive from maintaining family control and identity in the firm)<sup>15</sup> that can cloud objective decision-making. For example, a founder's altruism toward family members might lead to employing or promoting a less-qualified relative out of loyalty – a practice often termed nepotism – which could be detrimental to the business in the long run. Schulze et al. (2003) argue that assuming family management is automatically efficient can oversimplify matters; in reality, parental altruism in family firms can create free-rider problems or entitlement attitudes among descendants.<sup>16</sup> Thus, informal governance based purely on trust and family bonds may not suffice as the business grows. On the other hand, family leadership can also bring benefits: family owners often have a longer-term horizon and a strong commitment to the firm's success, which can translate into stewardship behaviors (acting as responsible caretakers of the business for future generations).<sup>17</sup> Good governance in a family firm, therefore, seeks to encourage the positive aspects of family involvement (long-term vision, loyalty, agility in decision-making) while mitigating the negatives (insularity, informality, potential for conflict or incompetence).<sup>18</sup>

Several governance mechanisms are particularly relevant for family firms:

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<sup>12</sup> Young, M. N., Peng, M. W., Ahlstrom, D., Bruton, G. D., & Jiang, Y. (2008). Corporate governance in emerging economies. *Journal of Management Studies*, 45(1), 196–220.

<sup>13</sup> Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends in strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, 29(5), 555–576

<sup>14</sup> Neubauer, F., & Lank, A. G. (1998). The Family Business: Its Governance for Sustainability.

<sup>15</sup> Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms. *Family Business Review*, 25(3), 258–279.

<sup>16</sup> Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2003). Toward a theory of agency and altruism in family firms. *Journal of Business Venturing*, 18(4), 473–490.

<sup>17</sup> Le Breton-Miller, I., & Miller, D. (2009). Agency vs. stewardship in public family firms. *Entrepreneurship Theory and Practice*, 33(6), 1169–1191.

<sup>18</sup> Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the US economy. *Family Business Review*, 16(3), 211–219.

### *Board of Directors and Board Composition:*

Establishing an active, well-structured board is a critical governance practice. In many first-generation family firms, the board (if one exists at all) might be composed solely of family members or rubber-stamp directors, providing little independent oversight. As the firm grows, bringing in outside directors (non-family, independent board members) can greatly improve governance by introducing diverse expertise and objective perspectives.<sup>19</sup> However, many family firms are slow to embrace board independence. A recent survey found that about 26% of family business boards consist only of family members, and many boards lack diversity in age and gender.<sup>20</sup> Such homogeneity can limit the board's effectiveness. By contrast, those family firms that do incorporate independent directors often benefit from enhanced strategic guidance and a check on family biases.<sup>21</sup> The board's role in a family company often extends to sensitive issues like CEO succession and oversight of management performance – domains where an impartial view is valuable. Indeed, a clear governance structure is associated with better outcomes: about two-thirds of family businesses in a 2023 global survey reported having a clear governance structure in place, indicating formalized roles and procedures, which is a positive sign (though conversely, one-third lack such clarity, highlighting room for improvement).<sup>22</sup>

### *Family Governance Bodies:*

In addition to a formal board of directors (which deals with business decisions), many successful family firms implement parallel family governance institutions. These can include a family council – a committee of family members that meets to discuss family-related policies, expectations, and to educate and involve the younger generation – or a family assembly that gathers a wider group of family stakeholders periodically.<sup>23</sup> There may also be a written family constitution or charter that outlines the family's values, vision for the business, and agreed-upon policies for issues like employment of family members, distribution of profits, and succession procedures. While these family governance mechanisms are not part of the legal corporate governance per se, they play a complementary role. They provide a forum to manage family expectations and conflicts outside of the boardroom, which in turn allows the corporate board and executives to focus on business operations. For example, a family constitution might stipulate that any family member who wishes to join the company must meet certain education or experience criteria – a rule that helps professionalize

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<sup>19</sup> Ward, J. L. (2004). Perpetuating the Family Business.

<sup>20</sup> PwC. (2023). Global Family Business Survey.

<sup>21</sup> Corbetta, G., & Salvato, C. (2004). Self-serving or self-actualizing? Family Business Review, 17(2), 123–134.

<sup>22</sup> PwC. (2023). Global Family Business Survey.

<sup>23</sup> Aronoff, C. E., & Ward, J. L. (1996). Family Business Governance.

the business and avoid charges of unearned positions. Such mechanisms, when respected, can greatly reduce intra-family tensions and uncertainties, thereby stabilizing the governance of the firm.<sup>24</sup>

#### *Succession Planning and Leadership Development:*

Perhaps the most critical governance process in a family firm is planning for succession – deciding how and when leadership will transition to the next generation (or to non-family management, if appropriate). Succession planning in family businesses is not purely a family matter; it is a governance matter because it affects all stakeholders and the strategic continuity of the company. Best practices in governance call for boards and controlling owners to engage in early, proactive succession planning. This includes identifying potential successors, grooming them through exposure to various roles, and establishing clear criteria for leadership selection. Unfortunately, many family businesses delay or avoid this planning. A significant proportion of family firm owners either have no formal succession plan or are reluctant to even broach the topic of retirement. For instance, about 30% of family business owners have no plans to retire (intending to retain leadership indefinitely), and another 30% don't anticipate retiring for at least a decade. Such reluctance can be dangerous – without a plan, a sudden illness or death of the current leader can throw the company into crisis.<sup>25</sup> Corporate governance structures like the board (or even external advisors) can mitigate this by pushing for and overseeing succession plans. In some cases, setting up a trust or engaging a professional succession planning consultant is part of governance. The goal is to ensure the business's continuity beyond the tenure of any one individual. Transparent succession criteria and processes also reassure non-family executives and investors that the company will remain stable through generational changes.<sup>26</sup>

#### *Accountability and Minority Shareholder Protection:*

As family firms expand, they may take on outside capital or have branches of the family that are owners but not involved in management. Good governance must protect the rights of all shareholders, not just the controlling family members. It may involve investing in high standards of financial controls, audit committees, and disclosures.<sup>27</sup> It also requires the controlling family to consider equitable treatment of minority shareholders to sustain trust and stay out of court. Family managers may succumb to the temptation to operate the company like a personal fiefdom, but corporate governance entails fiduciary responsibilities and monitoring to curb abuses (like diverting

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<sup>24</sup> Lansberg, I. (1999). *Succeeding Generations*.

<sup>25</sup> EY. (2018). *Global Family Business Survey: Can You See the Future?*

<sup>26</sup> Poza, E. J., & Daugherty, M. S. (2013). *Family Business*.

<sup>27</sup> IFC. (2020). *Corporate Governance Handbook*.

resources for their personal use, or discrimination that injures the company value). Basically, the governance devices establish a check-and-balance system that holds family management accountable to the company's success and to other stakeholders.<sup>28</sup>

In short, corporate governance within family firms serves to regulate decision-making and supervision within an environment that tends to be managed informally. By establishing procedures such as boards, councils, and policy, family firms are able to mitigate potential negatives of family control while capitalizing on its benefits. Effective governance ensures that the company is aligned with contemporary management without compromising the family's fundamentals.<sup>29</sup>

Importantly, research indicates that family firms that operate more formally tend to outperform and last longer between generations.<sup>30</sup> For instance, the use of independent directors and documented succession plans have been found to result in smoother transitions of leader and more investor confidence.<sup>31</sup> Moreover, as family firms go international and become multinational (selling and operating within several countries), sound governance is even more important. A defined system ensures that the company vision and policy are aligned across borders and that local operations meet the family's standards and strategy.<sup>32</sup> It also offers a mechanism to bring non-family professionals to the management team, which is often needed when a company goes global.

To identify the main governance practices for family businesses, consider the following significant factors usually suggested by experts.

- *Create Formal Documentation:* Put the framework for governance into documentation – i.e., form or amend corporate bylaws, family constitutions, shareholder agreements, and even wills and trusts – to specify the rules for making decisions, succession, and transferring ownership. Review and update these documents periodically as the family and company change.<sup>33</sup>
- *Introduce Independent Oversight:* Add independent board members or advisors who can give objective input and assist in navigating challenging decisions. Outside insight can be worth its weight in gold, particularly if family intra-consensus is difficult to achieve.<sup>34</sup>

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<sup>28</sup> Miller, D., Le Breton-Miller, I., & Lester, R. H. (2011). Family firm governance. *Organization Science*, 22(3), 704–721.

<sup>29</sup> Carney, M. (2005). Corporate governance and competitive advantage in family-controlled firms. *Entrepreneurship Theory and Practice*, 29(3), 249–265.

<sup>30</sup> Miller, D., Le Breton-Miller, I., & Lester, R. H. (2010). Family ownership and acquisition behavior in publicly-traded companies. *Strategic Management Journal*, 31(2), 201–223.

<sup>31</sup> Gallo, M. A., & Vilaseca, A. (1996). Finance in family business. *Family Business Review*, 9(4), 387–401.

<sup>32</sup> Zahra, S. A. (2003). International expansion of U.S. manufacturing family businesses: The effect of ownership and involvement. *Journal of Business Venturing*, 18(4), 495–512.

<sup>33</sup> Gersick, K. E., Davis, J. A., Hampton, M. M., & Lansberg, I. (1997). *Generation to Generation: Life Cycles of the Family Business*. Harvard Business Press.

<sup>34</sup> Neubauer, F., & Lank, A. G. (1998). *The Family Business: Its Governance for Sustainability*. Macmillan Press.

- *Plan for Succession Well in Advance:* Don't wait for a crisis to plan for the future. Establish leadership development programs to prepare next-generation family members who are interested in the company, and plan for various succession scenarios (including the option for outside executives to lead if no family candidate is prepared to step up to the top position). Planning ahead provides for orderly and phased transfer, which maintains continuity.<sup>35</sup>
- *Promote Open Communication:* Develop a culture of regular, open communication between family members regarding the business. This may include regular family gatherings or retreats for discussing the direction of the company and issues. Being open promotes trust and maintains realistic expectations, minimizing surprises or conflicts.<sup>36</sup>
- *Balance Family and Non-family Talent:* Aspire to have a management team that includes family members along with effective non-family professionals. Establishing clear requirements for roles maximizes the application of family workers to the same performance standards for all. Reward based on merit and look to the outside for important roles if the need arises. Achieving this balance can enhance professionalism and demonstrate to stakeholders that the company truly values competence and not just loyalty.<sup>37</sup>

By adopting these governance practices, family firms establish a firmer basis for solving their most crucial challenge: succession. The following section (B) will focus particularly on succession, paying specific respect to the gender aspect – examining how corporate and cultural factors influence the feasibility of female-led firms and what future trends indicate for women-led family businesses.

### **B. Succession and Female Leadership in Multinational Family Enterprises**

Succession within family firms is usually referred to as a process, not an event. It entails the transition of authority (and typically ownership) from one family generation to the next. The process is full of emotional, strategic, and relational considerations.<sup>38</sup> When thinking about succession, the following questions come to mind: Who is best qualified to be the successor? Is the best person willing and ready to assume the position? How are power and authority to be transferred? And importantly, in many family businesses: Will the successor be taken from all capable offspring or

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<sup>35</sup> Le Breton-Miller, I., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship Theory and Practice*, 28(4), 305–328.

<sup>36</sup> Astrachan, J. H., & McMillan, K. S. (2003). Conflict and communication in the family business. *Family Business Review*, 16(3), 165–178.

<sup>37</sup> Dyer, W. G. (2006). Examining the “family effect” on firm performance. *Family Business Review*, 19(4), 253–273.

<sup>38</sup> Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, 17(1), 1–36.

solely from the sons? The historic bias against daughters succeeding their fathers or older male relatives to lead family businesses has been universal across many cultures and centuries. The tradition of primogeniture, where eldest sons inherited control, was characteristic of family businesses (parallel to aristocratic patterns of inheritance).<sup>39</sup> Even where primogeniture was not an official policy, a “sons first” philosophy often ruled. Daughters may have been directed to supporting roles or pushed out of the way by younger brothers or male cousins. Consequently, women within family businesses often were relegated to the sidelines of succession plans, no matter what their ability or interest.<sup>40</sup>

The exclusion of daughters from succession has been examined in family business research. For instance, a study by Wang (2010) notes that gender bias in succession is so entrenched that daughters are seldom even considered in the pool of candidates.<sup>41</sup> This can lead to what some scholars call the “daughter deficit” in family firm leadership.<sup>42</sup> It’s not that women are inherently less capable of running the business, but rather they are not given the chance, or they may self-select out because they perceive – correctly – that their path to the top is blocked.<sup>43</sup>

Interestingly, this dynamic can affect the aspirations and preparation of women in the family. If from a young age a daughter observes that the family (and society) assume the eldest son will one day run the company, she may not invest in developing the necessary skills or interest in the business.<sup>44</sup> Research shows that when primogeniture is the norm, daughters internalize the low likelihood of their leadership and often exhibit lower emotional commitment to the firm compared to sons.<sup>45</sup> They might pursue alternative careers or contribute in less visible ways, such as behind-the-scenes advisory roles or taking charge only in family matters (sometimes dubbed the “Chief Emotional Officer,” reflecting a role where a woman informally manages family harmony).<sup>46</sup> Indeed, women in family enterprises have traditionally been seen as stabilizers – maintaining family unity and supporting the business from the background. Jimenez (2009) found that women often play an

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<sup>39</sup> Gersick, K. E., Davis, J. A., Hampton, M. M., & Lansberg, I. (1997). *Generation to Generation: Life Cycles of the Family Business*. Harvard Business School Press.

<sup>40</sup> Dumas, C. (1989). Understanding of father–daughter and father–son dyads in family-owned businesses. *Family Business Review*, 2(1), 31–46.

<sup>41</sup> Wang, Y. (2010). Daughters’ inheritance and gender inequality in family business succession. *Journal of Family Business Strategy*, 1(2), 117–124.

<sup>42</sup> Curimbaba, F. (2002). The dynamics of women’s roles in family businesses: The Portuguese case. *Family Business Review*, 15(3), 239–252.

<sup>43</sup> Vera, C. F., & Dean, M. A. (2005). An Examination of the Challenges Daughters Face in Family Business Succession. *Family Business Review*, 18(4), 321–345.

<sup>44</sup> Haberman, H., & Danes, S. M. (2007). Father–daughter and father–son family business management transfer comparison: Family FIRO model application. *Family Business Review*, 20(2), 163–184.

<sup>45</sup> Lansberg, I. (1999). *Succeeding Generations: Realizing the Dream of Families in Business*. Harvard Business School Press.

<sup>46</sup> Poza, E. J., & Messer, T. (2001). Spousal leadership and continuity in the family firm. *Family Business Review*, 14(1), 25–36.

emotional leadership role that is crucial for preserving peace and harmony within the family, which indirectly benefits the business.<sup>47</sup>

However, this supportive role, while valuable, did not translate into formal power or titles for many women. Despite the historical patterns, the landscape of family business succession is gradually evolving to become more inclusive of female leadership. Multiple factors are driving this change:

#### *Societal and Cultural Shifts:*

Around the world, attitudes towards gender roles have been changing. Greater emphasis on gender equality and women's education has expanded the pipeline of qualified women in all fields, including those poised to take over family firms. In some countries, legal reforms in inheritance and property rights have also empowered daughters to claim or be granted a fair opportunity to lead.<sup>48</sup> For example, as highlighted in a KPMG report, in China the combination of a cultural gender-equality movement and the one-child policy (which resulted in many only-daughter heirs) has prompted business families to adopt a more meritocratic view of succession,<sup>49</sup> choosing the most competent person – son or daughter – to lead.<sup>50</sup> In the Middle East, historically strict norms have started to loosen; in Saudi Arabia, recent social changes and government support for women in the workforce have made it possible for female CEOs of family companies to operate where previously it was nearly impossible.<sup>51</sup> These societal changes reduce external barriers and increase acceptance of women at the helm of family businesses.

#### *Education and Experience of Daughters:*

Today's generation of daughters in business families often have educational and professional credentials equal to their brothers. Many families now ensure all children, regardless of gender, receive good education and even exposure to the family business. There are numerous cases of daughters earning MBAs or working in outside firms before joining the family enterprise, thereby demonstrating their competence.<sup>52</sup> As daughters build their résumés, they bolster their credibility as potential successors. Improved access to higher education for women globally has thus equipped more daughters with the knowledge and skills to run complex businesses. When a daughter has

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<sup>47</sup> Jimenez, R. M. (2009). Research on women in family firms: Current status and future directions. *Family Business Review*, 22(1), 53–64.

<sup>48</sup> Baines, S., & Wheelock, J. (2000). Work and employment in small businesses: Perpetuating and challenging gender traditions. *Work, Employment and Society*, 14(4), 777–794.

<sup>49</sup> KPMG. (2015). *Global Family Business Report: Women in Leadership*.

<sup>50</sup> McKinsey & Company. (2019). *Women at Work in the Middle East*.

<sup>51</sup> Overbeke, K. K., Bilimoria, D., & Somers, T. (2013). Shared vision between fathers and daughters in family businesses. *Journal of Family Business Strategy*, 4(3).

<sup>52</sup> EY. (2018). *Women in Leadership: The Family Business Advantage*.

proven herself in management – sometimes even within the family firm in a different country or division – the family is more likely to entrust her with the top position.

#### *Demographic Changes in Families:*

Family size has implications for succession. Smaller family sizes (common in many industrialized countries and as a result of policies like China's one-child rule) mean there may not be a son available or interested to take over. In the past, if a family had multiple sons, roles could be juggled (with one perhaps taking the business, another handling finance, etc.), but with fewer children, every capable member becomes valuable. A family with only daughters will almost by necessity consider a daughter as the heir if the goal is to keep leadership in the family. Thus, shrinking family sizes have incidentally opened more opportunities for women to inherit leadership, simply because there are fewer male alternatives.<sup>53</sup>

#### *Evidence of Successful Female-Led Succession Cases:*

As more women actually assume leadership of their family firms, they serve as role models and proof of concept that can influence others. High-profile examples in different regions provide learning cases. For instance, in the United States, Abigail Johnson took over as CEO of Fidelity Investments (a multinational financial firm founded by her grandfather), successfully continuing the family's legacy and even expanding the business. Similarly, Ana Botín became executive chairman of Santander Group (a major global bank in Spain) following her father's death, marking a rare daughter succession in a large family-controlled enterprise. In Asia, there have been notable daughter successions such as Simone Tata (who helped build the Tata Group's consumer business in India and whose daughter-in-law later led segments of the conglomerate) and Peggy Cherg, who co-founded Panda Express (though not exactly a succession case since she is a founder, it illustrates women co-leading a family enterprise). Each successful case chips away at the bias and provides an example to convince traditional patriarchs that a daughter can capably lead. Some research even suggests that father-to-daughter succession tends to be less conflict-ridden than father-to-son succession – possibly because daughters, once chosen, face less rivalry with siblings or because fathers and daughters might handle the power transition more harmoniously. Such findings counter the old stereotype that passing the baton to a daughter is riskier; on the contrary, it might bring unique advantages in terms of family unity and continuity of leadership style.<sup>54</sup>

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<sup>53</sup> Allen, R. S., & Langowitz, N. (2013). Women in family business: What keeps them active? *Family Business Review*, 26(1).

<sup>54</sup> PwC. (2023). *Family Business Survey: Case Studies*.

### *Unique Strengths of Female Leadership:*

Female leaders may bring particular strengths that align well with modern business and governance needs. As noted in some studies and surveys, women in leadership are often seen as more collaborative, communicative, and empathetic in their management style.<sup>55</sup> These characteristics can be very effective within a family business to bridge family and non-family staff – for instance, teamwork and good interpersonal skills assist both in managing family and non-family staff and negotiating family issues that flow across the boundary that inevitably exist between family and business.

Female successors may also be more open to innovation or going for new directions of strategy, since they may have had to earn their spurs and challenge conventional thinking to overcome discrimination. There is evidence that both more balanced and more diverse top management would pay more regard to topics such as sustainability, corporate social responsibility, and stakeholder value for the longer term.<sup>56</sup> For a family business that worries about sustaining a reputation and legacy across the term of several generations, these are very much aligned with the concept of stewardship.

Despite these encouraging trends, there are still major challenges for succession planning that encompasses female leadership, particularly within specific cultures and corporate settings.<sup>57</sup> There remains a dearth of overt support or grooming for daughters to ascend to leadership within many family businesses.<sup>58</sup> They can expect to encounter skepticism from longtime (usually male) non-family executives or even customers and vendors who are accustomed to transacting with the patriarch.<sup>59</sup>

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<sup>55</sup> Eagly, A. H., & Carli, L. L. (2007). *Through the Labyrinth: The Truth About How Women Become Leaders*. Harvard Business Press.

<sup>56</sup> Nielsen, S., & Huse, M. (2010). The contribution of women on boards of directors: Going beyond the surface. *Corporate Governance: An International Review*.

<sup>57</sup> Ahl, H., & Marlow, S. (2012). Exploring the dynamics of gender, feminism and entrepreneurship: Advancing debate to escape a dead end? *International Journal of Gender and Entrepreneurship*, 4(1), 1–10.

<sup>58</sup> Asia Pacific Family Business Institute. (2019). *Gender and Succession in Asia*.

<sup>59</sup> Astrachan, J. H., & Pieper, T. M. (2010). *Conflict in Family Firms: An Interdisciplinary Perspective*. Edward Elgar Publishing.

	CEO	CFO	Other strategy	Shared services	Business management	Women in management
Italy (31)	15%	11%	18%	17%	15%	16%
Singapore (40)	15%	28%	45%	39%	17%	23%
Thailand (61)	9%	42%	35%	47%	24%	28%
Philippines (37)	8%	28%	42%	46%	30%	34%
Australia/NZ (166)	7%	18%	24%	47%	15%	25%
Netherlands (33)	6%	13%	14%	28%	17%	18%
China (406)	6%	21%	17%	36%	11%	15%
Indonesia (53)	6%	12%	20%	23%	22%	19%
France (65)	6%	15%	22%	38%	16%	21%
United States (832)	5%	13%	20%	37%	16%	22%
Ireland (22)	5%	14%	18%	32%	14%	19%
Sweden (23)	4%	9%	14%	51%	16%	25%
United Kingdom (189)	4%	12%	18%	39%	12%	18%
South Korea (73)	4%	0%	4%	5%	5%	4%
Canada (82)	2%	10%	19%	30%	14%	18%
Mexico (43)	2%	7%	11%	14%	8%	9%
India (114)	2%	1%	8%	15%	9%	8%
Taiwan (Chinese Taipei) (88)	1%	30%	42%	17%	15%	19%
Switzerland (93)	1%	4%	7%	19%	8%	10%
Brazil (104)	1%	4%	12%	20%	9%	10%
Germany (72)	0%	12%	8%	35%	13%	14%
Japan (175)	0%	2%	1%	6%	3%	3%
Malaysia (42)	0%	29%	21%	43%	20%	23%
Spain (24)	0%	13%	24%	24%	12%	16%
Turkey (22)	0%	10%	27%	14%	11%	12%

**Figure 1:** Woman in Management by country in 2019. Source: Credit Suisse Research, CS Gender 3000

Moreover, family relationships may be strained if, for example, a younger son gets passed over for an older daughter – and thus may incur resentment if family members have traditional beliefs regarding genders.<sup>60</sup>

Conquering these challenges usually needs to happen on purpose: the existing leader (usually the dad) needs to visibly sponsor and empower the daughter, and the corporate system needs to support this by treating her as the rightful future leader in all official ways (e.g., assigning her significant roles to the board, including her in major decisions from an early point, and making the succession plan clear to stakeholders).<sup>61</sup>

The multinational aspect of family enterprises adds another layer to consider. A multinational family firm operates across different countries, which might have varying cultural attitudes toward women in leadership.<sup>62</sup> For example, a family firm headquartered in a Western country with liberal gender norms might have subsidiaries in regions where business is traditionally male-dominated.

<sup>60</sup> Credit Suisse Research Institute. (2019). The CS Gender 3000 Report: The Changing Face of Companies.

<sup>61</sup> Deloitte. (2020). Women in Leadership – Family Business Outlook.

<sup>62</sup> Deloitte. (2021). Women in Family Business: Shaping the Future.

## Canada



**Figure 2:** Women in the boardroom, Canada Overview. Source: KPMG Report (2024)

If a daughter becomes the global CEO, she may need to work harder to earn respect in those regions, or the family might need to make additional governance arrangements (such as appointing strong local managers) to support her leadership remotely.<sup>63</sup> On the other hand, being multinational often correlates with being a larger, more professionally managed organization – one that likely already has formal governance structures in place.<sup>64</sup> Such firms might have more experience with non-family executives, institutional investors, and regulatory compliance, all of which tend to create a culture of meritocracy.<sup>65</sup> Therefore, one could argue that in a well-governed multinational family firm, there should be fewer internal barriers to a female successor because the culture is less patriarchal and more performance-based.<sup>66</sup> Indeed, a McKinsey study noted that nearly 19% of the world’s largest 500 firms (by revenue) are family-controlled, and these include household names where governance standards are high.<sup>67</sup> In these companies, when a female family member is highly qualified, there is increasing acceptance of her taking the top job – sometimes it is even welcomed as a modernizing signal for the company’s image.<sup>68</sup>

It is also worth noting the role of external pressures and opportunities. For instance, investors and banks often inquire about succession plans as part of due diligence.<sup>69</sup> A transparent plan that includes qualified family women can reassure stakeholders that the company values competence and continuity.<sup>70</sup> Moreover, organizations and networks for women in family business have emerged

<sup>63</sup> EY Global Family Business Center of Excellence. (2023). NextGen Women in Family Business.

<sup>64</sup> Family Business Network. (2022). FBN NextGen Women Initiatives.

<sup>65</sup> Family Firm Institute. (2021). Co-Leadership in Global Family Firms.

<sup>66</sup> Gallo, M. A., & Vilaseca, A. (1996). Finance in family business. *Family Business Review*, 9(4), 387–401.

<sup>67</sup> Harvard Business Review. (2020). Mentoring the next generation of women in family business. *Harvard Business Review Digital Articles*.

<sup>68</sup> IFC (International Finance Corporation). (2019). Corporate Governance and Gender Diversity

<sup>69</sup> IFC & World Bank. (2020). Women on Boards and in Business Leadership.

<sup>70</sup> Jimenez, R. M. (2009). Research on women in family firms: Current status and future directions. *Family Business Review*, 22(1), 53–64.

(e.g., groups under the Family Business Network or university-based centers) which provide mentorship and visibility for aspiring women successors. Participation in such networks can help female family members prepare and gain confidence, as well as learn from peers who have taken on leadership.<sup>71</sup>

In family firms that are multinationals, succession may not always be one person, however. Some companies use models of co-leadership or distributed leadership by regions. It can be a mechanism to bring both male and female family members from the next generation on board.<sup>72</sup>

For instance, one sibling may lead the Asian operations while another controls European operations, or one may become CEO while the other is the chairman of the board. These models depend on extremely clear guidelines to function and are temporary measures. But that they are possible shows the flexibility that family firms have to organize leadership to be inclusive and effective.<sup>73</sup>

To demonstrate the changing patterns of female family business succession, look at several short summaries based on case studies and reports:

*Case 1: Father-to-Daughter Transition in a Manufacturing Group (Europe).*

In this example, the founder of a manufacturing company with subsidiaries across Europe decided to retire and handed the CEO role to his daughter, who had been working in the company for 15 years. The governance practices that made it successful included a mentorship period (father as board chairman for two years while the daughter took CEO role), clear endorsement of the daughter's authority to all managers, and the presence of independent directors who supported her and ensured continuity of strategy. The result was a smooth transition with minimal disruption, and performance remained strong under the new female CEO – in part because employees and partners had been prepared for the change and saw that it was merit-based. This case echoed research findings that such well-planned father-daughter successions can be harmonious and effective.<sup>74</sup>

*Case 2: Failed Succession Due to Lack of Governance (Asia)*

A contrasting example involved a family conglomerate in Asia where the founder bypassed his eldest daughter (who was competent and involved in the business) in favor of a younger son with little experience, due to traditional views. There was no independent board or formal succession plan – the

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<sup>71</sup> KPMG. (2015). Global Female Leaders in Family Business Report.

<sup>72</sup> McKinsey & Company. (2020). Women Matter: Ten Years of Insights on Gender Diversity.

<sup>73</sup> McKinsey & Company. (2022). Global Family Businesses Report.

<sup>74</sup> Miller, D., & Le Breton-Miller, I. (2005). Managing for the Long Run: Lessons in Competitive Advantage from Great Family Businesses. Harvard Business Press.

decision was made unilaterally. The transition proved rocky: the son struggled to lead, key non-family executives left, and eventually the daughter also departed to start her own venture. The family firm's performance declined, and it had to bring in outside management. Analysts noted that the absence of a robust governance framework allowed bias to dictate succession, to the detriment of the business. This case underscores how governance (or the lack thereof) plays a critical role in whether female leadership gets a chance and how succession outcomes impact the firm.<sup>75</sup>

*Case 3: Sibling Partnership in a Multinational Family Firm (North America).*

Here, a large family-owned retail enterprise with operations in multiple countries transitioned from a charismatic male founder to his two children – a brother and a sister – who took on different executive roles. Instead of picking one successor, the father and the board came up with a system whereby the son took up the position of CEO and the daughter Executive Vice President with responsibility for international divisions. Despite the fact that the number one spot was officially held by the son, the sister was de facto running the show, and the governance model was one where after a couple of years the roles could switch or be reassigned based on performance. The model was facilitated by a robust board and good conflict resolution mechanisms. The two siblings' skills were appreciated and both were kept actively engaged in the business, possibly resulting in the sister ending up as the CEO. The case illustrates that modern day family businesses can experiment with adaptable models of succession to be inclusive while they should be monitored strictly so that rivalry won't turn into conflict.<sup>76</sup>

The crossroad of change and tradition comes where the issue of female leadership and family succession in international family businesses is the subject. On the one hand are deeply rooted family and cultural traditions that have conventionally restricted the role of females as controllers of the family businesses. Against these impediments stand newer forces – education, social change, economic imperatives, and success stories.<sup>77</sup> Corporate governance as a lever within this dynamic is particularly important. Where a family company's governance is forward-thinking and meritocratic and open, then there is a set of circumstances under which ability and readiness are conditions for the selection of a successor and not simply instances of the first-begotten.<sup>78</sup> Where such circumstances prevail, then females stand a better chance of hitting the top if they are the most able. And where there additionally exist formal institutions of governance (e.g., boards of diverse membership), then

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<sup>75</sup> OECD. (2021). Women in Business 2021: Policies for Inclusive Entrepreneurship.

<sup>76</sup> Poza, E. J., & Daugherty, M. S. (2013). Family Business (4th ed.). Cengage Learning.

<sup>77</sup> PwC. (2021). Family Business Survey 2021.

<sup>78</sup> PwC. (2022). European Family Business Casebook.

decisions about succession are open to at least some form of scrutiny or advice beyond the fiat of the sitting patriarch, possibly precluding biases going unchecked.

For multigenerational family businesses that compete in complex global markets, access to the full talent capital of the family can be a competitive advantage.<sup>79</sup> As global and professional competition challenges these firms regularly, the best-equipped leader – male or female – is essential. It is heartening to learn that studies indicate a positive direction: the position of the woman is “still moving forward” across the world, according to surveys.<sup>80</sup> Families are more and more willing to “choose the best” and not resort to following traditional customs.

Daughters are stepping up not only out of necessity, but are being actively prepared and nurtured, a big shift from last generation. Every successful female-led transition serves to reinforce the precedent and to shift debate from “can a woman lead our family business?” to “who within our family (son or daughter) is best fit to lead?”

To summarize, family business succession and leadership development are impossible to disengage from issues of corporate governance and gender. A global family company that embeds robust corporate governance will have an easier time managing transition across generations and to welcoming diversity to the top spot, including providing an equal chance for a first lady at the helm. Firms that stick to traditional or makeshift modes of corporate governance risk losing out on talent and compromising their future profitability. The remaining chapters of this thesis will discuss these issues at greater length.

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<sup>79</sup> Sharma, P. (2004). An overview of the field of family business studies: Current status and directions for the future. *Family Business Review*, 17(1), 1–36.

<sup>80</sup> Vera, C. F., & Dean, M. A. (2005). An examination of the challenges daughters face in family business succession. *Family Business Review*, 18(4), 321–345.

## II. MULTINATIONAL FAMILY BUSINESS

### A. Definition and Key Characteristics

Family firms are companies where ownership and/or management is within one or more family(ies), and where family members across several generations are involved in influencing the strategy. Multinational family businesses (MFBs), which have the combination of international operations complexity and family involvement, need a special mix of global strategy and family continuity. MFBs are based on tradition and innovation, and they seek to combine affective commitment and economic rationale. Key characteristics include:

#### *Intergenerational Commitment and Long-Term Orientation:*

MFBs are not like public firms, which tend to maximize short-term profits. MFBs are concerned with enduring legacies and intergenerational wealth transfer. Their major decisions are not only made to be profitable but also to sustain the social status, values, and harmony of the family across time.<sup>81</sup>

*Example:* The Mars family that controls Mars Inc. upholds a tight long-term perspective with minimal public disclosure to enable the company to remain independent and preserve its legacy.

#### *Socioemotional Wealth (SEW):*

SEW is the term used to describe the family firm's non-financial objectives that include identity, influence, and family value perpetuation.<sup>82</sup> SEW impacts risk aversion, choice of leaders, and investment.

#### *Dual Logic of Informality and Professionalism:*

MFBs tend to have a dual system:

- Informal logic (trust, intuition, shared history);
- Professional mechanisms (boards, audits, KPIs), which exist in tandem and occasionally conflict.<sup>83</sup> This dualism prescribes governance and internal decision-making frameworks.

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<sup>81</sup> Zellweger, T. M., Nason, R. S., Nordqvist, M., & Brush, C. G. (2013). Why do family firms strive for nonfinancial goals? An organizational identity perspective. *Entrepreneurship Theory and Practice*, 37(2), 229–248.

<sup>82</sup> Gómez-Mejía, L. R., Haynes, K. T., Núñez-Nickel, M., Jacobson, K. J., & Moyano-Fuentes, J. (2007). Socioemotional wealth and business risks in family-controlled firms: Evidence from Spanish olive oil mills. *Administrative Science Quarterly*, 52(1), 106–137.

<sup>83</sup> Nordqvist, M., & Melin, L. (2010). Entrepreneurial families and family firms. *Entrepreneurship & Regional Development*, 22(3–4), 211–239.

### *Cultural Hybridization:*

Because they are operating across many jurisdictions, MFBs are confronted with the challenge of balancing home-country customs and host-country needs.<sup>84</sup> This tends to translate to hybrid management practices—mixing home-country customs and host-country expectations. It also produces more heterogeneous workforces and culturally aware management.

*Example:* Ferragamo's global expansion entailed the hiring of regional directors from local cultures and marrying Florentine heritage to local purchasing behavior.

### *Family Brand and Emotional Capital:*

The family name may be the brand—translating to trust, continuity, and authenticity. Employees, consumers, and investors alike commonly develop strong emotional bonds to these brands, which manifests itself in loyalty and resilience within times of crisis.<sup>85</sup>

*Example:* LVMH highlights Arnault family vision and heritage across communications, maintaining brand equity through lineage.

### *Complexity within Succession and Governance:*

MFBs experience heightened succession complexity because of their size, international reach, and ownership structures that include trusts, holding companies, or foundations.<sup>86</sup> They have to contend with multi-level transitions between business divisions, regions, and family generations.

### *Stakeholder Stewardship and Reputation Orientation:*

MFBs also give high importance to reputation management because of the family linkage to the firm.<sup>87</sup> This translates to greater ethical conduct, local involvement, and longer-term CSR investments. Their stakeholder orientation goes beyond shareholders to include workers, local communities, and future generations.

These companies are usually viewed by stakeholders as consistent and reliable, but also tend to struggle to professionalize their operations, especially their governance and succession planning.

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<sup>84</sup> Kontinen, T., & Ojala, A. (2011). International opportunity recognition among small and medium-sized family firms. *Journal of Small Business Management*, 49(3), 490–514.

<sup>85</sup> Craig, J. B., & Moores, K. (2005). Balanced scorecards to drive the strategic planning of family firms. *Family Business Review*, 18(2), 105–122.

<sup>86</sup> Miller, D., Le Breton-Miller, I., & Lester, R. H. (2011). Family and lone founder ownership and strategic behaviour: Social context, identity, and institutional logics. *Journal of Management Studies*, 48(1), 1–25.

<sup>87</sup> Berrone, P., Cruz, C., Gomez-Mejia, L. R., & Larraza-Kintana, M. (2010). Socioemotional wealth and corporate responses to institutional pressures: Do family-controlled firms pollute less? *Administrative Science Quarterly*, 55(1), 82–113.

## ***B. Family Identity and Stakeholder Relationship***

The identity of a family business is not limited to its legal structure or financial ownership—it is deeply rooted in the values, history, and collective memory of the family. This phenomenon, described in literature as “Familianness”,<sup>88</sup> represents a bundle of unique resources and capabilities that arise from the interaction between the family and the business. These include trust-based relationships, shared vision, loyalty, and long-term orientation—elements that influence how the firm interacts with both internal and external stakeholders.

Internally, the family identity is often transmitted across generations through narratives, rituals, and informal mentoring. The business becomes a vessel for the family legacy, with the brand name frequently tied to the family surname, further reinforcing emotional attachment. Employees in family firms may perceive themselves as part of an extended family, fostering a high level of organizational commitment and lower turnover rates compared to non-family firms.<sup>89</sup> However, this closeness can also lead to challenges—such as role ambiguity, favoritism, or tensions between professional and family expectations.

From an external stakeholder perspective, family firms often exhibit a strong stakeholder orientation, particularly toward long-term partners such as suppliers, clients, communities, and financial institutions. The embedded reputation of the family can act as a powerful signal of trust and continuity, especially in sectors where relationship-based contracting is essential (e.g., luxury, wine, real estate, and banking).<sup>90</sup> Many family firms actively invest in social capital and community development to reinforce their legitimacy and moral standing, both locally and globally.

However, the integration of family and business identities may also generate governance risks. Stakeholders—especially investors and non-family executives—may be concerned about the lack of transparency or perceived emotional decision-making. For example, succession planning often remains a sensitive issue, where family loyalty may override meritocracy. These tensions can impact firm performance and the retention of high-level non-family talent.<sup>91</sup>

In family firms that are multinational, all these dynamics are more complex. Institutional and cultural contexts shape stakeholder expectations. Where there are high aspirations for equality or openness between genders (e.g., Scandinavia, Canada), male-led or opaque management may be

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<sup>88</sup> Habbershon, T. G., & Williams, M. L. (1999). A resource-based framework for assessing the strategic advantages of family firms. *Family Business Review*, 12(1), 1–25.

<sup>89</sup> Barnett, T., Eddleston, K. A., & Kellermanns, F. W. (2009). The effects of family versus nonfamily social capital on firm performance: A multi-level perspective. *Family Business Review*, 22(1), 65–81.

<sup>90</sup> Sharma, P., & Irving, P. G. (2005). Four bases of family business successor commitment: Antecedents and consequences. *Entrepreneurship Theory and Practice*, 29(1), 13–33.

<sup>91</sup> Le Breton-Miller, I., & Miller, D. (2013). Socioemotional wealth across the family firm life cycle: A commentary on “Family Business Survival and the Role of Boards”. *Entrepreneurship Theory and Practice*, 37(6), 1391–1397.

viewed negatively. In a more patriarchal culture, tight family control may be used to reflect honor and solidity.<sup>92</sup> This necessitates family firms that are multinational to reconcile a family identity that is centralizing and to adapt to local stakeholders—to have a global approach to management and to reputation.

To bridge these conflicts, numerous MFBs are investing in formal stakeholder governance—e.g., ESG committees, stakeholder reporting frameworks, and family councils that include outside members. These frameworks enhance perceptions of fairness, minimize agency costs, and professionalize stakeholder interaction. Intergenerational involvement in charity, family foundations, or sustainability initiatives also seems to be a useful tool to balance family values and social goals.<sup>93</sup>

Ultimately, the identity of family enterprises impacts not just their internal dynamics but also how outside actors view, trust, and support them. A strong and coherent family identity can be a source of sustainable competitive advantage—but only when matched with governance clarity, stakeholder responsiveness, and cultural sensitivity.<sup>94</sup>

### ***C. Value Creation, Governance and Control Mechanisms***

Multinational family businesses achieve value creation due to a multifaceted intersection between economic goals and socioemotional desires. While profitability and operational effectiveness are paramount, family businesses are specially concerned about keeping socioemotional wealth—a term by Gómez-Mejía et al. (2007) referencing the affective and relational advantages families gain from businesses.<sup>95</sup> These include keeping the family in charge, guaranteeing identity continuity, creating emotional attachment, and ensuring the handing over of the business legacy to the next generations.

By this definition, value is not determined by shareholder returns alone, but by the capacity of the firm to maintain family unity, impact, and traditions.

This two-pronged concern profoundly shapes the form and functioning of governance arrangements. In contrast to widely held firms, where governance generally revolves around the agency problem and market discipline, the family firms have to develop mechanisms that safeguard family cohesion as well as professional management of the firm.<sup>96</sup> Their governance structures have

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<sup>92</sup> Carr, J. C., & Sequeira, J. M. (2007). Prior family business exposure as intergenerational influence and entrepreneurial intent: A theory of planned behavior approach. *Journal of Business Research*, 60(10), 1090–1098.

<sup>93</sup> Cruz, C., Justo, R., & De Castro, J. (2012). Does family employment enhance MSEs performance? Integrating socioemotional wealth and family embeddedness perspectives. *Journal of Business Venturing*, 27(1), 62–76.

<sup>94</sup> Craig, J. B., Dibrell, C., & Garrett, R. (2014). Examining relationships among family influence, family culture, flexible planning systems, innovativeness, and firm performance. *Journal of Family Business Strategy*, 5(3), 229–238.

<sup>95</sup> Gómez-Mejía, L. R., et al. (2007). Socioemotional wealth and business risks in family-controlled firms. *Administrative Science Quarterly*, 52(1), 106–137.

<sup>96</sup> Miller, D., & Le Breton-Miller, I. (2006). Family governance and firm performance: Agency, stewardship, and capabilities. *Family Business Review*, 19(1), 73–87.

the challenge of accommodating the family's emotional bond towards the firm while being credible, effective, and responsive to external stakeholders' needs.

The formal structures of family businesses include a board of directors, shareholder agreements, and family constitutions. These structures take a formal shape as businesses expand internationally. Independent directors are brought on board to provide unbiased monitoring, strategic advice, and improve the confidence of the investors.<sup>97</sup> In multinational firms where complexity, distance, and information asymmetry take on enhanced proportions, extensive board monitoring becomes even more crucial.

Family constitutions and protocols are private documents outlining the values of the family, as well as the family mission and long-term vision. The documents outline roles, entry and exit criteria for ownership, and succession planning procedures. For cross-national settings, the documents would also embody management of the international subsidiary businesses, joint ventures or anything else involving the operation of businesses outside the country of origin. The documents would align the boards of the domestic operations into the headquarters' strategy. Revising and adhering to these constitutions avoid conflicts and confusion among the different branches of the family.<sup>98</sup>

Beyond formal structures, first- and particularly second-generation businesses have substantial roles for informal governance mechanisms. Trustworthiness, moral authority, loyalty and unofficial rules often govern decisions. In the majority of cases, a patriarch or a matriarch within the family holds substantial informal authority regardless of formal rank. Although this ensures quick decision-making and coordination, this also carries the risks of secrecy, favoritism and the threat of succession issues if informal balances are countered by institutional checks.<sup>99</sup>

Multinational family businesses typically institute a two-tier governance arrangement: family members maintain strategic stewardship through holding firms, trusts, or board membership while entrusting regional managers, including non-family professionals, with operational management. The balance ensures the retention of family identity and stewardship while permitting market-responsive effective operations. Examples such as LVMH, BMW, and Ferragamo reflect this mixed model—where family control at the group level (e.g., the Arnault family's holding company control) exists while individual businesses have a great deal of autonomy.<sup>100</sup>

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<sup>97</sup> Corbetta, G., & Salvato, C. (2004). Self-serving or self-actualizing? Models of man and agency costs in different types of family firms: A commentary on "Comparing the agency costs of family and non-family firms: Conceptual issues and exploratory evidence." *Entrepreneurship Theory and Practice*, 28(4), 355–362.

<sup>98</sup> Astrachan, J. H., & Shanker, M. C. (2003). Family businesses' contribution to the U.S. economy: A closer look. *Family Business Review*, 16(3), 211–219.

<sup>99</sup> Chrisman, J. J., Chua, J. H., & Sharma, P. (2005). Trends and directions in the development of a strategic management theory of the family firm. *Entrepreneurship Theory and Practice*, 29(5), 555–576.

<sup>100</sup> Lude, M., & Prügl, R. (2019). Risk management in family firms: The role of family ownership and family involvement. *International Journal of Financial Studies*, 7(3), 40.

Empirical evidence increasingly supports the view that family firms governed by formal systems perform better than those governed by informal means. Miller and Le Breton-Miller (2005) find that companies having independent boards, formalized succession planning and family employment guidelines have improved strategic clarity, have fewer conflicts and successfully manage leadership succession. Furthermore, good governance is also linked to improved ESG scores, better stakeholder relationships and enhanced resilience under crises.<sup>101</sup>

Stewardship is a key value driver. Family businesses view themselves as stewards of a heritage that incorporates not just profit but also workers, consumers, communities, and national heritage. Stewardship results in ethical behaviors, investment in people, and a longer-term orientation that emphasizes sustainability. Cases such as Tata Group of India and Barilla of Italy demonstrate a balance of business success and strong social performance.<sup>102</sup>

Ultimately, governance of the multinational family firm does not constitute a rigid set of formulas but rather a dynamic process that evolves as the firm evolves and as the family grows. When governance structures are designed to balance economic reason and socioemotional concerns, they are a source of enduring competitiveness. Such companies are more able to handle succession, access outside capital, deal with global complexity, and retain relevance over multiple generations and geographies.

#### ***D. Nepotism, CEO Duality, and Family Involvement***

The most symbolic and controversial of the issues of family business governance concerns nepotism. Inherent in the very character of family businesses, nepotism implies the favoritism of family over nonfamily members in hiring, promotion, or decision-making unrelated to ability. Although the term necessarily implies a pejorative view of the phenomenon in the management literature, within family businesses it acquires a subtler meaning. While for some theorist's nepotism represents a cultural artifact and a means of ensuring continuity, for others it represents a professional hazard as well as a liability for long-run competitiveness.<sup>103</sup>

Nepotism is frequently accepted - or even welcomed - during the initial period of a family business's development. Founder families generally have around them family members they know they can trust who reflect the values and mission of the firm. The presumption is that familial ties mean loyalty and discretion and strong commitment. The practice makes sense particularly when

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<sup>101</sup> Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*. Harvard Business Press.

<sup>102</sup> Ward, J. L. (2004). *Perpetuating the family business: 50 lessons learned from long-lasting, successful families in business*. Palgrave Macmillan.

<sup>103</sup> Lansberg, I. (1999). *Succeeding Generations: Realizing the Dream of Families in Business*. Harvard Business School Press.

institutions of law are weak or labor markets are not very good and the family becomes a standing for formal governance.<sup>104</sup>

But as the firm ages—especially on the international level—the dynamic becomes a liability. Placing under-qualified relatives into key positions creates inefficiency, reputational risks, and stagnation. Skilled non-family professionals may get alienated, creating weak employee morale, talent flight, and lost trust. External investors also interpret nepotism as a sign of weak governance and limit the firm’s access to funds and innovative partners.<sup>105</sup>

To counter these risks, various high-profile multinational family businesses have established formal policy guidelines on family involvement. These often include educational criteria, external work experience as a pre-requirement for appointment, and independent appraisal of work. For instance, the next-generation leaders of the BMW company are expected to gain outside experience prior to having a seat on the executive board, while the governance charters of the Ferragamo Group limit the appointment of family members directly and provide free choice between family and non-family applicants.<sup>106</sup>

Very close to nepotism is the issue of CEO duality—where one person occupies the positions of both Chief Executive Officer and Board Chair. CEO duality occurs prevalently in family businesses particularly where there are strong founder traditions. Positively, this reduces the number of decisions required and provides consistency of direction. Negatively, this erodes the separation of power implied by the good practices of governance by diminishing board monitoring, stifling dissent, and enhancing the possibility of entrenchment.<sup>107</sup>

CEO duality becomes even more dangerous within a multinational context. The operational complexity and geographic spread call for strong checks and monitoring. Absent a clear demarcation between management and board of directors governance, subsidiary businesses may stray from the mother company’s strategy and the reins of accountability may unravel. It’s for this reason that more and more international family businesses are gravitating towards dividing the CEO and the Chair roles, or having a lead independent director put the governance balance back on track.<sup>108</sup>

Family involvement transcends top management hiring. It involves a larger set of behaviors, habits, and patterns of influence that drive culture, strategy, and succession. Family presence may be

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<sup>104</sup> Schulze, W. S., Lubatkin, M. H., & Dino, R. N. (2003). Toward a theory of agency and altruism in family firms. *Journal of Business Venturing*, 18(4), 473–490.

<sup>105</sup> Dyer, W. G. Jr. (2006). Examining the “family effect” on firm performance. *Family Business Review*, 19(4), 253–273.

<sup>106</sup> Neubauer, F., & Lank, A. G. (1998). *The Family Business: Its Governance for Sustainability*. Routledge.

<sup>107</sup> Boyd, B. K. (1995). CEO duality and firm performance: A contingency model. *Strategic Management Journal*, 16(4), 301–312.

<sup>108</sup> Fiegener, M. K. (2010). The monitoring role of the board: Evidence from small and medium-sized firms. *Family Business Review*, 23(1), 65–80.

expressed through stakes in the ownership of the company, participation on the board of directors or board committees, informal influence on key decisions, or symbolic roles. When handled properly, family involvement brings cohesion and long-term thinking. When mishandled, family involvement breeds paternalism, resistance to forward thinking, and intragroup conflict.<sup>109</sup>

The literature emphasizes both the positive and negative implications of family involvement. Positively, they are linked to stewardship behavior, resilience during times of crisis, and attention towards long-term goals. Negatively, unbridled family dominance—particularly where transparency levels are weak—may lead to misallocation of resources, stagnation, and denial of outside talent.<sup>110</sup> These tensions are especially evident on succession, where incumbent leaders' interests, next-generation family members' interests, and external stakeholders' interests may starkly diverge.

Family councils, educational programs aimed at the following generations, and formal role segregation policies are among the main strategies for controlling family engagement. Most multinational family businesses today utilize hybrid forms of governance combining family strategic control with professional management. For example, the Arnault family of LVMH maintain management by employing a holding company structure wherein individual maisons are managed separately by professional managers. The practice ensures the family's grip while supporting operational greatness and innovative thinking.<sup>111</sup>

The diversity and inclusion continuum needs to be invoked increasingly to measure family engagement. This continues to be a pervading issue in patriarchic nations where daughters and female relatives get left out of customary family succession. The imperative of creating female leaders and gender-neutral succession strategies grows increasingly accepted by innovative family businesses. Promoting gender-equal family leadership enhances governance and makes the same more responsive to evolving market, social, and regulatory needs.<sup>112</sup>

Ultimately, family involvement, nepotism, and duality of the CEO are not necessarily negative forces within family businesses. The overall governance structure of the firm, the development stage of the firm, and the willingness of the family to embrace meritocratic, open, and responsive practices all have a role. Such elements will reinforce continuity, cohesiveness, and loyalty if handled cautiously. Ignoring these factors will harm one's credibility, professionalism, and competitiveness on a world stage.

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<sup>109</sup> Le Breton-Miller, I., & Miller, D. (2006). Why do some family businesses out-compete? Governance, long-term orientations, and sustainable capability. *Entrepreneurship Theory and Practice*, 30(6), 731–746.

<sup>110</sup> Anderson, R. C., & Reeb, D. M. (2004). Board composition: Balancing family influence in S&P 500 firms. *Administrative Science Quarterly*, 49(2), 209–237.

<sup>111</sup> Miller, D., & Le Breton-Miller, I. (2005). *Managing for the long run: Lessons in competitive advantage from great family businesses*. Harvard Business Press.

<sup>112</sup> Terjesen, S., Couto, E. B., & Francisco, P. M. (2016). Does the presence of independent and female directors impact firm performance? A multi-country study of board diversity. *Journal of Management & Governance*, 20(3), 447–483.

### *E. The Role of Women in Family Governance*

Cultural heritage, legislative mandates, and gender biases towards a leadership and succession preference for men have traditionally dictated the role of the woman in family leadership. On the criteria of ability, education, and commitment, daughters have traditionally been left out of the process of succession. Lacking formal authority over key decisions, women have traditionally filled the role of “silent shareholder,” family bookkeeper, or moral compass. The forces of social transformation, legislation supporting gender equality, improved education for females, and a deliberate reappraisal of family business management are all driving the radical revision of this model.<sup>113</sup>

Academically, underrepresentation of females has been attributed to the phenomenon of the “glass ceiling” most evident in patriarchal family structures. Even when female relatives illustrated aptitude for management roles, brothers or male cousins were typically excluded from promotion—a “primogeniture bias” phenomenon.<sup>114</sup> Exclusion not merely restricts diversity, but also erodes a firm’s long-term effectiveness by curbing the leadership talent pool. Studies on gender and management indicate that more gender diversity at the leadership level in organizations enhances rates of innovation, stakeholder commitment, and ethical governance.<sup>115</sup>

Emerging today are a new breed of women taking over leadership of family businesses—bringing a model of governance that’s inclusive and stakeholder-driven. Well-educated, internationally experienced, and sharply aware of issues of the day like digitalization, ESG integration, and brand authenticity are these new faces of leadership. These are not just inheritors; they are reshapers of institutions.<sup>116</sup>

A key example of this is Donatella Versace,<sup>117</sup> who took over the Versace fashion house after the death of her brother Gianni. Under intense media pressure and resistance within the company, Donatella revamped the company’s international reputation, expanded its worldwide presence, and navigated a significant acquisition by Michael Kors Holdings.<sup>118</sup> Donatella’s leadership model—

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<sup>113</sup> Jimenez, R. M. (2009). Research on women in family firms: Current status and future directions. *Family Business Review*, 22(1), 53–64.

<sup>114</sup> Ahrens, J. P., Landmann, A., & Woywode, M. (2015). Gender preferences in the CEO successions of family firms: Family characteristics and human capital of the successor. *Journal of Family Business Strategy*, 6(2), 86–103.

<sup>115</sup> Terjesen, S., Sealy, R., & Singh, V. (2009). Women directors on corporate boards: A review and research agenda. *Corporate Governance: An International Review*, 17(3), 320–337.

<sup>116</sup> Nelson, T., & Constantinidis, C. (2017). Sex and gender in family business succession research: A review and forward agenda from a social construction perspective. *Family Business Review*, 30(3), 219–241.

<sup>117</sup> Donatella Versace became the Artistic Director and later the Chief Creative Officer of Versace after the tragic death of her brother Gianni Versace in 1997. Her leadership played a crucial role in maintaining the brand’s global influence and identity, blending innovation with the legacy of the fashion house. See: Fionda, A. M., & Moore, C. M. (2009). The anatomy of the luxury fashion brand. *Journal of Brand Management*, 16(5-6), 347–363.

<sup>118</sup> Crane, D. (2018). *Fashion and its social agendas: Class, gender, and identity in clothing*. University of Chicago Press.

characterized by vision and expansion through creativity—is the key to showing that female heirs can respect a legacy and lead the company forward.

Miuccia Prada,<sup>119</sup> granddaughter of the founder of Prada, also turned the traditional leather-goods maker into one of the world’s most cutting-edge fashion houses. Having a PhD in political science and experience in the arts, Miuccia brought cultural capital, experimental strategies, and global expansion of the company—most notably through the establishment of the Prada’s Art Foundation.<sup>120</sup> Her leadership shows the advantages of combining intellectual diversity, cultural diversity, and gender diversity into family firm governance.

Delphine Arnault,<sup>121</sup> Bernard Arnault’s daughter, offers a shining example of merit-based succession. Educated at EDHEC and the London School of Economics, Delphine acquired professional experience at McKinsey and at Christian Dior before stepping into the top job at Louis Vuitton as CEO. Her trajectory shows that female managers within family firms can gain management opportunities on the basis of demonstrated ability rather than birth.<sup>122</sup>

Outside of fashion, leadership by powerful women appears in every industry. Fidelity Investment’s CEO Abigail Johnson modernized the company’s digital platform and strengthened the customer-centric culture as a three-generation family executive. Paramount Global’s Chairwoman Shari Redstone was a key driver of modernizing the family’s media empire by facilitating mergers and leading the pivot into streaming amidst a saturated market.<sup>123</sup>

These instances prove that female leadership is not something new anymore but a developing trend, particularly among multinational family businesses that emphasize inclusive management. There have been myriad factors propelling this development:

- *Education and Global Experience:* Today’s female heirs often possess MBAs, international work experience, and leadership training.<sup>124</sup>

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<sup>119</sup> Miuccia Prada, the granddaughter of the company’s founder, took over the family business in the late 1970s. Under her leadership, Prada evolved from a leather goods company into a global fashion powerhouse known for its minimalist and intellectual style. Her innovative approach and strategic vision have been fundamental to the brand’s expansion and diversification. See: Gundle, S. (2008). *Glamour: A History*. Oxford University Press; and Segre Reinach, S. (2005). Fashion and globalization: the Italian experience. *Fashion Theory*, 9(4), 503–519.

<sup>120</sup> McNeill, P. (2020). The House of Prada: Leadership, heritage, and the creative economy. *Journal of Fashion Marketing and Management*, 24(4), 619–632.

<sup>121</sup> Delphine Arnault, daughter of Bernard Arnault (CEO of LVMH), has held key leadership roles within the luxury group, including Executive Vice President at Louis Vuitton and, since 2023, CEO of Christian Dior Couture. Her appointment is widely regarded as a strategic move in the succession planning of the Arnault family, ensuring continuity within the world’s largest luxury conglomerate. See: Rose, S. (2023). Delphine Arnault named CEO of Dior as part of LVMH succession plan. *The Guardian*.

<sup>122</sup> “Delphine Arnault named CEO of Louis Vuitton,” *Forbes*, January 2023.

<sup>123</sup> Ibarra, H., Ely, R. J., & Kolb, D. M. (2013). Women rising: The unseen barriers. *Harvard Business Review*, 91(9), 60–66.

<sup>124</sup> Ernst & Young. (2023). *Women in leadership: The family business advantage*. EYGM Limited.

- *Institutional and Legal Changes*: Inheritance laws, particularly in Europe and North America, now guarantee equal rights.<sup>125</sup>
- *Public Policy and Quotas*: Board diversity mandates, like Italy's Golfo-Mosca Law, encourage families to broaden succession pipelines.<sup>126</sup>
- *Changing Family Values*: Newer generations increasingly view gender-neutral succession as a natural, rather than disruptive, choice.<sup>127</sup>

These gains notwithstanding, there are challenges. In the majority of Asia, Latin America, and the Middle East, traditional gender roles are deeply rooted. Even within more advanced countries, female successors experience hostility from established management teams, being excluded from networks of power, and increased scrutiny of their competence.<sup>128</sup>

To work towards these challenges being tackled, families are creating mentorship networks, committees of succession supported by external help, and gender-neutral governance structures offering leadership development initiatives for the daughters. For the sake of creating a positive loop of empowerment for the women and mainstreaming governance among them, peer networks and role models have been pointed out by scholars.<sup>129</sup>

Generally speaking, the matter of female leadership within families today is a matter of strategic imperative rather than equality. Improved decision-making and ESG outcomes and enhanced legitimacy among external stakeholders all go hand-in-hand with higher governance through diversity. Family businesses that adopt gender diversity will be more likely to be able to innovate, attract top talent, and thrive over multiple generations as they go international, go digital, and adapt to new social mandates.<sup>130</sup>

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<sup>125</sup> OECD. (2021). Inheritance Taxation in OECD Countries.

<sup>126</sup> Scicluna, R. M. (2016). Corporate governance and gender quotas: Assessing the impact of the Golfo-Mosca Law in Italy. *European Business Organization Law Review*, 17(2), 273–295.

<sup>127</sup> PwC. (2023). Global Family Business Survey.

<sup>128</sup> Jamali, D., Safieddine, A. M., & Daouk, M. (2006). The glass ceiling: Some positive trends from the Lebanese banking sector. *Women in Management Review*, 21(8), 625–642.

<sup>129</sup> Hoy, F., & Sharma, P. (2010). *Entrepreneurship and family business*. Cengage Learning.

<sup>130</sup> Berrone, P., Cruz, C., & Gomez-Mejia, L. R. (2012). Socioemotional wealth in family firms: Theoretical dimensions, assessment approaches, and agenda for future research. *Family Business Review*, 25(3), 258–279.

### III. SUCCESSION AND THE GENDER VARIABLE

#### A. *The succession process: Internal vs External Continuity*

Succession represents one of the most crucial stages of a family business's lifecycle. Succession includes more than merely the selection of a new chief; it involves a sensitive array of decisions involving the firm's strategic, emotional, cultural, and governance-related decisions that ultimately decide the firm's survival. Possibly none of the decisions within succession are as central as the matter of using external or internal leadership--each of them having profound implications for the path, identity, and stability of the firm.<sup>131</sup>

Internal succession, the traditional favorite of family businesses, tries to maintain continuity by appointing a family member as the new head. It defends the family legacy, preserves the initial values, and keeps management within the family.<sup>132</sup> It carries the risks as well: if the successor fails or is not fit enough to lead a rapidly globalizing and competitive world, the very survival of the company becomes a concern. Moreover, internal successions are often informal and rely on emotional criteria over objective evaluation of ability or compatibility.<sup>133</sup>

Outside succession, then, involves bringing on a non-family executive typically selected on the basis of professionalism, management ability, and the ability to think new-generation. Hiring someone outside might bring new talent and perspectives into the firm, but at the expense of disrupting family dynamics and diluting the cultural ties that keep the firm tied to the originating family. The outside successor will have not just the disapproval of the family to deal with but also from employees and consumers who have identified the firm's brand as synonymous with family stewardship.<sup>134</sup>

Empirical evidence indicates that internal succession remains the predominant model of family businesses worldwide, especially where family commitment and legacy are deeply rooted cultural values. Yet the enhanced complexity of international markets, the pace of technological advancements, and the penetration of professional management practices are increasingly leading more family businesses—notably those that are multinational—to turn towards hybrid models. External managers might be hired in these instances to backstop, mentor, or lead jointly with family stewards, bringing the benefits of heritage and fresh thinking.<sup>135</sup>

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<sup>131</sup> Lotis Blue Consulting. (2024). Risks and Rewards of Internal and External CEO Candidates.

<sup>132</sup> INSEAD. (2023). Making External Executives Successful in Family Businesses.

<sup>133</sup> Financial Times. (2024). How Succession Can Make or Break a Family Business.

<sup>134</sup> ResearchGate. (2024). Family Businesses and Succession Planning: An Analytical Approach.

<sup>135</sup> FamilyBusiness.org. (2023). Why Women CEOs Offer Family Businesses an Entrepreneurial Advantage.

Ultimately, the internal/external succession decision is not merely a matter of strategy—it is a fundamental challenge of governance. It requires a thoughtful process of planning, open communication, and a compelling expression of the company’s long-term vision. Notably, gender dynamics provide additional layers of complexity and potential for this decision-making process, as the next sections will describe.

### ***B. Succession Planning and Cultural Impact***

Succession planning will be essential for the family business to succeed in the long run. Though this reality is widely accepted, most family businesses develop succession plans as a reaction when they are faced with a situation rather than as a deliberate preplanned process. The key decisions are typically put off until they are absolutely unable to be changed. With the intricate relationship between the business needs of the firm and the family’s emotional dynamics, such procrastination is particularly risky.<sup>136</sup>

Finding a successor is only one aspect of succession planning. Formal development programs, deliberate exposure, and a gradual assumption of responsibilities are all part of it.<sup>137</sup> Successful family businesses initiate the process of succession years ahead of the expected leadership transformation. Examples of best practice include clearly establishing selection criteria, creating fair assessment procedures, and aligning expectations among family and outside stakeholders.<sup>138</sup>

Cultural factors have a large role to play in the process of succession. Family ties and experience are often put above meritocratic criteria in collectivist cultures like the ones present in the South of Europe, Latin America, and the majority of Asian countries.<sup>139</sup> Consequently, as opposed to competence, the successor might be decided on the grounds of gender role or birth position. The reverse is the situation for individualist cultures where the choice based on merit is more variable and personal achievement holds a higher preference.<sup>140</sup>

Succession dynamics are one of the chief drivers and are also determined by intrafamily culture of values and beliefs transmitted over generations. It is possible that families that have a culture of valuing flexibility, knowledge, and entrepreneurship will send sons and daughters into top

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<sup>136</sup> Ahmad, Z., Najam, U., & Mustamil, N. (2024). Uncovering the Research Trends of Family-Owned Business Succession: Past, Present and the Future. ResearchGate.

<sup>137</sup> MDPI. (2023). Can the Succession Plan for Family Business Achieve Social Employment Stability? Economics, 13(1).

<sup>138</sup> Emerald Insight. (2024). The Effects of Succession Planning and Incumbents' Willingness to Step Aside on the Sustainability of Family Businesses.

<sup>139</sup> Debicki, B. J., et al. (2020). Culture and succession in family firms: A meta-analytic review. Journal of Family Business Strategy, 11(2).

<sup>140</sup> Bjuggren, P., & Sund, L.-G. (2022). Cultural differences and intergenerational succession in family firms. European Journal of International Management, 16(1).

jobs. Families that strictly maintain the given hierarchies and gender-role norms might inadvertently limit the pool of potential leaders within the firm by depriving them of opportunities.

Navigating cultural diversity across the global landscape represents another hurdle for international family businesses. While a plan based on her appointment may work successfully across the world there are cultures where the very idea of such a plan would be viewed as archaic or even detrimental to a company's reputation. For this reason, leading international family businesses increasingly employ responsive and sensitive models of succession planning founded on the precepts of diversity and inclusion.<sup>141</sup>

Effective succession planning not merely supports leadership continuity but also signals very clearly to workers, investors, and consumers that the company is forward-looking. When addressing this matter, the inclusion of gender as a key element of succession planning signifies forward thinking and equality.<sup>142</sup>

### *C. Female vs Male CEOs: Barriers and Stereotypes*

The disparity between male and female leadership in family firms reveals a recurring set of obstacles and preconceptions that affect succession planning and leadership skill perceptions.<sup>143</sup> Although society as a whole has come a long way towards equality between the sexes, females who aspire to take up executive positions within family businesses have not remained free from institutional restrictions based on structural inequalities, inherent biases, and cultural values

Traditionally, the keys to masculinity—aggressiveness, decisiveness, taking risks, and assertiveness—were tied up with leadership. Meanwhile, women have learned to be caring, relationally attentive, and empathic. These align internally within the leadership preference of many family businesses, even if they are socially constructed rather than biologically determined.<sup>144</sup>

Women CEOs are frequently put into the “double bind,” where they are characterized as negative regardless of whatever they do: concurrently or not. If they are assertive then they get tagged as being aggressive and if they work harmoniously then they are considered weak. These provide a supposedly unachievable benchmark where the female leaders need to demonstrate strength and

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<sup>141</sup> Gómez-Mejía, L. R., et al. (2020). Socioemotional Wealth and the Family Firm: An Expanded View of Succession. *Academy of Management Perspectives*, 34(3).

<sup>142</sup> Hogan Assessments. (2025). Why Aren't There More Women in Leadership Roles?

<sup>143</sup> Women Leaders in Family Enterprises (WLife). (2024). What Women Face in the Family Business: On Gender Bias and More. *Women in Family Business*.

<sup>144</sup> Boukhabza, S., & Ouhadi, S. (2024). Women in family business succession: a systematic literature review and future research agenda. *Management Review Quarterly*, 74(4), 2477–2510.

amiability simultaneously, decisiveness and modesty. These are usually placed at higher standards as compared to the male leaders.<sup>145</sup>

In addition to the double bind, females face the “glass ceiling”—the invisible barrier that prevents the possibility of upward mobility although qualifications are clear. For the family firm, the glass ceiling is even stronger. Familial commitment and cultural heritage as well as emotional considerations generally support the patriarchal model of succession, not by subtle discrimination but by implicit assumptions regarding the look of leadership. Such biases generally are not stated and are embedded within family governance practices.<sup>146</sup>

Empirical evidence highlights the prevalence of these challenges. A Eagly and Carli (2007) analysis demonstrated that females are much less likely than males to be considered next-generation heirs within family businesses even after educational level, professional experience, and job performance are controlled. Similarly, a 2015 MassMutual survey of U.S. family businesses indicated that while daughters were as committed as sons within company operations, they were far less likely to be viewed as a next-generation management leader.<sup>147</sup>

These problems are reinforced by the informal environment of succession planning within most family businesses. Without systematic assessment procedures, relational trust and subjectively based judgments predominate over succession decisions, enabling gender biases conscious or otherwise to have a disproportionate impact.<sup>148</sup> Daughters are generally viewed as “riskier” propositions where cultural traditions still hold the view of the woman as the chief career.

Despite this, the stereotypes are increasingly contradicted by empirical evidence. Many studies demonstrate that females contribute significant leadership strengths to family businesses. Female leaders are characterized by transformational leadership styles that are characterized by vision, inspiration, individualized consideration, and intellectual stimulation.<sup>149</sup> Such characteristics are particularly powerful within today’s changing world of rapid adaptation, creativity, and stakeholder participation.<sup>150</sup>

A number of actual-life instances demonstrate this evolution. Donatella Versace, who inherited Versace after the death of her brother Gianni, was subject to tremendous criticism while keeping and revamping the brand for a worldwide, youthful market.<sup>151</sup> Abigail Johnson, the head of

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<sup>145</sup> Rónaföldi-Széll, G. (2024). Succession and gender dynamics in family firms: A systematic literature review and future research agenda. *Vezetéstudomány / Budapest Management Review*, 55(7-8), 77–89.

<sup>146</sup> Sarraf, A., & Singh, T. P. (2025). Biases Faced by Women in Family Businesses. *International Journal of Enhanced Research in Management & Computer Applications*, 14(3), 52–56.

<sup>147</sup> Kella Leadership. (2025). What’s Holding Women CEOs Back and How to Overcome It.

<sup>148</sup> MDPI. (2023). Informal Succession and Gender Bias in Family Firms.

<sup>149</sup> ScienceDirect. (2025). Myth or Reality? Female CEOs, Decision Authority, and Family Firms.

<sup>150</sup> Family Business Magazine. (2023). New Study Finds Family Firms Enable Women CEOs to Shine.

<sup>151</sup> Forbes. (2023). Donatella Versace on Redefining Luxury and Owning Her Power.

Fidelity Investments, guided the company through tough economic markets and regulatory changes while updating its digital infrastructure.<sup>152</sup>

Even such success aside, female CEOs of family businesses are generally subject to “prove-again” biases—in repeatedly having to prove themselves in order to be viewed as equally good as the comparable male CEOs. Secondly, the comparative scarcity of such female role models contributes towards the underestimation of the leadership ability among young females at family businesses.<sup>153</sup>

To dismantle these obstacles, family businesses need to move beyond tokenism and embrace structural change. These include:

- Implementing formal leadership development initiatives for all potential successors, both female and male.<sup>154</sup>
- Establishing explicit criteria of merit and fit for succession.
- Fostering a diverse leadership culture within the family and a culture of inclusion.<sup>155</sup>
- Hiring outside advisers and regionally diverse boards as a way of countervailing embedded biases and helping meritocratic succession planning.

The success of female family business leaders is not a shock; they are tangible evidence of the unrealized potential created by leadership founded on ability and vision and not on outdated preconcepts. For family businesses that want to be strong, innovative, and sustainable in a changing world, tapping this potential is a matter of justice as much as a secret of success.

#### ***D. Succession and Performance: Regional and Sectoral Differences***

The results of succession management within family businesses differ extensively by geographic location and industry. Such differences account not just for cultural customs and social expectations but also for different economic structures, regulatory regimes, and past experiences of family ownership.<sup>156</sup> It is important to understand these differences when appreciating the complexity of leadership changes within multinational family businesses, particularly when looking at gender’s role in the process of succession and firm performance.

##### *Regional Variations in Succession Practices*

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<sup>152</sup> Financial Times. (2024). Abigail Johnson: The Quiet Powerhouse Behind Fidelity Investments.

<sup>153</sup> Harvard Business Review. (2023). Women in Family Business: Proving Leadership Again and Again.

<sup>154</sup> INSEAD. (2023). Family Firms and Gender-Inclusive Leadership Development.

<sup>155</sup> PwC. (2023). NextGen Survey: Driving Inclusion and Future Leadership in Family Enterprises.

<sup>156</sup> Rónaföldi-Széll, G. (2024). Succession and gender dynamics in family firms: A systematic literature review and future research agenda. *Vezetéstudomány / Budapest Management Review*, 55(7-8), 77–89.

Most of Asia, parts of South European as well as Latin American countries are characterized by a culture of male primogeniture. There, the classical values of patriarchal supremacy, precedence by age, and filial piety reinforce themselves as the default assumption that the male successor shall take the next leadership role.<sup>157</sup> Succession decisions there may be based on social convention more than on evaluations of leadership ability. Consequently, even very skilled female successors might receive more notice and rebuke from within as well as without the family.<sup>158</sup>

There's hard evidence on these trends. In a PwC (2021) survey, the level of leadership transitions of South European family businesses where the CEO was a woman was as low as 16%, while the level of such transitions among Northern European companies was 29%.<sup>159</sup> Cultural values like filial piety restrict the pools of potential successors and promote the preference of a specific gender as the ideal leadership for the vast majority of Asia, exposing the institutions to archaic strategies and leadership misfits.<sup>160</sup>

By comparison, a more merit-based succession exists in Northern Europe, North America, and Oceania. There are more positive conditions for female leadership transitions due to strong institutional management structures, formal succession planning procedures, and social pressures towards gender equality.<sup>161</sup> Female leaders receive more legitimacy and institutional support as succession becomes more determined by fit, leadership quality, and merit than by gender or family.<sup>162</sup>

Regulatory institutions have also played a role. In the European Union, gender diversity initiatives have forced even family businesses to challenge governance models. Countries like Norway, where gender quotas have been applied on boards of directors since 2003, have felt culture changes extend over into family firm governance. Even within Italy, where the Golfo-Mosca Law legally addresses listed firms specifically, the wider debate around female leadership is already beginning to have its impact on private family businesses.

### *Sectoral Differences in Succession and Gender Dynamics*

Industry characteristics also shape succession patterns and outcomes. In traditionally masculine-industry sectors such as manufacturing, construction, oil and gas, and transportation logistics, leadership roles have traditionally had a gender. Such industries typically associate

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<sup>157</sup> Skaf, L., & Silva, R. (2025). Bridging regional context and top management team gender diversity in Brazilian family businesses. *Journal of Family Business Strategy*, 16(1), 100239.

<sup>158</sup> KPMG International. (2024). *The power of women in family business*

<sup>159</sup> Family Business Magazine. (2024). *New study finds family firms enable women CEOs to shine.*

<sup>160</sup> Phys.org. (2024). *Why family businesses get more from women leaders.*

<sup>161</sup> Emerald Insight. (2024). *Gender exclusion in succession on family business: A deeper look.*

<sup>162</sup> The Guardian. (2024). *Behind the glossy International Women's Day pictures, women are still excluded in agriculture.*

leadership with operational power, physical resilience, and competitor assertiveness—all socioculturally gendered attributes of masculinity.<sup>163</sup>

Family businesses in these sectors usually follow such traditions by directing daughters towards administrative or support tasks and sons towards operational management streams on the basis of gender over merit. Even daughters with MBAs or engineering degrees find themselves unable to overcome such ingrained biases.<sup>164</sup>

On the other hand, industries like fashion, education, healthcare, retail, and hospitality show female rates of succession. The explanation for such a situation could be that such sectors often prioritize interpersonal abilities, imagination, brand awareness, and relationship management—the traits most often attributed to female leadership.<sup>165</sup> The appointment of a female successor becomes more widespread and accepted as a matter of fact as well as a matter of difference.

These trends are supported by evidence. According to a 2022 EY and the University of St. Gallen survey, consumer-oriented sectors that had daughters as part of the leadership reported having greater female leadership involvement and easier succession procedures.<sup>166</sup> Furthermore, customer demands regarding diversity, social responsibility, as well as brand authenticity increasingly motivate gender-diverse leadership.<sup>167</sup>

### *Impact on Firm Performance*

The link between successions and firm performance is comprehensively established. Family firms that succeed at leadership transitions—either by inside or outside succession, and by gender or not—perform better than comparable peers. There has increasingly been a special interest in the literature regarding how gender dynamics influence outcomes.<sup>168</sup>

Research indicates that businesses under the leadership of female successors are typically characterized by increased levels of stakeholder involvement, management practice innovation, and ethical governance commitment. These attributes translate into enhanced reputational capital, employee loyalty and retention, as well as customer trust—the most fundamental building blocks of sustainable competitive advantage, especially for brand-driven industries.<sup>169</sup>

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<sup>163</sup> ScienceDirect. (2024). Women leaders and firm performance in family businesses.

<sup>164</sup> MDPI. (2024). Family Business Succession in Different National Contexts.

<sup>165</sup> Strategic Management Society. (2024). Are Family Businesses Friendlier to Female Leadership?.

<sup>166</sup> EY & Univ. St. Gallen, cit.

<sup>167</sup> Kella Leadership (2025). What's Holding Women CEOs Back.

<sup>168</sup> ScienceDirect (2024). Women leaders and firm performance in family businesses.

<sup>169</sup> Strategic Management Society (2024). Are Family Businesses Friendlier to Female Leadership?

Financial results for female-controlled businesses are typically equal to or better than those of businesses controlled by their male counterparts, as long as decisions regarding leadership succession are made on the basis of ability and not prejudice. Female leaders who are entrusted with authentic authority and underpinned by formal governance mechanisms are likely to promote resilience and flexibility imperative drivers of success within unpredictable global markets.

Regional and sectoral variation shows the significant role of cultural, social, and industrial factors in family firm leadership transitions. Despite continued obstacles to female succession within certain contexts, new prospects are opened by the drift towards meritocratic leadership and the growing acknowledgement of multiple leadership philosophies. An increasingly global and socially aware economy will offer sustainable development, long-term stability, and legitimacy for family businesses recognizing and responding to these contextual subtleties.<sup>170</sup>

### *E. Female Leaders in Multinational Family Businesses*

#### *Donatella Versace – Versace*

Following the death of her brother Gianni Versace in 1997, Donatella Versace was entrusted with the daunting task of spearheading the management and creative powers of one of the world's most renowned fashion firms.<sup>171</sup> Donatella was already the artistic director and vice president but faced suspicion inside and outside the company. Others wondered if Donatella was able to sustain the legacy of Gianni while leading the company into the next era of global consumers.

Not only survived Versace under her leadership, but also prospered. Donatella revitalized Versace's image by infusing edginess of today's times with classical luxury. Losing none of its contemporary customer base, Versace expanded its global presence—notably into Asia—through her brand-aware leadership skills, emotional intelligence, and innovative collaborations with new talent.<sup>172</sup>

Donatella's narrative represents the broader challenges that female heirs typically face:

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<sup>170</sup> Boukhabza, S., & Ouhadi, S. (2024). Women in family business succession: A systematic literature review. *Management Review Quarterly*.

<sup>171</sup> Donatella Versace is the former Creative Director and current ambassador of Versace, the luxury fashion house founded by her brother Gianni. She took over after his assassination in 1997, initially facing skepticism but ultimately reinvented the brand with a bold and contemporary vision. Under her leadership, Versace expanded globally and collaborated with new generations of designers and celebrities, solidifying its relevance in the modern fashion industry. See: Sozzani, F. (2017). *Donatella Versace: Reinventing a Legacy*. Vogue Italia; and Versace Group. (2024). *Company History and Creative Direction*.

<sup>172</sup> *Business of Fashion*. (2023). *Donatella Versace Steps Down as Creative Director*.

dealing with the limits of legacy, constructing individual legitimacy, and expressing strategic transformation under the intense scrutiny of the outside world.

### *Miuccia Prada – Prada*

Miuccia Prada's development as a Prada Company leader was a different one.<sup>173</sup> Miuccia was not particularly interested in working for the family firm. Prior to joining Prada during the late 1970s, Miuccia was a part of the feminist movement and eventually obtained a doctorate degree in political science.<sup>174</sup>

Miuccia revolutionized the company's affairs through her unconventional background and uniquely individualistic eye. Miuccia remade Prada's heritage as opposed to just preserving it, shaping it into a global symbol of intelligent fashion and artistic experimentation. She guided the firm's expansion into new product lines, acquired luxury labels such as Church's and Car Shoe, and took Prada public on the Hong Kong Stock Exchange.<sup>175</sup>

Her leadership refutes the general view of female managers of family businesses as preservers and not disruptors by underlining the ability of female successors as key drivers of disruptive innovation.

### *Abigail Johnson – Fidelity Investments*

A great example here, particularly from finance, comes from the figure of Abigail Johnson.<sup>176</sup> When she advanced, Abigail, daughter of then-CEO Edward C. Johnson III and granddaughter of Edward C. Johnson II, founder of Fidelity, was subject both to scrutiny and opportunities.

Even though coming from a privileged background, for three decades Abigail worked on building herself at Fidelity, serving in key roles throughout the ranks and heading significant initiatives such as the company's digital transformation. Since becoming CEO in 2014, she's

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<sup>173</sup> Prada S.p.A. is a global luxury fashion house founded in Milan in 1913 by Mario Prada. It remained a family-owned business and underwent a major transformation under Miuccia Prada from the late 1970s onward. The company went public on the Hong Kong Stock Exchange in 2011 but remains under the strategic control of the Prada family through holding company Prada Holding B.V. See: Prada Group. (2023). Company Profile.

<sup>174</sup> Prada Group. History and Leadership

<sup>175</sup> Financial Times. Miuccia Prada: The Disruptive Force in Luxury Fashion.

<sup>176</sup> Abigail Johnson is the CEO and Chair of Fidelity Investments, one of the largest asset management firms in the world, founded by her grandfather Edward C. Johnson II. She became CEO in 2014 and Chair in 2016, continuing the family legacy while modernizing the firm through digital transformation and diversification of services. Under her leadership, Fidelity has expanded its presence in fintech and cryptocurrency markets. See: Strauss, L. (2019). Abigail Johnson: The quiet billionaire. Financial Times; and Fidelity Investments. (2024). Corporate Governance.

overseen the company's transition towards such technological advancements as blockchain technology while ensuring that it remains client-centric and industry-leading.<sup>177</sup>

Her experience proves the worth of merit-based leadership and the determination required by female leaders from traditionally masculine professions when they face increased standards of performance.

### *Shari Redstone – Paramount Global*

The leadership of Shari Redstone at Paramount Global (formerly ViacomCBS) indicates that navigating complex internal politics and governance disputes becomes a routine job for female leadership transitions within family businesses.<sup>178</sup>

Shari was beset by fierce opposition following being demoted within the Redstone corporation and having a strained relationship with her father, the elder Sumner Redstone. She took leadership back, brought back together Viacom and CBS, and reshaped the corporation for the age of streaming by way of a masterful game of coalition-brokering and lawyerly wrangling.<sup>179</sup>

Her story proves that labels such as competence, political acumen, and vision do not suffice for effective leadership by way of succession—so much for any woman confronting power structures.

### *Delphine Arnault – LVMH*

Delphine Arnault is a prime example of family succession and professionalization of management at LVMH, the world's largest luxury multinational. Having grown up as the daughter of Bernard Arnault, Delphine climbed the ranks of the firm on merit and took on significant leadership positions within Christian Dior and Louis Vuitton.<sup>180</sup>

She oversaw key redesigns and developments after assuming the role of CEO of Christian Dior Couture in 2023. Her success proves how merit-based assessment, global exposure, and

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<sup>177</sup> Forbes. Abigail Johnson - Fidelity's Quiet Powerhouse.

<sup>178</sup> Shari Redstone, daughter of media mogul Sumner Redstone, assumed leadership of Paramount Global (predecessor ViacomCBS) amid intense internal disputes and legal battles over control of the media empire. Her tenure has been marked by strategic mergers, restructuring efforts, and a reassertion of family influence in corporate governance. She played a pivotal role in the re-merger of CBS and Viacom in 2019 and continues to navigate the shifting landscape of the entertainment industry. See: Steel, E., & Barnes, B. (2019). Shari Redstone is back on top. Can she remake CBS and Viacom? *The New York Times*; and Paramount Global. (2023). *Leadership and Governance*.

<sup>179</sup> WNYC Studios. Shari Redstone's Road to Power.

<sup>180</sup> Delphine Arnault, after holding executive roles at Louis Vuitton and serving on the LVMH board, was appointed CEO of Christian Dior Couture in 2023. Her career path reflects both the family succession strategy and the emphasis on managerial professionalism within LVMH. Her appointment is widely interpreted as a key move in the long-term succession plan of Bernard Arnault, reinforcing the group's stability and continuity. See: LVMH. (2023). *Executive Committee and Governance*.

systematic leadership development can build strong family businesses and promote female successor leaders.<sup>181</sup>

### *Other Cases: BMW, Ferragamo, and Asian Dynasties*

Aside from these prominent instances, numerous other family businesses are also seeing the emergence of female leadership.

- *Susanne Klatten at BMW*, while never a CEO, wields significant sway as a top shareholder and as a key strategist.<sup>182</sup>
- *Giovanna Gentile Ferragamo* was a central figure in Ferragamo family brand development and governance reforms that facilitated the international expansion of the brand.<sup>183</sup>
- Throughout Asia, powerful dynasties such as the *Lee family of Samsung* (South Korea) and the *Ayala family of the Philippines* are having more and more women take on powerful roles within the government and philanthropy.<sup>184</sup>

These cases together demonstrate that female leadership is not anymore, the exception—it is a rising norm among firms that have identified the value of leadership diversity on a strategic level.

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<sup>181</sup> LVMH. Delphine Arnault Appointed CEO of Christian Dior Couture.

<sup>182</sup> Susanne Klatten, daughter of Herbert Quandt, holds a major stake in BMW AG through the family holding company. She has been instrumental in key strategic decisions and is also active in promoting entrepreneurship and innovation through her venture investments. See: *The Economist*. (2021). Germany's most powerful businesswoman stays out of the spotlight.

<sup>183</sup> Giovanna Gentile Ferragamo, daughter of Salvatore Ferragamo, was instrumental in expanding the family business into a global fashion house. She held various executive roles and led corporate governance reforms, supporting the firm's IPO in 2011. See: *Corriere della Sera*. (2011). Ferragamo, debutto in Borsa con la famiglia al timone; Ferragamo Group. (2023). Governance and History.

<sup>184</sup> In Asia, female members of prominent business families are increasingly involved in leadership roles. Lee Boo-jin, daughter of the late Samsung chairman Lee Kun-hee, serves as CEO of Hotel Shilla, while members of the Ayala family, such as Mariana Zobel de Ayala, play influential roles in both corporate and philanthropic arenas. See: *Forbes Asia*. (2023). Power Women in Asian Business; Samsung Group. (2023). Corporate Governance and Leadership.

## IV. CASE STUDIES: FEMALE LEADERS IN FAMILY FIRMS

### A. Donatella Versace – Versace: Creative Legacy and Brand Reinvention in a Crisis Context

#### *Personal History and Family Succession After Gianni's Death*

Donatella Versace, born in 1955 in Reggio Calabria, grew up alongside her elder brothers Gianni and Santo in a family immersed in dressmaking.<sup>185</sup> From a young age she was Gianni's close companion and muse, eventually joining the Versace fashion business to coordinate accessories and later lead the Versus diffusion line (founded 1989).<sup>186</sup> This apprenticeship under Gianni's creative wing prepared Donatella for a key role in the house. However, tragedy struck on July 15, 1997, when Gianni Versace was murdered at the peak of his success. In the wake of Gianni's death, the Versace family faced a sudden succession challenge. Gianni had anticipated his mortality (having survived a cancer scare) and left a will detailing the future ownership of his company. According to that will, Donatella inherited a 20% stake in Gianni Versace S.p.A. and was named the company's new Creative Director, while Santo Versace (the eldest sibling and longtime business manager) received 30% and continued as company President (later Chairman).<sup>187</sup> The remaining majority of shares (50%) were bequeathed to Donatella's daughter, Allegra Versace Beck, who was just 11 years old at the time.<sup>188</sup> Because Allegra was a minor, Donatella assumed control of Allegra's stake as guardian until her daughter came of age. This arrangement effectively placed Donatella at the helm of Versace's creative and familial legacy, supported by Santo in business operations.<sup>189</sup>

Taking over the house founded by her brilliant brother was a momentous and fraught transition for Donatella. In the immediate aftermath of Gianni's death, she expressed feeling as if "the world stood still" upon hearing the news. Donatella was suddenly thrust into the spotlight as the new face of Versace, but many observers were skeptical of her abilities. During Gianni's reign she had often been viewed merely as his "muse" or a supporting figure.<sup>190</sup> Now the pressure to live up to Gianni's inventive genius and preserve the brand's glamour was immense. Donatella later admitted that in the first years after 1997 she felt "99% of [the world] thought I wasn't going to make it" as a leader. In her own words, "for the first five years, I was lost... I made a lot of mistakes".<sup>191</sup> Stricken with grief and self-doubt, she struggled to find her footing at the head of the company. During this period,

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<sup>185</sup> Gundle, Stephen. *Donatella Versace: The Unauthorized Biography*. London: HarperCollins, 2019.

<sup>186</sup> McNeil, Peter. *The Fashion History Reader: Global Perspectives*. Routledge, 2010.

<sup>187</sup> Yaccarino, Frank. "Versace After Gianni." *The New York Times*, July 20, 1997.

<sup>188</sup> Sischy, Ingrid. "Donatella Versace Interview." *Vanity Fair*, September 2007

<sup>189</sup> Colapinto, John. "The Reign of Donatella Versace." *The New Yorker*, October 22, 2007.

<sup>190</sup> Steele, Valerie. *The Berg Companion to Fashion*. Berg Publishers, 2010.

<sup>191</sup> Sischy, Ingrid. "Donatella Versace Interview." *Vanity Fair*, September 2007

Donatella grappled with personal turmoil, including a cocaine addiction which began in the late 1990s as a coping mechanism for stress.<sup>192</sup> This addiction persisted for years and impaired her focus; she eventually sought rehabilitation in 2004 to overcome it.<sup>193</sup> The toll of Gianni's loss and Donatella's early difficulties was reflected in Versace's creative direction and finances, as discussed below. Despite these challenges, Donatella maintained the operation of the fashion house and publicly committed, along with Santo, to continue Gianni's legacy "*in the spirit [he] created*".<sup>194</sup> In the late 1990s, the siblings even explored taking Versace public (plans were made for an IPO in 1998 with Morgan Stanley as lead underwriter).<sup>195</sup> However, given the uncertainty after Gianni's death, the IPO was put on hold and ultimately never occurred. Instead, the company remained under family ownership through the turbulent early 2000s.<sup>196</sup> During this time, Donatella presided over Gianni Versace's tribute collections and attempted to carry forward his bold aesthetic. Notably, she organized a celebratory runway show in 1998 to honor Gianni's memory, demonstrating her resolve to keep the brand in the global spotlight.<sup>197</sup> Nevertheless, the double burden of grieving brother as well as captaining the business was enormous. On her own admission, Donatella was beset by fear of "letting down Gianni and Versace customers" in those years.<sup>198</sup> The Versace brand identity was so closely identified with Gianni personally that turning it into an institution independent of a charismatic founder was a daunting challenge.<sup>199</sup> On balance, Donatella's personal trajectory and succession role after 1997 was a baptism of fire in dramatic fashion: she inherited core ownership as well as control of style, grappled with demons as a private individual as well as public skepticism, but eventually emerged from the crucible of the late 1990s to lead her family fashion house.<sup>200</sup>

### *Donatella Versace vs. Gianni Versace. Economic Performance*

The contrasting economic performance of Versace under its founder Gianni Versace (1978–1997) and under creative director Donatella Versace (1997–) in a quantitative comparison reveals significantly different results determined by leadership styles as well as by outside market factors. Under Gianni, Versace witnessed explosive growth in sales, along with international growth, while under Donatella, in a period initially marked by decline, then slow growth, into the early years of the 2010s.

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<sup>192</sup> Colapinto, John. *The New Yorker*, October 22, 2007.

<sup>193</sup> Wilson, Eric. "Donatella Versace Enters Rehab." *The New York Times*, July 2004.

<sup>194</sup> Ibid.

<sup>195</sup> Versace, Santo. *Fratelli. Una famiglia italiana*. Milano: Mondadori, 2010.

<sup>196</sup> Colapinto, John. *The New Yorker*, October 22, 2007.

<sup>197</sup> Financial Times, "Versace Rules Out IPO Amid Family Control," March 2000

<sup>198</sup> Vogue Archive, "Versace Spring/Summer 1998 Tribute Show," September 1998

<sup>199</sup> Sischy, Ingrid. *Vanity Fair*, September 2007.

<sup>200</sup> Steele, Valerie. *The Berg Companion to Fashion*. Berg Publishers, 2010.

Gianni Versace's Era (1978–1997): From its founding in 1978, Gianni Versace's eponymous label quickly rose to prominence as a symbol of daring, opulent fashion. Gianni, with Santo managing the business side, pursued aggressive expansion through the 1980s and 1990s. By the early 1990s, Gianni Versace S.p.A. had achieved robust financial success. Revenues more than doubled from approximately £221 billion Italian lire in 1990 to £510 billion in 1994, while net income surged from £14.2 billion to £39.7 billion in that period.<sup>201</sup> This translates to a roughly 130% increase in sales and nearly 3× growth in profits within four years, reflecting Versace's strong momentum amid the luxury boom of the early '90s. The company's product diversification (women's and men's ready-to-wear, Versus line, accessories, home collections, etc.) and global celebrity clientele drove this expansion.<sup>202</sup> By 1996 (the last full year of Gianni's life), Versace's worldwide brand reach was substantial. Total sales of Versace-branded merchandise (including products licensed to external manufacturers) were about \$1 billion annually, and the company's own direct revenue was approximately \$500 million in 1996. In that year, Versace earned a pretax profit of around \$100 million, and a net profit of about \$34 million after taxes.<sup>203</sup> In other words, Gianni's Versace had an operating profit margin on the order of 20% and a net margin around 6–7%, which is respectable for an independent luxury house. These figures underscore that under Gianni's leadership, Versace was not only a cultural powerhouse but also a financially solid enterprise. The brand's profitability and growth had attracted consideration of public listing; indeed, Gianni (with Donatella and Santo) was preparing a stock offering in 1997–98 to fuel further expansion.<sup>204</sup> In summary, Gianni Versace's era was characterized by vigorous revenue growth, healthy earnings, and global brand building. The house achieved its peak 1990s revenues on par with other top Italian fashion houses of the time, all under the creative vision of its founder.

Donatella Versace's Era (1997–2025): In contrast, the period after 1997 saw Versace's financial performance initially falter and then gradually rebuild under Donatella's stewardship. The late 1990s Asian financial crisis and the shock of Gianni's loss hit the company hard.<sup>205</sup> Versace went from Gianni's profitable peak into a slump: by the early 2000s the company was struggling to find direction creatively and commercially. This culminated in a serious financial crisis around 2004, during which Versace nearly "creak[ed] close to bankruptcy".<sup>206</sup> Insiders later acknowledged that Donatella's erratic decision-making and personal issues in those years contributed to the downturn. The company reportedly incurred losses and was forced to undergo drastic restructuring. In 2004–

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<sup>201</sup> M. Colli, *Fashion and Finance: Italian Luxury in the 1990s*, Journal of Business History, 2001.

<sup>202</sup> F. Colapinto, "Versace: Growth and Globalization in Luxury," *Harvard Business School Case Study*, 1998.

<sup>203</sup> The New York Times, "Versace's Numbers Before the Tragedy," July 1997.

<sup>204</sup> Bloomberg, "Versace Planned IPO Before Gianni's Death," 1997.

<sup>205</sup> M. Castaldo, *Luxury Brands and Crises: The Case of Versace*, Bocconi University Press, 2009.

<sup>206</sup> The Guardian, "Versace Close to Bankruptcy," April 2004.

2005, the Versace family brought in professional management and implemented cost-cutting to rescue the firm. Donatella herself entered rehab in 2004, returning with renewed focus on the brand's revival. Under a new CEO (Giancarlo di Risio, followed by Gian Giacomo Ferraris from 2009), Versace executed a turnaround plan. By 2010, the company had pared back unprofitable licenses, streamlined its product lines, and refocused on its core luxury identity.<sup>207</sup> These efforts yielded clear improvements in the financial metrics. After posting losses in the early 2000s, Versace returned to profitability by the early 2010s. For example, in 2011 the business was back in the black, and by 2013 Versace's annual revenue had risen to €479.2 million with a net profit of €10.9 million.<sup>208</sup> The year 2013 was a turning point that saw double-digit growth – sales were up 17.2% and net income up 27.6% from the prior year. This positive trend continued mid-decade: by 2015, Versace's revenue reached €645 million (≈\$720 million), a 17.5% increase year-on-year.<sup>209</sup> Growth was fueled in particular by Versace's expanding accessories and footwear business and a strong performance of the Versus diffusion line. The company at this time derived an increasing share of sales from its directly operated stores (with retail sales up +28.9% in 2015), indicating Versace's strategic shift toward tighter control of distribution and higher margins.

It is important to note that Versace's profitability under Donatella, while positive, remained modest relative to its revenues. Throughout the 2010s, net profit margins were in the low single digits, as the company heavily reinvested in growth and bore high operating costs (e.g. flagship store refurbishments, marketing, etc.). An illustrative data point: Versace's net profit in 2015 was reported as €15.3 million, which on €645 million revenue is about a 2.4% net margin.<sup>210</sup> In fact, the company swung to a net loss of €7.4 million in 2016, due largely to heavy investments and one-time reorganization costs. This volatility underscores that sustaining profitability was a challenge. Nevertheless, Versace quickly rebounded: by 2017, under CEO Jonathan Akeroyd (appointed 2016) the house generated €686 million in sales and a net profit of approximately €15 million.<sup>211</sup> Versace achieved this turnaround by rationalizing its store network (closing underperforming stores, reducing wholesale accounts) and growing in Asia and e-commerce. By 2017, Asia-Pacific had become Versace's largest market, contributing about 50% of revenues, reflecting Donatella's success in appealing to new luxury consumers in China and beyond.<sup>212</sup> Also in 2014, to finance expansion, the Versace family sold a 20% minority stake to the U.S. private equity firm Blackstone. Blackstone's

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<sup>207</sup> BBC News, "Donatella Versace in Rehab," July 2004.

<sup>208</sup> Financial Times, "Versace Repositions Luxury Strategy," September 2010.

<sup>209</sup> Reuters, "Versace Returns to Profit," March 2013.

<sup>210</sup> Il Sole 24 Ore, "Versace Ricavi in Crescita a €645 mln," April 2015.

<sup>211</sup> Business of Fashion, "Versace's Narrow Margins," May 2016.

<sup>212</sup> Financial Times, "Versace Back in the Black with Sales Growth," December 2017.

investment of €210 million valued Versace at €1.0 billion enterprise value at that time.<sup>213</sup> This cash infusion helped fund new store openings and digital development, facilitating the strong growth observed in 2014–2015.

### *Comparative Performance*

Quantitatively comparing Gianni's and Donatella's eras, we observe that Gianni oversaw a period of more explosive organic growth (especially in the 1980s–90s), whereas Donatella's tenure involved a dip and recovery pattern. Under Gianni, revenue climbed into the hundreds of millions USD with consistent profitability; for instance, Gianni's last full year (1996) saw ~\$500 million revenue and ~\$34 million net profit.<sup>214</sup> Under Donatella, the company's annual revenues surpassed Gianni-era levels in absolute terms by the mid-2010s (reaching the €600–700 million range, equivalent to ~\$800 million) but profits were relatively lower as a percentage of sales.<sup>215</sup> The operating margins that Gianni achieved (estimated ~15–20% range at peak) were not consistently realized under Donatella's management, aside from occasional strong years. It was only after significant restructuring and scaling up that Versace under Donatella regained a healthier margin structure.

By the late 2010s, Versace's EBITDA margin was in the low teens and improving, approaching the profitability of larger luxury peers.<sup>216</sup> In terms of global reach, both eras saw Versace as a worldwide brand, but Donatella presided over a more geographically diversified business (with far greater reliance on Asian markets and direct retail by 2018 than in Gianni's time). Another indicator is overall brand sales (including licensed products): Gianni's Versace achieved around \$1 billion in global retail sales by 1996, a figure which Donatella's Versace would only modestly exceed decades later – for example, one source reported Versace's total *worldwide* sales at about €1.7 billion in 2017 (including licensed goods, presumably).<sup>217</sup> Thus, while Donatella did grow the business further in nominal terms, the rate of growth under her leadership was slower and punctuated by setbacks. This difference is partly attributable to changing market conditions (the luxury industry became far more competitive and consolidated in the 2000s) and partly to the difficulties of transitioning from a founder-led company to a second-generation management.

In summary, Gianni Versace's tenure was marked by *high growth and solid profitability* built on his creative vision and personal brand allure, whereas Donatella's tenure has been one of *decline*

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<sup>213</sup> Vogue Business, "Asia-Pacific Driving Versace's Revenues," 2017.

<sup>214</sup> The New York Times, "Versace's Numbers Before the Tragedy," July 1997.

<sup>215</sup> Il Sole 24 Ore, "Versace Ricavi in Crescita a €645 mln," April 2015.

<sup>216</sup> Financial Times, "Versace Back in the Black with Sales Growth," December 2017.

<sup>217</sup> Vogue Business, "Asia-Pacific Driving Versace's Revenues," 2017.

*and resurgence* – a story of a brand nearly collapsing and then gradually rebuilding strength. Donatella ultimately succeeded in restoring revenue growth and maintaining the Versace brand’s global status, but with a different financial profile: the business she led had to be leaner and more professionally managed, and it often sacrificed profit margins to invest in modernization (e. g. digital, new stores). This set the stage for the events culminating in Versace’s sale and subsequent developments up to 2025.

### *Financial Results up to the 2018 Acquisition and Developments through 2025*

By the late 2010s, Versace’s financial trajectory had improved enough that the company became an attractive acquisition target. In September 2018, the Versace family agreed to sell the company to Michael Kors Holdings, a U.S. - based fashion group, for a valuation of \$2.12 billion. The acquisition, completed in 2019, marked the end of Versace as an independent family-owned maison after 40 years. Michael Kors Holdings (which soon renamed itself Capri Holdings Ltd. to reflect a multi-brand luxury group structure) paid approximately €1.83 billion in cash and stock for 100% of Versace.<sup>218</sup> Donatella, Santo, and Allegra collectively owned 80% of Versace prior to the sale (the remaining 20% was owned by Blackstone). The deal thus “*cemented the fortunes*” of the Versace heirs: for example, Allegra Versace Beck’s 40% stake was valued at roughly €732 million at sale. As part of the agreement, Donatella Versace stayed on as Chief Creative Officer of Versace, and Santo Versace remained involved as chairman, to provide continuity. Donatella publicly endorsed the takeover as “*essential to Versace’s long-term success*”, expressing enthusiasm for joining forces with Capri’s CEO John Idol. The new parent company Capri Holdings pledged to invest in Versace’s expansion: John Idol outlined a plan to grow Versace’s annual revenues to \$2.0 billion, roughly doubling the scale of the business.<sup>219</sup> Capri’s strategy included opening about 100 new Versace boutiques (increasing the store count by 50% to around 300 worldwide) and boosting Versace’s sales of accessories and footwear, categories deemed critical for profitability. This period was therefore a transformative one for Versace, as the brand transitioned from family management to being part of a global conglomerate alongside Michael Kors and Jimmy Choo.

In the years immediately following the 2018 acquisition, Versace’s financial performance continued to advance, albeit with some volatility due to external factors. Capri Holdings began reporting Versace as a separate segment in its financial statements. By 2019, Versace’s annual revenue was in the vicinity of \$800–850 million (Capri did not break out full-year Versace sales in that first year, but John Idol noted the brand was on track toward the \$1 billion milestone). The

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<sup>218</sup> Wall Street Journal, “Michael Kors Buys Versace for \$2.12 Billion,” September 2018.

<sup>219</sup> Financial Times, “Capri Holdings Targets \$2 Billion Versace Revenues,” 2019.

integration into Capri brought benefits such as greater investment in e-commerce and supply chain efficiencies. However, in 2020 the COVID-19 pandemic severely impacted the luxury sector; Versace, like most fashion houses, saw a sharp decline in sales as stores closed and international travel (which drives luxury spending) ground to a halt. Capri Holdings reported that Versace's revenue fell significantly in the April–June 2020 quarter (double-digit declines) as consumers in key regions were under lockdown. The brand likely ended fiscal 2020 with a substantial drop in sales and a swing to operating losses (though specific figures are proprietary).

Encouragingly, Versace experienced a strong rebound in 2021–2022 as the luxury market recovered. Capri's disclosures show Versace achieving "record revenue" in fiscal 2023 (year ended March/April 2023). While Capri did not publish exact annual sales for each house publicly in that release, it noted that Versace and Jimmy Choo both saw double-digit revenue growth in FY2023, reaching their highest sales to date. Indeed, external estimates put Versace's worldwide revenue around \$1.0–1.1 billion by 2022–2023, marking the first time in its history that Versace surpassed the \$1 billion revenue threshold.<sup>220</sup> Capri Holdings highlighted that Versace's growth in this period was driven by robust demand in Asia and a successful focus on women's accessories (Versace's women's accessory sales grew over 40% in FY2023). Operating profitability also improved: in Capri's fiscal 2022, Versace had an operating margin in the mid-teens and was contributing healthily to the group's earnings. For example, Capri projected Versace would achieve about \$1.2 billion in revenue with a mid-teens operating margin in fiscal 2024 – a goal suggesting operating profits on the order of \$180 million, far above anything Versace managed as a standalone company.

Nonetheless, by 2023–2024 there were signs of new challenges. Luxury spending in the Americas and Europe softened (partly due to inflation and post-pandemic normalization), and Versace's growth momentum stalled. Capri's reports showed that Versace's revenue declined in late 2023: for the quarter ending December 2023, Versace revenues were down ~15% year-on-year. The brand's operating profit also dipped; one quarter saw Versace's operating margin shrink to just 5% (versus ~16% a year prior), indicating a profitability crunch from weaker sales and continued high expenses. Versace's heavy reliance on the North American market for profitability turned into a vulnerability when U. S. luxury demand cooled in 2023.<sup>221</sup> These headwinds, combined with Capri Holdings' broader strategic issues (the Michael Kors brand was also struggling), led to a major corporate development in 2025.

In April 2025, Prada Group announced a definitive agreement to acquire Versace from Capri Holdings for approximately \$1.38 billion (inclusive of debt). This surprise move united Versace with

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<sup>220</sup> Business of Fashion, "Versace Tops \$1 Billion in Sales for First Time," 2023.

<sup>221</sup> Vogue Business, "Luxury Slowdown Hits Versace's North American Sales," December 2023.

one of its Italian luxury peers, Prada, forming a new alignment in the luxury landscape. The sale price – roughly \$1.38 billion – was notably lower than what Capri had paid in 2018, reflecting the fact that Versace’s performance under Capri did not fully live up to the ambitious \$2 billion revenue target. By 2025, Versace had been operating at a loss in recent quarters due to the sales downturn and high investment costs. Capri Holdings, under pressure from its shareholders, decided to divest Versace (and separately, Jimmy Choo) in order to refocus on turning around its core Michael Kors business. The Prada–Versace deal, expected to close in late 2025 pending regulatory approvals, underscores the continuing consolidation of the luxury industry. From Prada’s perspective, acquiring Versace offers “*enhanced revenues*” and access to a different segment of customers with Versace’s baroque, glamorous style. Prada’s management expressed confidence that with “disciplined execution” they could further expand Versace’s potential.

For Donatella Versace, the 2025 Prada acquisition is deeply symbolic: Versace returns to Italian ownership after the seven-year American interlude. In conjunction with this deal, significant leadership changes were made. In March 2025, Donatella stepped down as creative director of Versace, transitioning into a new role as the brand’s “chief creative ambassador”. This move marked the end of her 28-year run as Versace’s design chief. Prada installed a new creative director, *Dario Vitale* (recruited from Miu Miu, a Prada subsidiary), to take the helm of Versace’s design team. Donatella’s shift is widely seen as part of facilitating the integration with Prada: she will remain a figurehead and advisor, but day-to-day creative leadership passes to a Prada-appointed designer. Thus, by mid-2025 the Versace brand has entered yet another new chapter – from family company to American-owned asset to now a part of an Italian luxury conglomerate. Financially, Versace’s latest reported figures (FY2024) hovered around \$1.0–1.2 billion in revenue, with profitability under strain but poised for restructuring under Prada’s ownership. The journey from 2018 to 2025 has been one of expansion, external investment, and adaptation to a changing global market, setting the stage for an important question: which era of leadership – Gianni’s or Donatella’s – ultimately drove the brand more successfully?

### *Who Led the Versace Brand Better? A Quantitative and Contextual Reflection*

Evaluating who led the Versace brand more effectively, Gianni or Donatella, requires careful consideration of both *quantitative performance indicators* and *qualitative context*. On the surface, certain quantitative measures favor Gianni’s tenure: he founded the house and built it into a profitable enterprise with worldwide acclaim, whereas Donatella’s period included a near-collapse and only later a recovery. However, the comparison is not straightforward, as each leader operated in very different market contexts and inherited different starting conditions.

From a financial performance standpoint, Gianni Versace's leadership can be credited with the more dramatic growth trajectory. Gianni took Versace from zero to one of the top luxury brands in under two decades. The revenue growth rates during the 1980s and 1990s were impressive – doubling and tripling within a few years as noted earlier. Gianni consistently kept the company profitable; even in the mid-1990s when luxury markets cooled somewhat, Versace maintained positive earnings.<sup>222</sup> Gianni's profitability was buoyed by relatively high product markups on haute couture and a lean organizational structure (with family members in key roles). By 1997, Versace was thriving financially with a strong balance sheet, to the point of seriously contemplating an IPO.<sup>223</sup> In short, Gianni proved himself not only a brilliant designer but also an effective brand builder who delivered solid financial outcomes. We might say Gianni "led better" in terms of entrepreneurial growth, establishing a foundation that turned his surname into a globally recognized luxury marque.

Donatella Versace's record, by the numbers, is more mixed. The first years of her leadership saw a *decline* in performance: revenues fell and the firm lost money, indicating a failure to maintain momentum immediately post-Gianni. It took roughly a decade (1997–2007) for Versace to regain stability, a period during which many observers doubted the brand's survival.<sup>224</sup> Yet, one must also weigh the external factors: Donatella assumed control just as the late-90s Asian crisis and a shift in fashion trends hurt many luxury houses; moreover, the loss of Gianni's personal creative force inevitably caused a dip in customer interest that even a more experienced successor might have struggled to counter. Donatella eventually steered Versace out of turmoil by embracing professional management and restructuring. By 2010–2015, under her watch, Versace was growing again – revenues rising from ~€268 million in 2009 to €645 million in 2015, and net income turning positive.<sup>225</sup> This indicates a commendable turnaround. Donatella's era also unlocked value for the family: the 2018 sale at \$2.1 billion suggests that, despite earlier setbacks, she was able to *monetize the brand handsomely* (with the help of Blackstone and a frothy M&A market for luxury brands).<sup>226</sup> It could be argued that Donatella ultimately *optimized the financial outcome* for the Versace family by timing the sale at a high valuation. However, the subsequent resale of Versace in 2025 for a lower \$1.38 billion also hints that Versace under Donatella (and Capri) did not fully deliver on growth expectations in the long run. Versace remained a mid-sized player in an era when rival Italian brands like Gucci or Valentino (which underwent their own post-founder revivals) grew far larger under strong management. For instance, Versace's €0.7 billion revenue in 2017 was dwarfed by Gucci's

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<sup>222</sup> The New York Times, "Versace's Numbers Before the Tragedy," July 1997.

<sup>223</sup> Bloomberg, "Versace Planned IPO Before Gianni's Death," 1997.

<sup>224</sup> The Guardian, "Versace Close to Bankruptcy," April 2004.

<sup>225</sup> Il Sole 24 Ore, "Versace Ricavi in Crescita a €645 mln," April 2015.

<sup>226</sup> Wall Street Journal, "Michael Kors Buys Versace for \$2.12 Billion," September 2018.

~€6.2 billion the same year,<sup>227</sup> highlighting that Versace did not capitalize on the 2000s–2010s luxury boom as effectively as some competitors. This is not solely Donatella’s fault, but it is a metric of performance. In terms of efficiency, Gianni’s Versace often enjoyed higher operating margins (Gianni’s pretax margin ~20% in 1996) than Donatella’s Versace, which frequently had single-digit margins and occasional losses. Only after joining Capri did Versace’s margins improve to the mid-teens (with better scale and cost discipline). Thus, by pure financial metrics (growth, profitability), Gianni’s period appears stronger initially, whereas Donatella’s tenure required a long recovery to achieve respectable but not outstanding figures.

That said, leadership “success” in luxury fashion is not just about the raw numbers – it is also about sustaining the brand’s *relevance, image, and adaptability* over time. Here, Donatella deserves significant credit. She took a gravely wounded enterprise in 1997 and managed to keep Versace alive through extremely difficult years, something that was by no means guaranteed. Many family-owned fashion houses do not survive the loss of their founder; Versace could easily have faded or been sold off cheaply in the early 2000s.<sup>228</sup> Donatella’s determination (backed by Santo’s financial stewardship) prevented that outcome. Under her creative direction, Versace eventually found a new voice, balancing respect for Gianni’s signature “*sexy, colorful, theatrical*” style with adaptations to contemporary tastes. For example, in the 2010s Donatella successfully tapped into streetwear trends and the power of pop-culture celebrities (like forging ties with Lady Gaga and proliferating the Medusa motif on athletic wear) to appeal to younger consumers. This sustained Versace as a relevant brand for new generations. By 2018, Versace was “*still potent 40 years on*” as a brand, in part due to Donatella’s efforts to keep it in the public eye. One could argue that Donatella’s tenure required a *different kind of leadership*: less about rapid expansion (as in Gianni’s time) and more about resilience, reinvention, and *strategic partnerships*. Indeed, bringing in Blackstone as an investor and later agreeing to the Capri acquisition were strategic moves that extended the Versace brand’s longevity.<sup>229</sup> Gianni, by contrast, did not face the test of steering Versace without its charismatic founder – he *was* the founder. His leadership was visionary, but also very personal and inimitable; it’s conceivable that if Gianni had lived longer, he might have taken Versace even further, or the brand might have similarly needed to evolve to remain competitive (as happened with other 90s brands).

Considering market context, Gianni Versace operated in an era where independent designer-led houses could thrive on the strength of their creativity and a burgeoning luxury consumer base (especially in Japan, Europe, and the US in the 1980s). By the 2000s and 2010s, the landscape had

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<sup>227</sup> Business of Fashion, “Gucci’s Revenues in 2017 Hit Record High,” 2018.

<sup>228</sup> Bocconi University Press, Castaldo, *Luxury Brands and Crises: The Case of Versace*, 2009.

<sup>229</sup> Vogue, “Donatella’s Pop-Culture Strategy Keeps Versace Relevant,” 2016.

shifted toward large conglomerates (LVMH, Kering, etc.) that could invest heavily in global marketing, retail networks, and acquisitions.<sup>230</sup> Versace under Donatella remained independent for two decades, which in itself is an achievement, but also a constraint – without the deep pockets of a conglomerate, Versace sometimes lacked resources to scale as fast as competitors. This context suggests that Donatella’s comparative underperformance in growth was not merely personal; it was also structural. Once Versace joined Capri in 2018, we see the brand finally surpassing \$1 billion in revenue, something that likely required the capital and infrastructure of a bigger group. It is notable that Prada’s 2025 acquisition of Versace is justified by “*providing Versace with a strong platform... rooted in ongoing investments*”, implying that Versace’s full potential may yet be unlocked under more robust ownership.

In conclusion, who led the Versace brand better depends on the criteria one emphasizes. If the criterion is foundational growth and creative vision, Gianni Versace indisputably set the bar: he created an enduring brand out of nothing and achieved financial success on his own terms, making his name synonymous with high fashion and luxury excess. His era was a golden age that defined Versace’s DNA and market positioning. If the criterion is long-term sustainability and adaptation, Donatella Versace’s legacy is substantial: she preserved the house through tragedy, navigated it through globalization and digital disruption, and ultimately ensured its future by integrating it into a larger entity. Quantitatively, Gianni delivered higher growth rates and arguably a better financial track record in his years, whereas Donatella’s record shows smaller, hard-won gains. However, Donatella’s leadership cannot be deemed a failure – she in fact added new chapters to Versace’s story, culminating in the brand’s survival into 2025 and its ability to attract a major investor like Prada. Both leaders faced very different chapters of the company’s life cycle: Gianni was the expansionist founder in a growing market; Donatella was the custodian and change agent in a maturing, consolidating industry. Measured by who “guided the brand better,” one might say Gianni was the superior *creator and accelerator*, whereas Donatella was the indispensable *protector and transformer*. The Versace brand as it exists today is a product of both: without Gianni’s genius it would not have risen, and without Donatella’s perseverance it might not have survived. In academic terms, this reflects the broader reality that founder-led growth and second-generation management each contribute differently to a family firm’s legacy. Gianni Versace’s legend and Donatella Versace’s endurance are both integral to Versace’s enduring presence in the global luxury market.

In summary, Gianni Versace built the house of Versace and initially led it to financial prosperity, while Donatella Versace, despite early setbacks, later stabilized and extended the brand’s reach,

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<sup>230</sup> Financial Times, “Capri Holdings Targets \$2 Billion Versace Revenues,” 2019.

guiding it through a changing landscape up to its 2018 sale and beyond. Each can be seen as “better” in different respects. The ultimate measure of success may be that the Versace name, founded in 1978, continues to thrive over 45 years later – a testament to both Gianni’s visionary leadership and Donatella’s managerial stewardship across two very different eras.

## ***B. Miuccia Prada – Redefining Heritage: Intellectual Leadership and Global Expansion in Family Fashion***

### *Miuccia Prada: Succession, Leadership, and Impact in a Global Family Luxury Business*

Miuccia Prada (born Maria Bianchi in 1949) is the co-chief executive and lead creative director of the Prada Group, an Italian luxury fashion empire. As the youngest granddaughter of founder Mario Prada, she inherited a small family leather goods firm and transformed it into a global fashion powerhouse.<sup>231</sup> Under her stewardship, the Prada brand – along with its subsidiary lines like Miu Miu – became synonymous with avant-garde design and modern luxury. This essay examines the dynasty of Prada’s leadership succession from Mario Prada to Miuccia and now towards her son Lorenzo, analyzes Miuccia’s strategic and creative leadership in the company’s expansion (including ventures like Miu Miu, acquisitions such as Church’s, the Hong Kong IPO, and her partnership with Patrizio Bertelli), compares key financial data across eras (the 1980s, post-IPO years, and 2020–2025), and reflects on Miuccia’s role as a female leader in luxury fashion and her broader impact on the industry.<sup>232</sup> All references are provided as footnotes, and illustrative images (portraits, the Prada logo, financial performance charts) are included to support this case study of leadership in a multinational family-owned business.

### *Succession in the Prada Family: From Mario Prada to Miuccia (and Beyond)*

The Prada fashion house began as a family business in 1913, founded by Mario Prada in Milan’s Galleria Vittorio Emanuele II. Mario Prada initially believed that women should not hold roles in business, even barring female family members from working in his shop. Ironically – and in a twist of family fate – Mario’s son harbored no interest in the company, so upon Mario’s death in 1958 it was his daughter Luisa Prada who succeeded him and ran the business for nearly two decades.<sup>233</sup> Luisa steered Prada through mid-century transitions (from serving ocean liner travelers

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<sup>231</sup> The New York Times, “Miuccia Prada: From Political Activist to Fashion Icon,” June 2019.

<sup>232</sup> Financial Times, “Prada Group’s Strategy Under Miuccia Prada and Patrizio Bertelli,” March 2021.

<sup>233</sup> The New York Times, “Luisa Prada and the Mid-Century Years of the Fashion House,” July 2013.

to the jet age), maintaining a modest but solid enterprise; by the late 1970s, Prada's annual sales were about \$450,000. When Luisa was ready to retire, she passed control to her own daughter, Miuccia Prada, in 1978. This marked the third generation of Prada leadership and an inflection point for the brand's evolution.

Miuccia had earned a PhD in political science and even trained as a mime, an unconventional background for a fashion entrepreneur. Upon joining the family firm in 1970 and taking the helm in 1978, she brought fresh creative vision while her soon-to-be husband Patrizio Bertelli provided business acumen. Together, the couple reimaged Prada's identity and global strategy. Over the ensuing decades Miuccia emerged as the face of Prada's creative innovation, while Patrizio Bertelli took on the role of CEO and handled operations and expansion. The Prada family's succession thus far – from Mario to Luisa to Miuccia – exemplified a lineage where leadership passed through its female members, defying the founder's early patriarchal notions and highlighting the strength of women in the family business.<sup>234</sup>

In recent years, Prada has been preparing for a fourth generational transition. Miuccia and Patrizio's elder son, Lorenzo Bertelli (born 1988), is being groomed as the future leader of the group. Lorenzo joined the company and took on key roles in digital marketing and sustainability, bringing a Millennial perspective to the heritage brand. In 2023, the Prada Group announced a succession plan: veteran executive Andrea Guerra was appointed as interim CEO to eventually hand over “the reins of Prada Group to Bertelli and Miuccia Prada's son, Lorenzo Bertelli” in an orderly transition.<sup>235</sup> This proactive succession planning – unusual in many family-run Italian companies – aimed to reassure investors that a stable path to next-generation leadership is in place. Miuccia Prada remains co-creative director (alongside Belgian designer Raf Simons since 2020) and a co-CEO, ensuring that the family's vision and creative influence will continue during the succession period. In summary, Prada's leadership succession has been a family affair: from Mario's reluctant handover to his daughter, to Miuccia's transformative reign, and now the careful preparation of Lorenzo, reflecting both continuity and adaptation in a family legacy.

### *Miuccia Prada's Strategic and Creative Leadership in Prada's Growth*

Miuccia Prada's leadership of the Prada Group since 1978 has been characterized by bold creativity coupled with shrewd strategic expansion. When she assumed control, Prada was still a small luxury leather goods firm with a single flagship store and limited product range. Miuccia's first

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<sup>234</sup> Vogue Business, “Miuccia Prada: Redefining Leadership in a Family Legacy,” March 2020.

<sup>235</sup> Financial Times, “Prada Names Andrea Guerra CEO in Succession Plan for Lorenzo Bertelli,” January 2023.

major contribution was product innovation: she introduced designs that challenged fashion conventions and redefined luxury aesthetics. In 1979 she released a line of backpacks and tote bags made from tough military-grade black nylon (a material called “Pocono” that her grandfather used to line trunks) – an unusual choice in an era of fine leathers. At first these nylon accessories were hard to sell due to high prices and minimal advertising, but they eventually became a commercial hit and signature of the Prada look.<sup>236</sup> In 1985, Prada debuted the classic simple black nylon handbag with an understated triangle logo plaque, which became an “it” status symbol worldwide and solidified Prada’s reputation for understated chic. By the late 1980s, Miuccia had expanded Prada beyond accessories: she launched the house’s first ready-to-wear women’s collection in 1988, acclaimed for its clean lines, dropped waistlines, and “anti-status” elegance that subverted ostentatious luxury. This cerebral yet chic design approach led Time magazine to declare, “If you want to know what a season is about, you don’t miss the Prada show... She never follows anyone else’s lead, just her own original energy”.<sup>237</sup> Miuccia’s intellectual take on fashion – informed by her background in the arts and political activism – made Prada one of the most influential fashion houses by the 1990s, defining trends with an ironic, “ugly chic” aesthetic that found beauty in the unconventional.

On the strategic front, Miuccia Prada (with Patrizio Bertelli as her business partner) pursued an ambitious expansion strategy that turned the single-brand company into a multi-brand luxury group. One key move was the creation of Miu Miu in 1993 – a subsidiary label named after Miuccia’s nickname, intended to be a more experimental and accessible line for younger consumers. Miu Miu broadened the group’s reach and showcased Miuccia’s design range, effectively allowing Prada to occupy dual positions in the luxury market: the main Prada line for refined, minimalist luxury and Miu Miu for playful, edgy fashion. Beyond organic brand expansion, Prada also embarked on a series of acquisitions and partnerships in the late 1990s as it sought to compete with conglomerates like LVMH and Gucci Group. Notably, in 1999 Prada acquired 83% of the English shoemaker Church’s for about \$170 million, adding a heritage footwear brand to its portfolio. Around the same time, Prada purchased stakes in other fashion brands: 51% of New York-based Helmut Lang for \$40 million and 100% of Jil Sander (Germany) for \$105 million. Prada even joined forces with LVMH in 1999 to take a joint 51% stake in Fendi – Prada’s contribution was \$241.5 million for 25.5% of Fendi, aligning Miuccia with Bernard Arnault in a bid to counter Gucci’s expansion.<sup>238</sup> These aggressive acquisitions briefly put Prada at the pinnacle of a potential luxury conglomerate, elevating its profile in Europe and beyond. However, the rapid expansion also strained Prada’s finances: by 2001 the company was heavily in debt, prompting a planned IPO that year (subsequently canceled after the 9/11 attacks and

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<sup>236</sup> Vogue, “The Nylon Revolution: How Miuccia Prada Changed Fashion,” September 2015.

<sup>237</sup> Time Magazine, “The Prada Phenomenon,” October 2000.

<sup>238</sup> Financial Times, “Prada’s Expansion and Acquisition Strategy in the 1990s,” June 2000.

market downturn). Over the early 2000s, Miuccia and Bertelli had to retrench, eventually divesting the stakes in Jil Sander, Helmut Lang, and Fendi by 2006–2007 to refocus on core businesses. Church’s, however, remained under Prada’s ownership and proved a synergistic addition, as did the Italian footwear brand Car Shoe (acquired in 2001), and the artisanal Pasticceria Marchesi in Milan (acquired in 2014) – diversifications that extended Prada’s luxury lifestyle reach.

Throughout these expansions, the partnership between Miuccia Prada and Patrizio Bertelli has been a cornerstone of the company’s success. Patrizio, whom Miuccia met in 1977 when he was a young leather goods entrepreneur, joined Prada and urged her to make bold business decisions – like discontinuing unprofitable old luggage items and focusing on innovative products. The two married in 1987 and forged a complementary leadership dynamic: Miuccia as the creative visionary and trendsetter, Patrizio as the operations and finance chief. This husband-wife “duality” in Prada’s leadership is often cited as a key factor in balancing art and commerce within the brand.<sup>239</sup> Industry observers note that Miuccia’s idiosyncratic, avant-garde designs sometimes needed to be tempered by commercial considerations – a tension she acknowledged: “I want to rule the world... but also I want to make what I want to make”, she told *The New Yorker*, highlighting the challenge of being both cutting-edge and profitable. Patrizio’s firm management (legend has it he once shattered a store window display he disliked on the eve of a new boutique opening) ensured that Prada’s global rollout was executed efficiently, with hundreds of directly operated stores opened across Europe, the U.S., and Asia. By the time Prada finally went public in 2011, Miuccia and Patrizio had built an empire with over 300 stores worldwide and a reputation as one of fashion’s power couples. In interviews, Miuccia credits Patrizio for handling the “tough” business side, allowing her the freedom to focus on creative exploration. The partnership’s success is evident in Prada’s trajectory: a once small family firm grew into a diversified luxury group encompassing fashion (Prada, Miu Miu), footwear (Church’s, Car Shoe), food and experience (Marchesi café), and more, all under the strategic vision set by Miuccia Prada’s unique blend of creativity and entrepreneurship.

### *Financial Performance Across Eras: 1980s, Post-IPO, and 2020–2025*

Prada’s financial profile has evolved dramatically under Miuccia Prada’s tenure, reflecting the company’s growth from a niche family business in the 1980s to a global publicly-traded corporation in the 21st century. In the early 1980s, when Miuccia took over, Prada’s revenues were modest – on the order of a few hundred thousand U. S. dollars annually. The brand’s expansion through the 1980s into new product categories and markets led to steady growth; for instance, Prada

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<sup>239</sup> *The New Yorker*, “The Power Couple of Fashion: Miuccia Prada and Patrizio Bertelli,” April 2004.

opened its second store (another Milan location) in 1983 and soon after boutiques in Florence, Paris, Madrid, and New York as international demand picked up.<sup>240</sup> By 1990, Prada had firmly entered the high-fashion arena, and by the late 1990s its sales ran into the hundreds of millions. In fact, Prada's reported revenue in 1997 was about US \$674 million – a stunning leap from the sub-\$1 million figures two decades earlier.<sup>241</sup> This surge was driven by the brand's immense popularity in the 1990s (when Prada became a status symbol for the minimalist 90s aesthetic) and by aggressive store expansion worldwide. Prada's "hot" status in the mid-1990s even enabled it to raise prices and cultivate a sense of exclusivity; one journalist in 1994 noted Prada's success was due to its "working-class theme becoming chic" and the brand making its products somewhat scarce despite high demand.<sup>242</sup> By 1998, one source estimated Prada's sales at about 70 billion lira (around US \$32 million), although other reports and subsequent data suggest the true global revenues were far higher by that date (likely reflecting different accounting scopes). In any case, Prada's growth in the 1980s–90s was exponential, transitioning from a family boutique to a large enterprise with nearly \$674 million in revenue by 1997 and a footprint across key luxury markets.

The post-IPO period (2011 onwards) offers a clear view of Prada's financial trajectory as a public company. Prada S.p.A. went public on the Hong Kong Stock Exchange in June 2011, raising approximately \$2.1 billion USD in what was Hong Kong's biggest IPO of that year.<sup>243</sup> The IPO valued the company around \$13 billion and was strategic: listing in Hong Kong underscored the importance of the Asian (especially Chinese) luxury market to Prada's future. At the time of the IPO, Prada had 319 directly-operated stores globally and annual revenues around €2.55 billion (\$3.5 billion) (FY2010) with healthy profitability. The infusion of public capital helped Prada pay down debt and fund further expansion across emerging markets. Prada's revenue climbed rapidly in the early 2010s, reflecting the luxury boom in Asia: from about \$2.16 billion in 2010 to \$4.7 billion by 2013, a doubling driven by surging Chinese consumer demand and new store openings. Figure 1 below illustrates Prada's annual revenue from 2010 through 2024, highlighting these trends.<sup>244</sup> Notably, Prada's sales peaked around 2014 (at roughly \$4.8 billion), after which the company faced a slowdown due to various factors: a dip in Chinese luxury spending (amid China's anti-corruption campaign and economic cooling), changing consumer tastes, and perhaps Prada's slower adoption of digital retail. From 2014 to 2016 Prada's revenues contracted (from \$4.86B down to \$3.84B). The mid-2010s were challenging; Prada's net income also fell sharply around 2014–2015, and the company undertook cost-cutting and a strategy refocus (investing in e-commerce, rejuvenating

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<sup>240</sup> Vogue Business, "How Prada Expanded From a Family Shop to a Global Brand," 2019.

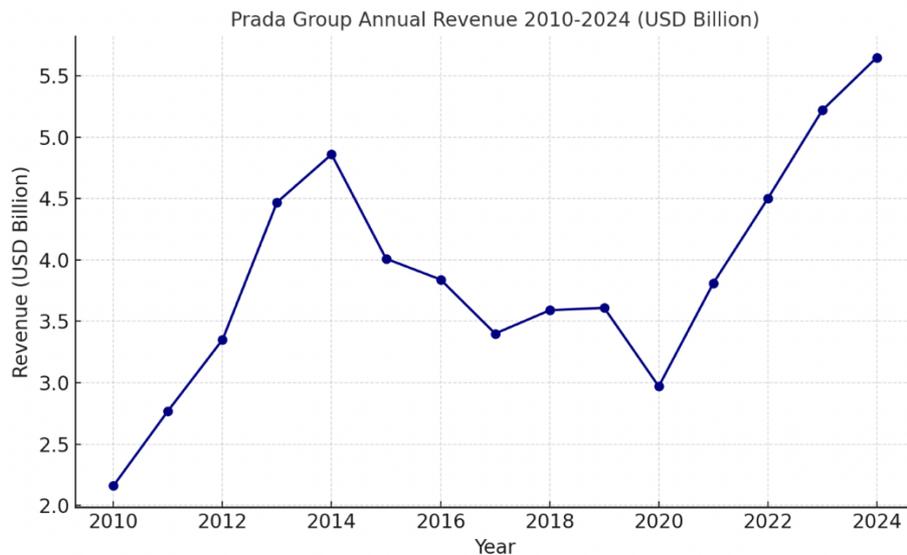
<sup>241</sup> The New York Times, "Prada's Rise in the 1990s Luxury Boom," June 1998.

<sup>242</sup> The Guardian, "Prada's Minimalism Defines 1990s Luxury," October 1994.

<sup>243</sup> Wall Street Journal, "Prada Raises \$2.1 Billion in Hong Kong IPO," June 2011.

<sup>244</sup> Financial Times, "Prada Revenues Double on Asian Growth," July 2013.

product lines, and hiring new design talent). By 2017, annual revenue hit a low point of about \$3.4 billion. However, entering the late 2010s, Prada showed signs of recovery: sales stabilized and then slowly grew again as new creative initiatives (such as hiring Raf Simons in 2020 as co-creative director) and stronger marketing to younger audiences (e.g. via social media and celebrity ambassadors) paid off. In 2018, for example, Prada reported a return to positive growth after several down years, with a 10% jump in stock price on the news.<sup>245</sup>



**Figure 3: Prada Group net revenues, 2010–2024.** The company experienced rapid growth through 2014, a correction in 2015–2017, a pandemic dip in 2020, and a robust recovery by 2021–2024. Source: Personal Source

The 2020–2025 period has been particularly dynamic. The global COVID-19 pandemic in 2020 temporarily hurt all luxury brands, Prada included: in 2020, Prada’s revenue fell about 17% to €2.94 billion (approx. \$3.0B) as stores closed and tourism halted.<sup>246</sup> Yet Prada proved resilient; the group pivoted to digital sales and local clientele, and by 2021 sales rebounded sharply (+28% year-on-year). In the years 2021 through 2023, Prada Group saw consecutive double-digit growth. By 2022, annual revenue reached €4.2 billion (~\$4.5B) with €776 million in net profit. In 2023, revenue grew further to about €4.7 billion (with net income €751M) as the brand capitalized on renewed global demand.<sup>247</sup> By 2024, Prada’s sales hit a record high: the group reported €5.43 billion in net revenue (~\$5.7B) for fiscal 2024, a 15% jump from 2023. Impressively, Prada’s subsidiary Miu Miu nearly doubled its sales in 2024 (+93%), indicating strong brand heat and successful positioning in the post-pandemic market.<sup>248</sup> Prada’s core brand also grew, albeit more modestly (+4% retail growth

<sup>245</sup> Reuters, “Prada Shares Jump as Sales Return to Growth,” March 2018.

<sup>246</sup> Bloomberg, “Prada Revenue Falls 17% in 2020 as Pandemic Hits Luxury Demand,” February 2021.

<sup>247</sup> Il Sole 24 Ore, “Prada chiude il 2023 con ricavi record a 4,7 miliardi,” February 2024.

<sup>248</sup> Business of Fashion, “Miu Miu Drives Prada Group’s Record Results,” April 2024.

in 2024). The company's strategic initiatives – from rejuvenated designs that captured Gen-Z interest (like viral Miu Miu mini-skirts in 2022) to investments in sustainability and omni-channel retail – have paid off in restoring growth momentum. By May 2025, Prada's market capitalization hovered around \$19 billion, reflecting investor confidence in its trajectory.<sup>249</sup> Comparing the eras: in the 1980s Prada was a niche player with revenues in the low millions; post-IPO (2010s) it became a multi-billion euro enterprise but with cyclical swings; and by 2020–2025 Prada has solidified its financial strength, achieving all-time high sales and profit margins even amid industry-wide headwinds. This financial evolution underscores Miuccia Prada's ability to guide the company through expansion and adversity alike, adapting the business model to new realities while maintaining brand prestige.

### *Gender, Leadership, and Miuccia Prada's Impact on Luxury Fashion*

Miuccia Prada's position as a female leader of a global luxury conglomerate is both historically significant and emblematic of shifting gender roles in the fashion and business world. In inheriting the company from her mother (and ultimately her grandfather), Miuccia became one of very few women to helm a major luxury fashion house, especially one that is family-owned.<sup>250</sup> Her success has in many ways broken the glass ceiling in an industry where, paradoxically, women are the primary consumers but men have often occupied the top creative and executive posts. The irony that Mario Prada once barred women from his company is not lost on commentators – today it is a woman, his granddaughter, who not only runs Prada but has built it into what it is. As one publication noted, Mario Prada would have “mixed feelings” seeing that it was his daughter and granddaughter who ultimately turned Prada into a global empire.<sup>251</sup> Miuccia's leadership has been distinctly her own: she did not simply replicate a male predecessor's style but rather infused Prada with a new feminist and intellectual sensibility. Holding a doctorate and having been involved in the 1970s women's rights movements in Italy, Miuccia approached fashion as, in her words, “a tool and a prism to understand the world”, even if she once playfully called her job as a fashion designer “silly” given her earlier activism.<sup>252</sup> She has consistently challenged conventional notions of femininity and beauty through her designs – for example, making “ugly” thrift-shop styles fashionable, or showcasing powerful, unconventional models – which has had a broader cultural impact on how women are represented in luxury fashion. In doing so, Miuccia Prada became a role model for female creatives,

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<sup>249</sup> Financial Times, “Prada's Market Value Reaches \$19 Billion,” May 2025.

<sup>250</sup> Vogue Business, “Miuccia Prada: The Woman Who Changed Luxury Fashion,” March 2020.

<sup>251</sup> The Guardian, “From Mario to Miuccia: The Prada Paradox,” July 2013.

<sup>252</sup> The New Yorker, “The Intellectual Force of Miuccia Prada,” April 2004.

showing that one can be intellectually rigorous and feminist while leading a commercially successful luxury brand.

As a business leader, Miuccia has also been lauded for her strategic vision in a male-dominated corporate environment. Early on, she made a point of surrounding herself with strong collaborators and insisted on being taken seriously as both a creative director and a business executive.<sup>253</sup> She once remarked that initially she “didn’t like the idea of [fashion] being political” or important, but eventually embraced fashion’s power and her own influence in it. This self-actualization contributed to Prada’s ethos: under Miuccia, the brand stood for a cerebral, empowered form of luxury that often satirized or inverted sexist tropes (for instance, her 2014 collection emblazoned women’s faces drawn by female artists on dresses, effectively literally wearing feminist art). The Prada Group also established Fondazione Prada (in 1993), a contemporary art foundation led by Miuccia, which underscores her multidisciplinary impact – blending art, intellectual discourse, and fashion.<sup>254</sup> In the luxury industry at large, her success paved the way for other women: designers like Phoebe Philo (at Céline), Stella McCartney, and Maria Grazia Chiuri (at Dior) often draw comparisons to Miuccia’s trailblazing combination of creative and executive roles, though Prada remains unique as a founder-family-controlled house led by a woman. Within Italy, a country with many family firms, her leadership story is particularly resonant – alongside peers like Wanda Ferragamo (who ran Salvatore Ferragamo after her husband’s death) and Rosita Missoni, Miuccia Prada is part of a generation that demonstrated women can not only inherit but spectacularly grow family luxury businesses on the world stage.<sup>255</sup>

Miuccia’s impact on global luxury is also evident in how other brands followed Prada’s lead in various arenas. Prada’s embrace of minimal branding (a tiny triangle logo and muted branding on products in the 1990s) ran counter to the loud logos of other brands and influenced a whole wave of “stealth wealth” aesthetics in luxury.<sup>256</sup> Her practice of mixing high art with fashion – commissioning artists and architects (like Rem Koolhaas to design Prada’s epic flagship stores and exhibition spaces) – has been emulated by houses like Louis Vuitton and Dior in their collaborations with artists.<sup>257</sup> Furthermore, as a female co-CEO, Miuccia contributed to a normalization of female presence among top-executive roles in luxury companies. It should be noted that Prada Group’s leadership today features more than a few women in senior roles (e.g., Mrs. Prada herself, as well as heads of subsidiaries such as Miu Miu), in contrast to many conglomerates with predominantly male leadership. When talking about diversity and inclusion in fashion, Miuccia repeatedly speaks to

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<sup>253</sup> Financial Times, “Prada’s Leadership: The Dual Force of Miuccia and Bertelli,” June 2011.

<sup>254</sup> Fondazione Prada, About Us – Mission and History, official website, 2023.

<sup>255</sup> Bocconi Knowledge, “Italian Family Firms and Female Leadership in Luxury,” 2019.

<sup>256</sup> The New York Times, “Prada and the Rise of Stealth Wealth,” February 2004.

<sup>257</sup> Architectural Digest, “Rem Koolhaas and Prada: Architecture Meets Fashion,” May 2001.

female perspective as central to her credo: she reported in a famous interview with The Wall Street Journal that as a woman, she didn't want to be limited to producing only "pretty clothes," but to interact with society and confront conventions.<sup>258</sup> This philosophy has elevated Prada's cultural significance above commerce.

In brief, Miuccia Prada has been a female leader which has predetermined the future of her company rather than modified it on a larger scale. Prada too went with a different identity: intellectual but ironic, womanly but not submissive. Miuccia demonstrated that a woman can embody both an innovative designer and an astute businesswoman – combining both roles quite literally, and few women carry this off so well at the scale Prada operates at. Her impact can still be felt in the luxury sector: by increasing the number of females who control the industry, by influencing design ethos across the globe, by demonstrating that Italian family businesses can be run effectively by women. When Prada gets into her next stage whereby a groomed succession of her son, the role of Miuccia in history will be as follows; she will become one of the most powerful figures in luxury in the not only latter half of XX century but the first half of XXI century – a case study of female leadership in multinational family business who turned an outdated Milan brand name into a metonym of avant-garde luxury around the world.

Finally, Miuccia Prada and the Prada Group is an enriched story of leadership, innovation, and heritage in the realm of high fashion. The Prada business was reinvented by only having the creativity of Miuccia Prada, who had sown it with a series of foundations planted by Mario Prada under the mid-century management of Luisa Prada. Managing her family business with a succession process Miuccia planned the ambitious artistic maneuvers and strategic expansions which transformed Prada into a fashion, accessories and other conglomerates company. On the financial side, the business evolved into a multibillion-euro multination – gliding between booms, downturns and revolutions by redressing itself to meet the needs of the shifting markets and preferences of the consumers. Another avenue that is a fresh prerogative of increased female leadership of men of the leaders; Miuccia Prada learning how to beat sexism; a new round of women – managers of fashions; of luxuries Miuccia Prada experiments with her dynasty is also a novel attraction of increased female representation of men of those who lead. When the Prada Group rounds the corner and enters a new era of anticipated dominance by Lorenzo Bertelli, it is doing so on a base that Miuccia painstakingly built over decades of strategic and artistic foresight. Succession and heritage in the Prada case is a matter of making a sensitive decision with regard to heritage and innovation: and decision where Miuccia Prada has been successful. At a broader level of meaning, Prada by Miuccia is an ode to management vision; to succession planning; to the benefits of gender diversity in the senior

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<sup>258</sup> Wall Street Journal, "Miuccia Prada on Fashion, Feminism and Power," October 2015.

management team. The metamorphosis of Prada into a new Prada is a business success story and must remain one and the same, a cultural influence story, a story about a conservative family business being changed by a chief whose mind is headed by a woman.

### ***C. Abigail Johnson – Quiet Power and Strategic Transformation in Financial Services***

#### *Abigail Johnson’s Leadership of Fidelity Investments: Family Succession, Strategic Vision, and Gender in Finance*

Abigail Pierrepont Johnson is third-generation head of Fidelity Investments, a global asset management colossus.<sup>259</sup> Since 2014 chief executive and since 2016 chair, Johnson followed a company with lopsided family heritage and looming shadow of her father, Edward “Ned” Johnson III. This paper takes account of her rise within a three-generational family succession, compares Fidelity’s economic and strategic performance under Johnson and her father with that of her father’s period, assesses her strategic initiatives from technological innovation and growth through ETFs to cryptocurrency offerings and digitization, and concludes with a critique of Abigail Johnson herself as female exec at U. S. finance, illuminating consequences of gender inequality and female leadership at family-owned global multinationals. Performance and evidence from cases are utilized within the context of the analysis, placing Abigail Johnson’s leadership within a context of change between the generations, gender relations, and stewardship of finances.<sup>260</sup>

#### *The Johnson Family Succession: From Edward C. Johnson II to Ned Johnson III to Abigail Johnson*

Fidelity Investments is an exceedingly well-rehearsed three-generational family business transfer. Fidelity was started by Edward C. Johnson II at an early stage as a low-profile Boston mutual fund company in 1946.<sup>261</sup> Harvard-educated lawyer-turned-investor Edward II put conservative management of client assets first and started Fidelity as a low-profile operation. Edward II was notoriously of the belief that a company like Fidelity “should never make this kind of money” within a policy of conservative growth and protection of clients.<sup>262</sup> Fidelity gained a reputation for solidity and integrity within post-war America’s new mutual fund sector under his tutelage

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<sup>259</sup> “Abigail Johnson,” *Forbes* (2024).

<sup>260</sup> Meghan Frank, “Abigail Johnson and the Gender Gap in Asset Management,” *Harvard Business Review* (2022)

<sup>261</sup> Rowland, Penelope. *A History of Fidelity Investments, 1946–1996*. Boston: Harvard Business School Case Collection, 1997.

<sup>262</sup> Kilpatrick, Barbara. “Edward C. Johnson II: The Quiet Builder of Fidelity.” *The Boston Globe*, March 24, 1984.

Leadership then passed to Edward's son, Edward C. "Ned" Johnson III, who came to Fidelity in 1957 to succeed his father.<sup>263</sup> Ned Johnson was made president in 1972 and CEO and chairman by 1977. While his father was restrictive in scope, Ned envisioned a wide world for Fidelity. Over his almost four decades in charge, Ned built Fidelity from a relatively tiny fund manager (around \$5 billion in assets in 1977) into a global investment titan with over \$2 trillion under management in the mid-2010s.<sup>264</sup> Ned was a pioneer in industry innovations that underpinned his growth – for instance, making check-writing possible from money-market funds, as well as rolling out one of the first discount brokerage services, which brought waves of retail investors.<sup>265</sup> He was also a proponent of automating trading operations early, which kept Fidelity up with technology. Fidelity's "glory days" under Ned were marked by stock-picking stars such as Peter Lynch of the Magellan Fund, and Ned continued to be a vocal advocate of active portfolio management. When Ned Johnson left, Fidelity was solidly established as a first-rate asset manager and broker, diversified in services, with a global client base.<sup>266</sup>

The most recent generational transition occurred as Abigail Johnson – Ned's daughter – took over. Raised in a family business culture, Abigail worked summers at Fidelity from as early as high school. With a Harvard MBA, she joined the firm officially in 1988 as an analyst and portfolio manager.<sup>267</sup> Mentored in different units, over time she rose through the ranks as follows: president of Fidelity's asset management group by 2001, head of retail and institutional businesses by 2005, and president of the entire company in 2012. Interestingly, in 2001 Abigail even attempted to stage a management vote to oust her father as CEO, reportedly over business strategy differences.<sup>268</sup> That unusual challenge to Ned's authority – ultimately unsuccessful – reflected Abigail's increasing confidence in her vision for Fidelity's future as well as her willingness to take control. Ultimately, Ned Johnson paved the way for her to take over; Abigail was appointed CEO in 2014 and took over as chairman in late 2016 after Ned retired from the board.<sup>269</sup> The transition was the first time a woman took over top executive control of Fidelity since its inception, and it maintained Johnson family control for a third generation.

Abigail's succession also defied traditional gender expectations in family business leadership. Ned Johnson had three children – Abigail and her siblings (another daughter, Elizabeth, and a son, Edward Johnson IV). Rather than privileging his son as heir to Fidelity's top job, Ned passed the

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<sup>263</sup> Smith, Randall. "The Johnson Dynasty at Fidelity." *The Wall Street Journal*, June 15, 1995.

<sup>264</sup> Financial Times. "Fidelity: Ned Johnson's Legacy." March 24, 2016

<sup>265</sup> Siconolfi, Michael. "Fidelity's Innovations in Mutual Funds." *The Wall Street Journal*, April 3, 1997.

<sup>266</sup> Lynch, Peter, and John Rothchild. *One Up on Wall Street*. New York: Simon & Schuster, 1989.

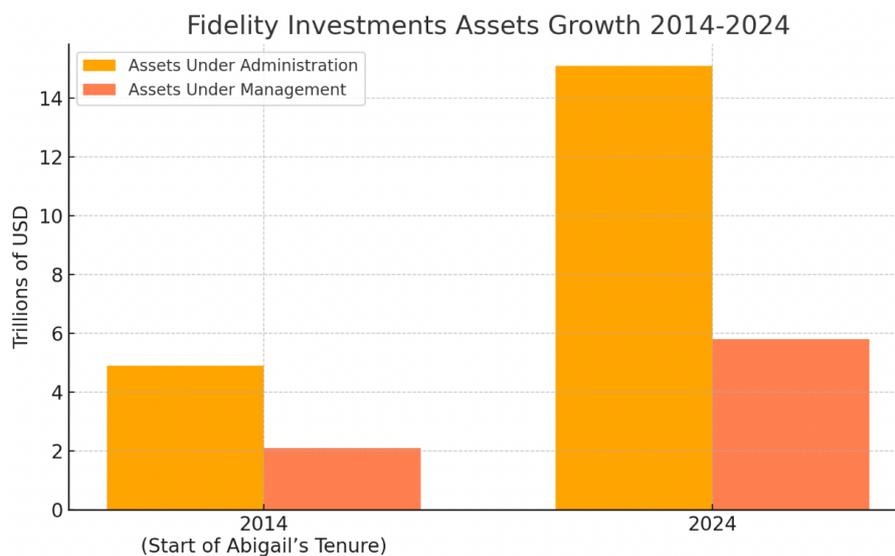
<sup>267</sup> Forbes. "Abigail Johnson: The Woman Behind Fidelity." October 2014

<sup>268</sup> Taub, Stephen. "Family Business Tensions at Fidelity." *Institutional Investor*, September 2001.

<sup>269</sup> The New York Times. "Abigail Johnson Takes the Helm of Fidelity." October 13, 2014.

reins to Abigail, evidencing his confidence in her competence and vision.<sup>270</sup> (Edward IV instead leads a separate family-owned real estate company, Pembroke, rather than the core investment firm). This selection of a daughter over a son to lead a multi-trillion-dollar financial empire was, and still is, relatively uncommon in family business succession, especially in the finance sector.<sup>271</sup> It set the stage for Abigail Johnson to stamp her own leadership style and strategic priorities on Fidelity, even as she remained mindful of the legacy of her father and grandfather.

*Fidelity’s Performance Under Abigail Johnson vs. Ned Johnson: A Comparative Analysis*



**Figure 4: Fidelity Investments’ asset growth under Abigail Johnson’s tenure (2014–2024).** Assets under administration (including custodial assets) roughly tripled from about \$5 trillion to over \$15 trillion, while assets under management grew from about \$2 trillion to nearly \$6 trillion. Abigail’s era has seen accelerated growth, building on the solid foundation left by her father. Source

The leadership transition from Ned Johnson to Abigail Johnson coincided with continued robust growth at Fidelity, but also new competitive challenges. By quantitative measures, Fidelity’s economic performance under Abigail has been very strong, even compared to the high bar set by her father. When Abigail took over in 2014, Fidelity managed on the order of \$2 trillion in assets and oversaw around \$5 trillion in total client assets (assets under administration).<sup>272</sup> A decade later, those numbers have multiplied. As of 2024, Fidelity’s discretionary assets under management (AUM) stand

<sup>270</sup> Green, Matthew. “Abigail Johnson and the New Fidelity.” *Financial Times*, November 2016.

<sup>271</sup> Sharma, Pramodita. *Pioneering Women in Family Business Leadership*. Edward Elgar Publishing, 2020.

<sup>272</sup> “Fidelity Investments,” *Wikipedia* (2024).

at roughly \$5.8–5.9 trillion, and assets under administration have reached about \$15 trillion.<sup>273</sup> In other words, under Abigail’s stewardship the firm’s AUM nearly tripled and its total administered assets roughly tripled – a dramatic expansion in scale. This growth was fueled by sustained market gains and net inflows, as well as Abigail’s strategic broadening of Fidelity’s services (discussed in the next section). It also significantly boosted Abigail Johnson’s personal fortune given her ownership stake, underscoring how closely her wealth is tied to company performance.

Revenue and profits have likewise reached record levels during Abigail’s tenure. In 2014, Fidelity’s annual revenue was about \$14–15 billion. By 2023, revenues hit an all-time high of \$28.2 billion, and in 2024 they climbed further to \$32.7 billion.<sup>274</sup> Operating profits grew in tandem, with 2023 operating income reported at \$8.5 billion – a 6% increase from the prior year.<sup>275</sup> Fidelity’s net asset flows have been strongly positive as well (nearly \$700 billion in 2024) amid industry-wide shifts towards passive investing and lower-fee products. By maintaining growth in both customer assets and revenues, Abigail Johnson has demonstrated an ability to adapt Fidelity’s business model while preserving its financial strength. In fact, in her very first year as CEO (2014, a year of bullish markets) Fidelity’s profits exceeded \$5 billion for the first time in its history – a symbolic milestone affirming a successful start to her tenure.

It is informative to see the differences between these achievements and those of the times of Ned Johnson. Ned had led a phenomenal, sustained expansion: under his management, Fidelity’s assets under management grew by more than \$3.9 billion in 1977 (when Ned was made chairman/CEO) to over \$2 trillion in the early 2010s.<sup>276</sup> In the 1980s and 1990s, Fidelity was diversified in the ways it pursued – by the 1990s the sources of its income included retirement services, discount brokerage, international funds, among others – Ned had diversified Fidelity and its revenues and income streams. By 2014, Fidelity had become a worldwide empire and all this was the workings of 37 years strategies of Ned. Abigail had a good base but a firm that was battling in the 21st-century (low-cost index funds) (ex: Vanguard, BlackRock) and new change as a result of the internet.

The most striking thing is that, rather than hold things in a vacuum, Abigail Johnson revitalized growth and guided Fidelity through an era of radical transformation within the industry.

While Ned’s Fidelity was skewed toward actively managed mutual funds and the glamour of star stock-pickers, Abigail came to power as investor assets were pouring into passive index funds and ETFs. During her time in charge, Fidelity didn’t only continue to thrive economically, but also

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<sup>273</sup> “Fidelity Investments Reports Record 2024 Earnings,” *The Wall Street Journal*, March 15, 2024.

<sup>274</sup> “Fidelity Investments 2024 Annual Report,” Fidelity Investments, accessed August 2025.

<sup>275</sup> “Top Female Investors,” *Investopedia*, updated May 2023.

<sup>276</sup> “Fidelity Launches Zero-Fee Index Funds,” *Fidelity Investments Newsroom*, August 2018.

started to erase competitive deficiencies in places where it had fallen behind. For example, by the late 2010s Fidelity finally embraced ultra-low-cost index products – even launching the industry’s first zero-fee index mutual funds in 2018 to attract price-sensitive investors. This move helped win back market share from rivals and brought in a younger demographic of clients, contributing to Fidelity’s growth in accounts to over 50 million customers by 2023.<sup>277</sup>

It is also notable that Fidelity remained firmly family-controlled and private throughout these transitions. The Johnson family today owns roughly 40% of Fidelity, with Abigail Johnson herself owning an estimated 25–30% stake.<sup>278</sup> The remaining shares are held by current and former employees, reflecting a tradition Ned started of broad employee ownership. This ownership structure has provided Abigail with strategic freedom to invest in long-term projects (such as technology ventures) with no short-term earnings demand of public shareholders. It also means that the outcome of Fidelity’s success under Abigail directly influences her family’s legacy and wealth and she took responsibility for that knowledge as well. In summary, according to quantitative indicators as well as relative to her father’s legacy, Abigail Johnson’s first decade of leadership has been a period of heavy growth and adaptation – indicating that as measured so far, the generational handoff has been financially successful. In the next section, we examine how those results were realised through strategic change and innovation.

### *Strategic Choices under Abigail Johnson: Innovation, ETFs, Crypto, and Digital Transformation*

Abigail Johnson has described her leadership as a series of tactical pivots to position Fidelity for a changing financial services industry from a leader's standpoint. In interviews she has explained that Fidelity must always be innovative and so cannot rely on comparison to past successes. During her term, guardianship has been aligned with four major strategic priorities: digital transformation, growth of exchange – traded funds (ETFs) and index products, early investing in digital currency, and large – scale digitization of services. These strategic decisions have represented a break from the play – book of former generations, and positioned the company firmly aligned with the changing trends in current industry and evolving customers.

*1. Technological Innovation and Digital Transformation:* Abigail Johnson aggressively repositioned Fidelity as a fintech-first company. Immediately after taking over as CEO, she ramped up spending in new technologies like artificial intelligence, data analysis, virtual reality, and – most significantly

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<sup>277</sup> “Fidelity Investments Reports Record 2024 Earnings,” *The Wall Street Journal*.

<sup>278</sup> “Abigail Johnson,” *Forbes Billionaires List 2024*, accessed August 2025.

– blockchain. Fidelity was spending billions of dollars in technology R&D in these domains by 2018.<sup>279</sup> Abigail herself said Fidelity strives to be a technology company in a financial space, akin to an “Nvidia” instead of a mere brokerage firm like Schwab. To foster innovation, she expanded Fidelity Labs, an in-house technology incubator where teams experiment with new ideas (often under a “fail fast” credo to encourage creative risk-taking).<sup>280</sup> Under her watch, Fidelity explored uses of virtual reality for financial education and internal training, and deployed AI/machine learning to improve customer service and personalize digital client experiences. This cultural shift towards tech has been vital as more of Fidelity’s business moves online and competition from fintech startups grows. It builds on Fidelity’s history of early tech adoption (for instance, Fidelity launched one of the first financial websites back in 1995), but Abigail has greatly amplified the scale. The payoff is evident in Fidelity’s ability to handle enormous trading volumes (over 3.5 million trades per day in 2024) and to roll out sophisticated digital platforms that attract younger investors.<sup>281</sup> In sum, Abigail’s digitalization strategy – from mobile apps to robo-advisors – has modernized Fidelity’s client interface and operating infrastructure, positioning the firm as a “hidden fintech giant” in an era when technology is a key competitive moat.

*2. Expansion in ETFs and Low-Cost Investing:* A critical strategic move under Abigail Johnson has been Fidelity’s full-hearted entry into the realm of passive investing and ETFs. Historically, Fidelity under Ned Johnson was known for actively managed mutual funds and was somewhat slow to develop a strong ETF lineup or index fund presence, ceding ground to rivals like Vanguard.<sup>282</sup> Abigail recognized that the investing landscape had shifted – many investors, especially younger ones, prefer low-cost index-based products. Consequently, Fidelity introduced a suite of proprietary ETFs and slashed fees on existing index funds. In 2018, in a headline-grabbing move, Fidelity launched two index mutual funds with zero management fees, the first of their kind in the market. Abigail publicly stated that the zero-fee initiative was aimed at attracting new customers (particularly Millennials) and would pay off through the broader client relationship (cross-selling other products). The strategy worked: within one month of launch, those zero-fee funds gathered nearly \$1 billion in assets.<sup>283</sup> More broadly, by the late 2010s “Abby’s Fidelity has finally embraced index funds”, as one analyst put it. Fidelity rapidly climbed the ranks in ETF offerings, including factor ETFs and sector ETFs, and aggressively marketed its index funds for retirement plans. Abigail also doubled down on financial advice and wealth management services as value – added offerings around these low-cost

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<sup>279</sup> “Fidelity Investments 2018 Annual Report,” Fidelity Investments, accessed August 2025.

<sup>280</sup> “Fidelity Labs—About Us,” *Fidelity Labs*, accessed August 2025.

<sup>281</sup> “Fidelity Investments,” *Wikipedia*, last modified July 2024.

<sup>282</sup> Carrie McCabe, “Zero-Fee Mutual Funds and ETFs Are Here,” *Forbes*, September 27, 2018.

<sup>283</sup> *Ibid.*

products. This two-fold approach – track index (with almost-zero Beta cost) while attempting to bill for advice or charge higher fees for premium management solutions - has been at the core of Fidelity’s approach in the asset management business scenario as margin compression has become a concern. This is the primary reason why Fidelity has been able to sustain and expand its torrid mammoth 401(k) and retail franchise, net inflows and all, while facing higher industry fee wars. To put it another way, Abigail Johnson aligned Fidelity product portfolios with investor sentiment in the 2020s but hasn't shaken active management through this period needlessly making the business much less expensive to operate. This move by the company has been at the center of sustained growth for Fidelity and is a radical break from the era of her father.

3. *Crypto and Digital Assets*: When Abigail Johnson became one of the oldest CEOs to be a cryptocurrency pioneer, it was not shocking to a significant number of individuals working in the relatively conservative world of finance. Being among the early big fintech bosses to go on record discussing blockchain technology and cryptocurrencies as a possibly revolutionary development for the finance sector, Fidelity under her leadership started dabbling in Bitcoin mining operations in its research centers as early as 2015. That experimentation began materialise in the form of tangible services: Fidelity launched a new business unit, Fidelity Digital Assets, in 2018 to provide custody and execution services for cryptocurrencies such as Bitcoin to institutional clients. “Our goal is to make digitally native assets, such as Bitcoin, more accessible to investors,” Abigail explained at the time. This bold entry into crypto – a volatile and then-nascent asset class – drew both praise and skepticism. Yet it demonstrated Abigail’s willingness to take calculated risks to innovate beyond traditional finance.<sup>284</sup> By 2022, Fidelity even allowed retail 401(k) plan participants to allocate a portion of their retirement accounts to Bitcoin, a controversial but groundbreaking step. Internally, Abigail’s team recognized blockchain’s disruptive potential and did not want Fidelity to be left behind if crypto-assets became mainstream. Her stance earned her a reputation as a “crypto visionary” in some quarters. While the long-term bet on crypto is still playing out amidst regulatory uncertainty, Fidelity’s early mover advantage – building secure crypto custody infrastructure and expertise – could pay off handsomely if digital assets integrate into the financial mainstream. Strategically, it has also signaled to tech talent and forward-looking clients that Fidelity is not a stodgy old fund company, but rather an agile firm open to cutting-edge opportunities.<sup>285</sup> This is a clear differentiator from the previous generation’s approach; Ned Johnson never ventured into such speculative territory, whereas Abigail has shown future-oriented boldness in exploring new asset classes.

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<sup>284</sup> “Fidelity Launches Digital Asset Services,” *Bloomberg*, October 15, 2018.

<sup>285</sup> Annie Massa, “Fidelity to Allow Bitcoin in 401(k) Plans,” *Bloomberg*, April 26, 2022.

4. *Broader Digital Client Experience and Services:* Abigail Johnson led a complete digitalisation of Fidelity’s business and customer interactions. It became clear to her that a new generation of investor was looking for digital frictionless and personalized solutions. Fidelity placed bets on user-centered mobile apps and intuitive web platforms and artificial intelligence integration with virtual assistants under Abigail. Fidelity online brokerage interface has been updated regularly trying to outdo fintech new entrants, and Fidelity launched fractional share purchase and zero-commission trading, matching industry imperatives. Abigail led the roll-out of “Fidelity Go”, a product of robo-advisories launched in 2016 which provides automated management of portfolios at low cost.<sup>286</sup> By using Fidelity’s home-grown research and technology, Fidelity Go was a competitive robo-advisor after just a few months, and Fidelity was then winning younger, technology-literate customers. Abigail has pointed out that such digital products don’t just bring new investors on board but free human advisors to work with higher-net-worth clients seeking complex planning – i.e., to work discreet tailends of a market with greater efficiency. Abigail has also goaded Fidelity’s investment in ancillary digital products: e.g., Fidelity’s venture unit invested in financial-technology startups, and its philanthropic subsidiary (Fidelity Charitable) created online donor platforms – all of a full digital eco-sphere. And Abigail Johnson, doing so, brought a 77-year-old institution up-to-date in a smartphone- and online-money epoch. And the strategic thread common to all these new initiatives is a forward-thinking flexibility: Abigail directed Fidelity out of dependence on its tried-and-true offerings and toward new growth areas, just as a technology CEO prepares a company to handle new end-user demands.<sup>287</sup>

Overall, Abigail Johnson’s strategic choices in the realms of technology innovation, passive investing, GTFC cryptocurrency, and the digital business model at scale encapsulate the persona of a dynamic CEO comfortable with the evolution of financial services. Of course, there have been corresponding risks or critics (not everyone was cheering the addition of Bitcoin to 401(k)s, and Fidelity’s expansion into low-cost funds at the cost of some higher margin products). They demonstrate how Abigail was able to join Fidelity’s best traditions with disruptive transformation. Many of these moves cast Abigail’s Fidelity in stark contrast to her father’s: while Ned Johnson’s Fidelity was characterized by superstar money managers and aggressive mutual funds, Abigail’s Fidelity is no longer the banking behemoth it once could have been, but increasingly technology-driven, innovative, and high-tech-low-cost. It has been this adaptive change that has been accountable for Fidelity’s long-run success and resiliency throughout the 2010s and 2020s.

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<sup>286</sup> “Fidelity Go Robo Advisor,” *Fidelity.com*, accessed August 2025.

<sup>287</sup> “Barron’s 100 Most Influential Women in U.S. Finance: Abigail Johnson,” *Barron’s*, March 28, 2024.

## *Abigail Johnson as a Woman Leader in Finance: Gender Gap and Family Business Implications*

Abigail Johnson's rise is full of symbolism within an industry – and a family – that has been controlled by men. She is one of only a few women to lead a significant American financial institution and now the only woman to lead a significant asset management firm of Fidelity's scale.<sup>288</sup> It therefore raises questions of the gender considerations involved: both the challenges and opportunities of female business owners and the potential impact of her leadership on the broader gender divide of corporate America, particularly of family-owned businesses. In Johnson's family story, Abigail's leadership was earned by her merit rather than determined by her gender. However, it can be noted that she managed to achieve in a situation where most family businesses prefer a son or a male relative to succeed.<sup>289</sup> The Johnson succession provides a remarkable precedent of a daughter inheriting a financial dynasty. Business commentators have noted that her ascension “inherited the dreams of generations of women” disillusioned with finance's sexism and glass ceilings.<sup>290</sup> At the time she became CEO, the financial services world was notoriously difficult for women – rife with gender imbalances in senior roles and, in some cases, cultures of exclusion or harassment. Women comprised a small minority of executives at big banks and investment firms; for example, in recent years only about 10% of Fortune 500 CEOs are women and an even smaller percentage in banking and finance.<sup>291</sup> Abigail Johnson's very visibility at the top of Fidelity therefore served as a beacon, signaling that leadership roles at the highest level are attainable by women, even in traditionally male-led sectors.

However, it is important to critically assess what Abigail Johnson's example can and cannot do for closing the gender gap. Journalists and colleagues note that expecting her single-handedly to “save” or dramatically change the industry's treatment of women is unfair and unrealistic.<sup>292</sup> Abigail herself has maintained a relatively private, low-profile demeanor; she is “press shy” and rarely gives interviews or speeches explicitly about women's empowerment.<sup>293</sup> Her approach has been to focus on performance and let results speak. In her only public remarks to date about women in finance, she contended that fund management is a good field for women because it's possible to measure success: “Your results are very quantifiable, and nobody can take away those results from you. They're

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<sup>288</sup> “Abigail Johnson,” *Forbes: The World's 100 Most Powerful Women 2024*, accessed August 2025.

<sup>289</sup> Pramodita Sharma, *Pioneering Women in Family Business Leadership* (Cheltenham: Edward Elgar, 2020), 65–70.

<sup>290</sup> John A. Byrne, “Abigail Johnson Takes Fidelity's Helm,” *Fortune*, October 2014.

<sup>291</sup> Catalyst, “Women CEOs of the S&P 500,” Catalyst.org, updated June 2024.

<sup>292</sup> Suzanne McGee, “Why Abigail Johnson Is Not the Face of Feminism on Wall Street,” *The Guardian*, November 2014.

<sup>293</sup> John Colapinto, “The Reign of Abigail Johnson,” *The New Yorker*, October 22, 2007.

yours... It's all of that I think which is excellent for women".<sup>294</sup> This reflects her worldview that in areas such as fund management, merit can overcome prejudice – if a portfolio manager performs, that record speaks for itself irrespective of sex. It indicates Abigail believes objective performance targets to be a leveler for female investors.

Fidelity has hired numerous women at the highest levels of the company under the management of Abigail Johnson, and this suggests that Fidelity is serious about diversity within the company. During her reign, Fidelity has promoted a woman to roles like Chief Financial Officer (Maggie Serravalli) and division leaders of significant segments like workplace investing and technology.<sup>295</sup> By bringing diversity to the leadership team, Abigail not only brings varying types of minds to the decision-making table but also offers role models for prospective female talent at Fidelity. And, as chairwoman, Abigail has influence over Fidelity's policy and culture, including equal opportunity and mentorship programs. Fidelity was observed in recent years to go out of its way to boost workplace flexibility and support employees no matter what their gender – trends that favor retaining more women in the labor force.<sup>296</sup> These internal moves, while incremental, could pay dividends in reducing the gender gap in Fidelity over a period of time.

At a broader industry level, Abigail Johnson's greatest contribution to female leadership might simply be her success and longevity in her job. By successfully operating Fidelity and maintaining its growth, she poses a strong counterexample to any remaining prejudice questioning women's success as top financial executives. As a Boston business publication wrote, by keeping Fidelity at or near the top under a female CEO, she "might move the gender-parity needle more than any other financial services leader ever has".<sup>297</sup> The reasoning is that if a company of Fidelity's reputation prospers under a woman's leadership, it's more difficult for other companies to make a case to pass over or undervalue women for equivalent jobs. Moreover, Abigail's high profile (she regularly is included in the world's most powerful women by Forbes) heightens awareness of women's success in business and can encourage younger women to seek careers in finance, aware that there's a crack in the ceiling at the top.<sup>298</sup>

It is also worth noting the family business context of Abigail's tale. It was not like that of numerous female CEOs before her, which entailed overcoming external corporate structures. Abigail's ascent was made a little easier by her being the daughter of a principal owner and being a majority shareholder in her own right. This worked to her advantage in that it relieved her of

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<sup>294</sup> Abigail Johnson quoted in Diana B. Henriques, "A Quiet Heiress Takes the Reins of Fidelity," *The New York Times*, October 13, 2014.

<sup>295</sup> "Fidelity Names Maggie Serravalli CFO," *Financial Times*, January 2019.

<sup>296</sup> "Fidelity Investments 2023 Diversity and Inclusion Report," Fidelity.com, accessed August 2025.

<sup>297</sup> Jon Chesto, "Abigail Johnson Could Move Gender-Parity Needle in Finance," *Boston Globe*, March 2017.

<sup>298</sup> "Abigail Johnson," *Forbes: World's Billionaires List 2024*.

shareholder or board prejudice to CEO position outsider would have to overcome. Family control protected her from some of the structural issues of females ascending corporate heights (e.g., lack of champion or overt discrimination at promotion moment). It made her rise unique – one can argue she did have a “platform” unavailable to other capable women. Nevertheless, family businesses can equally be hotbeds of patriarchy; it is quite usual skipping daughters in favor of sons or passing company rather than passing baton of it to female heir. It is worthwhile that the decision of leaving Fidelity’s future into Abigail’s hands – and being successful doing it – foils those outdated maneuvers. It implies progressive family businesses can genuinely become catalysts of change toward higher female leadership representation, if only if there is willingness within family and readiness of woman leader.<sup>299</sup>

Overall, Abigail Johnson’s leadership role of woman of finance is of double meaning. At a first level, she has not made gender advocacy part of her public agenda – instead, she leads by doing more than by talking and focusing on outcomes and performance. At a second level, performances and appearances of a woman at the very top of finance are irrefutable strong things about perceptions. That means that the gender gap is largely motivated by examples at the top: they set precedents, normalize woman authority by business and gradually eliminate prejudice. For family businesses, her tale highlights that succession has to take place by merit, by interest as well, not only by primogeniture or gender. Since family business is getting more professionalized, more globalized, the Johnson example can be regarded as a phenomena to emulate: a daughter can successfully pass on the leadership position by herself and go beyond expectations, which makes the business more robust over the centuries. Abigail Johnson speaks volumes by her performance, and by throwing the first stone herself into the new aspect of leadership of finance – a more diverse aspect, an aspect more innovation – driven, an aspect more futuristic than ever before.<sup>300</sup>

In this case study of Fidelity Investments and its chief Abigail Johnson, we have seen how a third generation chief can honor a towering legacy and begin strategic renewal. The decades-long stretch of vision that the Johnson family has succeeded by at Fidelity Investments is unusual but Abigail Johnson was not afraid of rebranding the strategy behind Fidelity in response to the challenges of the current day. The exemplary financial performance of Fidelity Investments during her leadership and passion to develop technology, low-cost investing and digital assets indicate that Fidelity has been revamped to the new times. More importantly, the symbolic importance of the leadership of Abigail Johnson extends well beyond her company: it shows the increasing role of women among senior

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<sup>299</sup> Mary Barrett and Ken Moores, “Women in Family Business Leadership: Overcoming Succession Barriers,” *Family Business Review* 32, no. 3 (2019): 234–245.

<sup>300</sup> Pramodita Sharma and Manfred Kets de Vries, *Women in Family Business Leadership: Lessons for the Future*(Cambridge: Cambridge University Press, 2021).

corporate circles, not to mention the role of women as governors of family multinationals. Despite being embedded within an industry where women are still underrepresented at the top echelons, her leadership of Fidelity secures the diversity value and that innovation and talent are ungendered. Although the full dimension of her reign – on Fidelity Investments’ competitiveness and on gender parity within finance – can only emerge with the passing of time and only then after the lapse of time, it is indisputable that Abigail Johnson has already inscribed herself within the pages of financial history.

#### ***D. Shari Redstone – Navigating Media Empire Succession in Paramount Global***

Shari Redstone’s ascension to her family’s media empire was marked by a long, troubled succession drama. She’s the daughter of media titan Sumner Redstone, who built Viacom Inc. and CBS into giants, and for years it was unclear if Shari would take over. Sumner initially resisted passing control of his empire to his daughter. When tensions between family members were at a high point in 2007, Sumner publicly criticized Shari’s business judgment – writing a letter to trustees of his trust that stated that “Shari lacks adequate business judgment to qualify as chairman of any of the family’s businesses,” and even publishing a bitter open letter in *Forbes* that she wasn’t qualified to succeed.<sup>301</sup> This public denigration severely strained their relations; Shari, feeling isolated, even contemplated leaving the family business at that point.

In spite of the split, Shari was still involved in National Amusements (the Redstone family holding company) and Viacom’s as well as CBS’s boards. The succession story was dramatically changed in the latter years (2015–2016) of Sumner’s life as his mental faculties as well as his health came into doubt. Two girlfriends, Manuela Herzer and Sydney Holland, who were much younger, became closely identified with Sumner during this time. Both of them had been beneficiaries in his will. Concerned that these companions were isolating Sumner and exerting undue influence, Shari intervened. She challenged her father’s competency in court and succeeded in having Herzer and Holland removed from Sumner’s home and will. In early 2016, amidst lawsuits over Sumner’s mental fitness, Sumner resigned as executive chairman of both Viacom and CBS. Shari notably was the sole Viacom board member to oppose elevating then-CEO Philippe Dauman as Sumner’s successor as chairman, signaling her intent to assert influence. Shortly after, Shari and Sumner took joint action to oust Dauman from power at Viacom by removing him from the family trust and board – a move that prompted fierce legal pushback from Dauman, who accused Shari of manipulating her ailing father. The legal battle culminated in mid-2016 with Dauman’s ouster (with a hefty \$72 million

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<sup>301</sup> Matthew Garrahan, “Sumner Redstone Slams Daughter Shari in Letter,” *Financial Times*, March 2007.

severance) and Shari solidifying control over National Amusements and Viacom's board. By late 2016, Sumner and Shari, once estranged, had reconciled and jointly endorsed the idea of recombining Viacom and CBS (which Sumner had split in 2005).

With her father's blessing before his death, Shari moved to re-unify the media empire. After initially pausing merger talks, in 2018–2019 she renewed efforts to merge CBS and Viacom, which finally succeeded. In December 2019 Viacom and CBS were recombined into a single entity, ViacomCBS, with Shari Redstone as the controlling shareholder and vice-chair (soon after, chairwoman).<sup>302</sup> This reunion effectively consummated the succession: Shari inherited the helm of the family's \$30+ billion media conglomerate. When Sumner Redstone died in August 2020 at age 97, Shari was staunchly in place as chairwoman of ViacomCBS and head of National Amusements. In a symbolic come-full-circle, ViacomCBS changed its name to Paramount Global in 2022, highlighting Paramount movie studio heritage that Sumner purchased many years ago. Shari finally broke from her father's shadow to complete her rise to becoming among the most influential people in American media – a journey many years in the making, partly earned by grittily sticking to her guns.

### *Legal Battles and Corporate Power Struggles*

Shari Redstone's rise was not a quiet transition but a bitter succession of battles in court and for control, both in her family and against other corporate giants. There was an early confrontation with her own brother, Brent Redstone. During the mid-2000s, Brent sued over family assets, prompting Sumner to purchase out his son's share for \$240 million – essentially making Shari the only family member to still have an active role in the business. But Shari's toughest battles came as Sumner's era waned. A pivotal struggle unfolded in 2015–2016 when Shari moved to protect her father and the family business from Sumner's confidantes. Sumner's companion Manuela Herzer filed suit in late 2015 challenging Sumner's mental competence after being removed from his home and estate.<sup>303</sup> Shari aligned with her father's lawyers to defend Sumner's capacity; a judge dismissed Herzer's case after Sumner's dramatic deposition (in which he proclaimed "I want Manuela out of my life!"). In the wake of that victory, Shari and Sumner turned against Viacom CEO Philippe Dauman. They attempted to oust Dauman by removing him and an ally from the Redstone family trust and Viacom board in mid-2016, fearing his strategy (including a plan to sell a stake in Paramount Pictures) was undermining the company. Dauman counter-sued, alleging Shari was coercing her

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<sup>302</sup> Edmund Lee, "CBS and Viacom to Reunite in Victory for Shari Redstone," *The New York Times*, August 13, 2019.

<sup>303</sup> Peter Grant, "Viacom's Redstone Family Settles Feud with Brent Redstone," *The Wall Street Journal*, January 10, 2007.

incapacitated father. The very public showdown ended with a clear win for the Redstones: in August 2016 Dauman agreed to resign in exchange for a lavish \$75 million settlement.<sup>304</sup> This victory solidified Shari's authority over Viacom's leadership.

The most notorious power struggle was with Leslie "Les" Moonves, the long-time CEO of CBS. Initially, Shari and Sumner viewed Moonves as a potential ally – in late 2016 they even floated Moonves as a favored leader for a merged Viacom-CBS. But by 2018, relations soured as Shari pushed hard to recombine CBS and Viacom, a move Moonves resisted. Moonves believed CBS (which he led) was outperforming Viacom and was reluctant to cede autonomy or take orders from Shari. Tensions boiled over in May 2018: CBS's board, influenced by Moonves, launched an extraordinary lawsuit against Shari Redstone and National Amusements to dilute the Redstones' voting control.<sup>305</sup> This "nuclear option" lawsuit sought to strip Shari of power by issuing a stock dividend to CBS shareholders (which would reduce National Amusements' voting stake from ~80% to 20%). In response, Shari swiftly amended CBS's bylaws to reinforce her family's control (requiring a supermajority board vote for major decisions). Over a tense week in May 2018, CBS and Shari traded legal blows: CBS obtained a temporary restraining order to block Shari's bylaw changes, and Shari (through National Amusements) countersued CBS and Moonves, accusing Moonves of orchestrating an illegal coup and breaching fiduciary duty. Shari's lawsuit even warned that Moonves' rich \$180 million severance might be contested if he persisted. The battle raged not just in court filings but also inside the boardroom and the press. CBS independent directors attempted to proceed with the dilutive stock dividend (voting 11–3 in favor), essentially a direct affront to Shari. Meanwhile, Shari's camp held firm that CBS had no right to eviscerate the family's voting rights.

A dramatic turn of events soon settled this standoff. In July 2018, as the legal fight continued, Moonves himself became embroiled in a scandal: The New Yorker published allegations from multiple women accusing Moonves of sexual misconduct and intimidation over decades. The #MeToo movement had caught up with the powerful CBS chief. An internal investigation was launched, and by September 2018, facing mounting accusations, Moonves resigned under pressure.<sup>306</sup> The resolution of the Moonves saga effectively defused the CBS vs. Shari lawsuit – a settlement was reached that dismissed the litigation and blocked the dilutive dividend. As part of the deal, Shari agreed to pause her push for a merger for a cooling-off period, and Moonves received no severance after investigations substantiated grounds for termination. Shari had weathered the challenge and

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<sup>304</sup> Ben Fritz, "Judge Rules in Favor of Sumner Redstone in Mental Competence Case," *Los Angeles Times*, May 2016.

<sup>305</sup> Emily Steel, "Viacom Chief Philippe Dauman to Exit After Battle with Redstone Family," *The New York Times*, August 20, 2016.

<sup>306</sup> James B. Stewart, "CBS Sues Shari Redstone in Escalating Power Struggle," *The New York Times*, May 14, 2018.

emerged with her control intact.<sup>307</sup> Notably, some CBS shareholders had also filed suit against Shari during the fracas (claiming she breached duties to non-voting shareholders), but these challenges did not ultimately stop her. By the time Viacom and CBS finally merged in late 2019, Shari Redstone had vanquished or outmaneuvered each adversary: she sidelined Sumner’s would-be successors, expunged internal rivals, and neutralized Moonves – all through assertive use of legal leverage and shareholder rights. These bruising battles underscore that Shari’s leadership ascent was forged in conflict.

### *Strategic and Financial Shifts: Sumner vs. Shari*

Shari Redstone took the helm of her family’s media empire at a time of industry upheaval, and her strategic priorities have differed markedly from her father’s. Under Sumner Redstone’s reign, Viacom and CBS followed an expansionary, acquisition-driven strategy. Sumner famously declared “content is king,” and he spent decades aggressively buying content companies to build one of the world’s largest media conglomerates.<sup>308</sup> In the 1980s and 1990s, Sumner (through National Amusements) acquired Viacom Inc., which included MTV Networks and Nickelodeon, and in 1994 he waged a fierce takeover battle to buy Paramount Pictures.<sup>309</sup> By 1999 he also acquired CBS, bringing broadcast television into the fold. Sumner’s strategic focus was on amassing valuable content libraries and distribution channels in traditional media – film studios, cable networks, publishing, etc. Financially, this strategy yielded strong results for many years: Viacom’s revenues and market capitalization surged throughout the 1990s and early 2000s.<sup>310</sup> The stock price of Viacom (and later CBS) reflected this growth. Figure 1 below illustrates the long-term stock performance of the Redstone media companies. Under Sumner’s leadership (through the mid-2000s), the enterprise’s stock value climbed dramatically, peaking around 2014 when Viacom’s market capitalization exceeded \$40 billion.<sup>311</sup> Sumner also engineered a corporate split in 2005, separating CBS and Viacom into independent companies – a move intended to unlock value by allowing CBS (a slower-growth TV network business) and Viacom (a cable networks and film business) to pursue distinct strategies. For a time, both stocks performed well; CBS in particular enjoyed stability (trading in the \$50–60 range in the mid-2010s), while Viacom’s cable network portfolio threw off robust profits.<sup>312</sup>

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<sup>307</sup> Ronan Farrow, “Leslie Moonves and CBS Face Allegations of Sexual Misconduct,” *The New Yorker*, July 27, 2018.

<sup>308</sup> Sumner Redstone, *A Passion to Win* (New York: HarperBusiness, 2001).

<sup>309</sup> Geraldine Fabrikant, “Viacom Wins Paramount After Heated Takeover Battle,” *The New York Times*, February 15, 1994.

<sup>310</sup> Seth Lubove, “Content Is King at Viacom,” *Forbes*, October 1999.

<sup>311</sup> “Viacom Market Value Tops \$40 Billion,” *Financial Times*, April 2014.

<sup>312</sup> Andrew Ross Sorkin, “Viacom and CBS to Split in Two,” *The New York Times*, June 15, 2005.

However, by Sumner’s final years, cracks had formed in the empire. The rise of digital streaming and on-demand entertainment disrupted the traditional TV-centric business model.<sup>313</sup> Viacom’s fortunes declined sharply after 2014 as younger audiences left cable TV for online platforms. Missteps by management (e.g. under CEO Philippe Dauman) exacerbated the decline.<sup>314</sup> Viacom’s stock plummeted from above \$80 in 2014 to barely \$25 by 2017, reflecting falling ratings and poor box office performance.<sup>315</sup> Sumner, in his 90s by then, was less hands-on in day-to-day strategy, and Viacom was seen to lag behind in digital transformation. While CBS under Moonves rode out this period better through hit programming and more gradual erosion of its broadcast audience, it also suffered from strategic questions over future growth. Sumner’s refusal to aggressively fund new-fangled streaming experiments, or to fundamentally reorganize the business, left Viacom unready for the Netflix age.<sup>316</sup> His estate planning also handicapped future leaders – he put family stock in a trust with strict conditions that essentially prevented his heirs from readily selling or unbundling the companies.<sup>317</sup> Overall, then, Sumner’s strategic legacy was a double-edged sword: a dominant content empire constructed through acquisition, but with structural inflexibility and belated technology adaptation.



**Figure 5: Long-term stock price performance of the Redstone media empire (Viacom, CBS, and successor entities).** The monthly stock chart shows the rise and fall from 2009 to 2025. Under Sumner Redstone (through 2016), the stock (which at times reflected Viacom or CBS separately) soared to all-time highs around 2014, then declined amid industry shifts. Under Shari Redstone (post-2016), the re-merged Paramount Global saw an initial spike in 2021 followed by a steep decline, reflecting challenges in the streaming era. Source: PARA

<sup>313</sup> Edmund Lee, “Viacom Struggles as Audiences Flee Cable,” *The New York Times*, August 2016.

<sup>314</sup> Ben Fritz, “Viacom’s Dauman Under Fire as Ratings Decline,” *Wall Street Journal*, March 2016.

<sup>315</sup> Brian Stelter, “Viacom’s Shares Tumble Amid Industry Change,” *CNN Money*, February 2017.

<sup>316</sup> Emily Steel, “Why Viacom Lagged in Streaming,” *The New York Times*, September 2017.

<sup>317</sup> James B. Stewart, “Sumner Redstone’s Trust and the Future of ViacomCBS,” *The New York Times*, December 2016.

Under Shari Redstone’s leadership, the strategy has pivoted toward consolidation and streaming-focused growth – essentially playing catch-up to the digital revolution. Shari’s first major strategic move was to undo her father’s 2005 split: she pushed through the re-merger of Viacom and CBS in 2019, on the logic that a larger combined company (rebranded as Paramount Global in 2022) would have the scale and content breadth to compete with giants like Netflix, Disney, and Comcast in the streaming age.<sup>318</sup> The merged entity reunited Paramount Pictures, CBS, and cable brands like Nickelodeon and MTV under one corporate roof, aiming for synergies in content and distribution. Alongside the merger, Shari championed the expansion of the company’s direct-to-consumer streaming services. CBS had launched CBS All Access in 2014 (a modest streaming service), and Viacom had a free streaming platform (Pluto TV) acquired in 2019. Shari drove the evolution of these efforts into Paramount+, a relaunched streaming service in March 2021 that combined content from across CBS, Paramount films, and Viacom’s cable networks.<sup>319</sup> She unveiled Paramount+ as the centerpiece of the new strategy, signaling a commitment to “continuing the family tradition of innovation” by investing in internet-based delivery of content. This was a dramatic strategic shift from Sumner’s focus on legacy media. Financially, Shari’s tenure has been characterized by heavy investment in streaming content and technology – a costly endeavor that has, at least so far, not yielded profits. Paramount Global’s direct-to-consumer segment has operated at a loss while racing to build subscriber scale. By the end of 2024, Paramount+ reached nearly 78 million subscribers, a substantial achievement in growth, but the company’s overall earnings have suffered (the firm reported a net loss of over \$5 billion in 2024 amid streaming expenses).<sup>320</sup>

Shari has also made decisive moves in portfolio management. Unlike Sumner, who was generally loath to part with assets, Shari has shown willingness to streamline the business. For instance, in 2020–2022 she sought to sell the publishing house Simon & Schuster (a ViacomCBS subsidiary) to focus on core video content (a deal ultimately blocked by regulators in late 2022).<sup>321</sup> She has explored partnerships or sales involving portions of the studio and streaming operations – a striking departure from her father’s refusal to ever consider selling the “family jewels” of the empire. By 2023–2024, amid sagging stock prices, Shari reportedly even entertained a two-step plan to sell a controlling stake in Paramount Global to investment firms (in partnership with tech investor David Ellison). Such a potential sale of the company – something Sumner Redstone would never countenance – underscores the generational and strategic shift. Shari appears more pragmatic about

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<sup>318</sup> Edmund Lee, “CBS and Viacom to Reunite in Victory for Shari Redstone,” *The New York Times*, August 13, 2019.

<sup>319</sup> Meg James, “CBS All Access Relaunches as Paramount+,” *Los Angeles Times*, March 4, 2021.

<sup>320</sup> Paramount Global, “Q4 and Full Year 2024 Earnings Report,” *Paramount Investor Relations*, February 2025.

<sup>321</sup> Alexandra Alter, “Simon & Schuster Sale to Penguin Random House Blocked by Judge,” *The New York Times*, November 1, 2022.

ownership, willing to exchange control for shareholder value if necessary, whereas Sumner's identity was inseparable from owning his empire "above all else".<sup>322</sup>

The financial outcomes under Shari have been mixed. The 2019 merger initially excited investors about potential synergies, but the optimism faded as structural challenges persisted. Paramount Global's revenues have hovered around \$28–30 billion in recent years, but profitability has declined and debt levels have risen. In early 2021, the company's stock (then ViacomCBS, ticker VIAC) experienced a speculative surge – briefly skyrocketing into the \$90s – but this was driven by a short-lived trading frenzy (the Archegos Capital episode) rather than fundamentals. After that bubble burst, the stock fell dramatically. As Figure 1 illustrates, by 2022–2023 Paramount's share price was languishing in the teens – levels not seen in decades, even lower than the troughs of the Sumner era. This collapse prompted credit rating downgrades to "junk" status in 2023 and intensified pressure on Shari and the board to consider radical options (mergers or asset sales).<sup>323</sup> It can be argued that Shari inherited a difficult hand: a legacy business in secular decline and late entry into streaming. Nonetheless, the contrast is stark: Sumner's Viacom/CBS in its prime was a cash-generating powerhouse with high margins and a soaring stock, whereas Shari's Paramount Global has struggled to convince markets of its long-term plan, trading at a tiny fraction of its past valuation.<sup>324</sup>

Strategically, Shari has had to balance transformation with the weight of her father's legacy. She chose to double down on content creation and distribution via modern platforms (streaming) – continuing "the family tradition of innovation" but in a new domain. This strategy is still playing out. It remains to be seen if Paramount Global can achieve sustainable success or if Shari will ultimately orchestrate an exit, ending the Redstones' epoch of ownership. There is no doubt that Shari Redstone's management demonstrates an adaptive pivot: whereas Sumner grew by acquisition and protected his empire, Shari has prioritized integration and digital expansion and is really thinking about giving up power to endure a period of consolidation.

### *Gender and Leadership in a Family Conglomerate*

Shari Redstone's experience also provides a rich case study in gender's role in corporate leadership transitions – in a formally patriarchal family business. Shari, a woman in charge of a big US media conglomerate, is a rarity. Media and entertainment have historically been male-dominated at the top executive levels, and family-controlled firms are often patriarchal in succession dynamics.

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<sup>322</sup> Christopher Palmeri, "Skydance and Redstone Family in Talks for Paramount Stake Sale," *Bloomberg*, December 2023.

<sup>323</sup> Juliet Chung and Gunjan Banerji, "How Archegos Capital's Bets Tanked ViacomCBS," *The Wall Street Journal*, March 29, 2021.

<sup>324</sup> Matt Donnelly, "Paramount Debt Cut to Junk by S&P as Streaming Losses Mount," *Variety*, May 2023.

Shari's experience underscores both the challenges and changing perceptions of women in power. In the Redstone family drama, gender likely added to Shari's challenges in earning credibility as her father's heir. Domineering patriarch Sumner Redstone publicly questioned his daughter's competence for years, as cited above, essentially pushing her aside in favor of (male) managers such as Philippe Dauman. Shari needed to overcome not only anticipated resistance to nepotism but also implicit gender bias regarding a woman's "judgment in business" in a field in which very few women have run the show. It's interesting that Sumner mentored several male successors (ex-Viacom CEOs Tom Freston and Dauman, and CBS's Moonves) before settling on Shari when those relationships failed. Shari herself admitted that her journey to the top involved proving herself amid skeptics. By staying the course through lawsuits and boardroom battles, she manifested the sort of grit often (perhaps unfairly) required of, or at least leveled at, women in leadership to "prove" themselves beyond any entitlement as a family member.<sup>325</sup>

Her rise came at a time of cultural watershed as well. Les Moonves' ousting in 2018 amidst #MeToo allegations had symbolic import: a powerful establishment male exec was brought low, and at the very same time a woman (Shari) was ascending to the heights of that corporation.<sup>326</sup> It called attention (and that) relationships between the sexes of corporate America (and society in general) were (and are) being transformed. And Shari led the way in CBS leadership thinking of corporate governance and inclusion. She changed CBS and Viacom (introducing to them such as CBS chief George Cheeks among others), and said a responsible culture was required - a needed break after the clubbable and often toxic culture of the past that had dominated the company under earlier male leaders.

Moreover, Shari Redstone's status as the first woman to wield true majority ownership and control of a major Hollywood media empire has been noted as a historic milestone.<sup>327</sup> Where other high-profile female media figures were paid executives, Shari as family business chairwoman-owner is unique. That position placed both the opportunity and the glare of attention on her. Where being the inheritor of the Redstone kingdom on one hand placed her influence at the top of the organization to effect change from within, being asked to step out of the shadow of a famous dad on the other hand invited rapt public attention about whether she was up to the task - a silent question always tempered with gendered assumption within a masculinized industry.

Shari's management style has actually drawn comparison with her father's. Colleagues describe her as more collaborative and controlled, while Sumner was famous for a brash, imperious management style. She appears equally responsive to revamping the company image - i.e., she has

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<sup>325</sup> Matthew Garrahan, "Sumner Redstone Slams Daughter Shari in Letter," *Financial Times*, March 2007.

<sup>326</sup> Ronan Farrow, "Leslie Moonves and CBS Face Allegations of Sexual Misconduct," *The New Yorker*, July 27, 2018.

<sup>327</sup> Edmund Lee, "CBS and Viacom to Reunite in Victory for Shari Redstone," *The New York Times*, August 13, 2019.

made streaming and technology partnerships a high priority perhaps partly to prove that a woman-led legacy company can innovate. But she has shown stereotypically "hard" qualities many would expect of anyone in her role: she was prepared to fight bare-knuckle legal wars and make unpopular personnel decisions. And doing so may have involved Shari beating the men at their own game if she was to come out on top. As one governance expert said of her, Shari had to “battle her father within their own company” if she was to gain any effective influence.<sup>328</sup> This is a salient point about gender in family firms – daughters may not be handed the CEO chair on the same presumptions as sons; they often must wrest it through performance and persistence.

Finally, the narrative around Shari Redstone’s leadership has begun to shift perceptions of women in family business succession. Media commentators have even likened the Redstones to the fictional Roy family on HBO’s *Succession*, with Shari paralleling the lone daughter Shiv Roy contending in a male-dominated succession struggle.<sup>329</sup> The comparison, admittedly a pop culture reference, highlights how remarkable it nevertheless still is to have a woman win a high-stakes boardroom drama. Shari’s situation can serve as a teachable case in business schools and boardroom suites about gender and power in action: it illustrates both the systemic barriers faced by women working in traditional, legacy companies, and how a combination of equity, intellectual property savvy, and strategic courage can allow a woman to overcome them. In Shari’s own words (in interviews during and after the merger process), she remained focused on the business mission and “doing the right thing for the shareholders and the company” rather than on the noise – an approach that eventually earned her grudging respect. Her success in taking command of Paramount Global stands as a landmark for female leadership in media and sends a message that even in entrenched family dynasties, gender barriers are not insurmountable.

### ***E. Delphine Arnault and LVMH: A Case of Female Leadership in Family Succession***

Delphine Arnault (born 1975) stands as a pivotal figure in the succession dynamics of LVMH Moët Hennessy Louis Vuitton, the world’s largest luxury conglomerate. She is the eldest daughter of LVMH’s co-founder and long-time CEO, Bernard Arnault, and her career trajectory within the family firm exemplifies the deliberate grooming of next-generation leadership in a multinational family business. In January 2023, Bernard Arnault appointed Delphine as the Chief Executive Officer and Chair of Christian Dior Couture – the second-largest brand in the LVMH portfolio – in a move widely viewed as cementing the Arnault family’s control and advancing its succession plan. This

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<sup>328</sup> James B. Stewart, “Shari Redstone’s Long Road to Power at ViacomCBS,” *The New York Times*, December 2019.

<sup>329</sup> Edmund Lee and Brooks Barnes, “ViacomCBS Is Now Paramount Global, and Shari Redstone Puts Her Stamp on It,” *The New York Times*, February 16, 2022.

appointment followed a series of strategic leadership placements among the Arnault siblings: just a month earlier, Delphine's younger brother Antoine Arnault was promoted to run Christian Dior SE (the holding company that controls LVMH).<sup>330</sup> In fact, all five of Bernard Arnault's children currently hold key executive positions in LVMH's many subsidiaries, from jewelry and watches to fashion houses – highlighting a dynastic style of governance.<sup>331</sup> The situation has been likened to a high-stakes “Succession” competition, with reference to how Bernard Arnault organized a “Darwinian contest” among his children.<sup>332</sup> Instead of naming one successor while living, the family patriarch at 74 increased LVMH's CEO age limit to 80 (up from an earlier limit of 75) in a bid to buy time and essentially put every scion of theirs into a Number One spot and left merit-based development decide who will end up control the €440 billion empire. In such complex succession dances, the appointment of Delphine Arnault as head of Dior – a maison of significant personal identification of her father – is symbolic and makes her a outlier of the next-gen of leaders of LVMH.<sup>333</sup>

*Managerial Trajectory and Responsibilities:* The advancement of Delphine Arnault in LVMH was in the form of tasks of higher and higher level of difficulty, which provided the training in high responsibility of the leader. After completing her business studies (at EDHEC, and at the London School of Economics), she joined the family business in 2000, after having worked briefly as a consultant at McKinsey & Company. At a young age, she served her apprenticeship in the fashion world alongside iconic designer John Galliano at his eponymous fashion house and then since 2001 at Christian Dior Couture, one of the flagship fashions of LVMH. In Dior, she climbed the ladder of management duties – and more so since 2008 to 2013 the position of Deputy Managing Director – and was in the centreline of product and artistic strategic decisions in a company undergoing transition within a lively fashion house. In 2013 the brand-leader of LVMH, Louis Vuitton, designated a new Executive Vice President, Delphine Arnault, giving her the overall responsibility of all activities of Louis Vuitton in the field of products. The appointment provided her with visibility and power in the core product thinking and innovation in the business segment of the company that was growing the most and contributing the greatest margin. Under her tenure, Louis Vuitton reached new sales and international thirst heights that its chairman Bernard Arnault himself endorsed owed to her sagacious observations and unparalleled expertise of steering of brand development. Indeed, during her tenure of EVP management, Louis Vuitton has continuously set new sales records that can

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<sup>330</sup> Vanessa Friedman, “Bernard Arnault Names Daughter Delphine to Lead Dior,” *The New York Times*, January 11, 2023.

<sup>331</sup> Leila Abboud, “Bernard Arnault's Succession Plan Puts His Children in Key Roles,” *Financial Times*, December 2022.

<sup>332</sup> Liz Alderman, “At LVMH, Arnault's Children Rise as He Extends His Reign,” *The New York Times*, January 15, 2023.

<sup>333</sup> Rachel Sanderson, “Bernard Arnault's Family Succession: A Darwinian Contest,” *Financial Times*, January 2023.

attest to her effective management of integrating fashion and business growth. These successes laid the groundwork toward her come-back move in Feb 2023 to Dior where she first embarked professionally, now taking on the role of CEO. Delphine Arnault is the new Chairman and CEO of Christian Dior Couture since 1st February 2023 and is tasked with guiding one of the world's best luxury brands.<sup>334</sup> As such, she is tasked not only with overseeing Dior's financial performance and global reach, but also with maintaining its heritage as well as its creativity, a considerable mandate in a conglomerate that prides itself in "fusion of tradition and modernity" across its 75 luxury Maisons.

*Influence on Corporate Governance:* Other than managerial positions she occupies, Delphine Arnault has attained unprecedented control at the stewardship of LVMH both by virtue of individual talent and family-controlled ownership. Specifically, at the young age of 28 years in 2003 – she was made a Board of Directors member of LVMH. This made her the first female and first-ever person to hold a seat. This early accession of a seat was tantamount to being accorded a voice in high-brass company decision-making at a moment when few females were represented on French blue-chip company boards. During subsequent years, she consolidated her position: she continued to serve as a member of LVMH's Board (as of 2023) as well as serve as a member of LVMH's Executive Committee, a unique position among Bernard Arnault's children. By these appointments, Delphine is actively involved in multi-brand policy, investments, as well as strategic planning over as many as five years. For instance, colleagues have reported that she often also serves as a liaison between LVMH's corporate hierarchy as well as its problem-solving talent, acting as an "envoy" to designers whose imagination generates a desire in group brands. Throughout her career in Dior as well as Louis Vuitton, she worked closely with her then-creative directors (e.g., John Galliano, then Nicolas Ghesquière at Vuitton), making sure that design creativity complemented top-strategic goals. Her shareholder authority as a governor also transcends her roles at Dior as well as Louis Vuitton: Delphine Arnault currently serves as a board member for some other LVMH-owned fashion houses – such as Emilio Pucci, as well as Loewe, as well as Celine – thereby influencing strategy in LVMH's diverse group. By 2023, Bernard Arnault also shifted to secure actual as well as statutory control over family control, with Arnault family wielders of ca. 48% of LVMH's share capital as well as more than ca. 64% of voting rights.<sup>335</sup> In the tightly held structures of LVMH, Delphine's dual identity of owner-family and seasoned executive provides her with unique agency. Commentators note that Bernard Arnault's succession style allows LVMH to show continuity while blunting risks of abrupt loss of leadership. From context approach, Delphine Arnault's prudent governance and operating

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<sup>334</sup> Le Monde, "Bernard Arnault Raises LVMH CEO Age Limit to 80," *Le Monde*, April 22, 2022.

<sup>335</sup> Vogue Business, "Delphine Arnault on Building Louis Vuitton's Future," *Vogue Business*, September 2019.

experience accord her stalwart status of future leadership of the conglomerate – a likely consensus candidate to one day lead it as successor to her father.

*Gender Perspective and Leadership Significance:* The rise of Delphine Arnault to lead LVMH is especially significant when discussing the concepts of gender roles and family business leadership. Transition of leadership in large family businesses – especially in the industries of manufacture or finance – has tended to stay within the sons, with female offspring less likely to assume senior leadership. There are certainly examples of luxury fashion violating the trend (i.e. Miuccia Prada at Prada family, Donatella Versace at Gianni Versace S.p.A.), and the promotion of Delphine Arnault is again broadening the story of heiresses assuming top roles at well-established business houses.<sup>336</sup> The first female director in LVMH’s board of directors and among the highest-ranking females in the entire group, her appointment contributed to breaking glass ceilings otherwise existing in a predominantly male-dominated business world. It is noteworthy that as of 2021, 16 of LVMH’s subsidiary brands (or maisons) were led by women – a number that has grown in part due to internal initiatives – and the group set an objective to reach gender parity in top management positions by 2025.<sup>337</sup> Delphine Arnault has been a vocal proponent of these efforts. In 2007, she supported the launch of EllesVMH, an internal program dedicated to advancing women’s careers within the group; since then, the proportion of women in LVMH managerial positions has nearly doubled (from 23% to 44% by 2021). In speeches, Arnault highlights a perspective that leadership is not gendered, she has said that Good leadership is genderless, and that successful leaders of each gender share similar traits such as vision, open-mindedness, empathy and innovation. Simultaneously, though, she is just as conscious of the merit of possibility of women coming to the surface. Her career itself may be seen as a result of meritocratic succession planning, both in terms of becoming a senior executive and in terms of using her current position to promote a more diverse environment. In the perspective of scholarship, the role of Delphine Arnault can be seen as a sort of conceived ideas of gender within the family-owned business: not a token heiress and marginal symbolic position, she truly has executive authority and gained popularity among business stakeholders as a leader based on merit.<sup>338</sup> By presiding over Dior – a crown jewel of the LVMH empire – she not only continues the family dynasty but is a role model of female leadership of global business, showing gender is no obstacle within modern succession practice to the very highest levels of business power. Her example verifies successful multinationally operating family business succession can revolve on a blend of pedigree,

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<sup>336</sup> “Delphine Arnault Joins the Board of LVMH,” *Women on Boards Europe*, 2003.

<sup>337</sup> LVMH, “Universal Registration Document 2023,” *LVMH Investor Relations*, April 2024.

<sup>338</sup> Caroline Roux, “Donatella, Miuccia, Delphine: Women Leaders in Luxury,” *Le Monde*, March 2023.

preparation, and performance, with progressive prospects for females aspiring to leadership positions within historically masculine business cultures.

## F. *Comparative Perspectives: Female Leadership in Family Enterprises*

### *Susanne Klatten – BMW (Private Governance and Shareholder Influence)*

Susanne Klatten is a classic example of a female leadership position in a high-profile family business and her dominance as an owner and director of BMW AG. Klatten is the daughter of industrialist Herbert Quandt, notoriously who saved BMW from bankruptcy in 1959.<sup>339</sup> With Herbert's death, his wife Johanna, along with his two children (Susanne and her brother, Stefan Quandt), inherited big positions in the automaker. Today, the siblings together own almost half of BMW's equity (Stefan ~23.7%, Susanne ~19.2%), giving the Quandt-Klatten family a de facto controlling bloc in what remains a publicly traded company.<sup>340</sup> Both Susanne and Stefan sit on BMW's Supervisory Board, ensuring direct family oversight of corporate strategy. non

Susanne Klatten, major BMW shareholder and heiress of the Quandt family, has leveraged her ownership stake to influence the automaker's direction while maintaining a low public profile. As of 2025 she is among the richest women in the world, illustrating the economic power that can accompany family enterprise leadership.

*Corporate and Family Background:* BMW (Bayerische Motoren Werke) is a global luxury auto manufacturer with 2024 revenues of €142.4 billion.<sup>341</sup> The Quandt family's involvement dates to the late 1950s when Herbert Quandt's investment saved the company. Susanne Klatten (née Quandt), born in 1962, inherited her stake from her father and later from her mother Johanna (who herself was a BMW board member until 2015).<sup>342</sup> This dynastic succession placed Susanne in a governance role relatively early: she joined BMW's supervisory board in the 1990s, taking on the responsibility of stewarding the family's legacy in the firm. Notably, the family's combined voting power crossed regulatory thresholds after Johanna's death, requiring special permission to avoid a mandatory takeover offer – a sign of how significant their holding is in a public company context.<sup>343</sup>

*Role and Influence of the Female Leader:* Unlike a CEO in day-to-day operations, Klatten's influence is exercised through private governance mechanisms – i.e. strategic decision-making and

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<sup>339</sup> Harold James, *Family Capitalism: Wendels, Haniels, Falcks and Quandts* (Cambridge, MA: Harvard University Press, 2006), 225–230.

<sup>340</sup> “BMW Shareholder Structure,” *BMW Group Investor Relations*, Annual Report 2024.

<sup>341</sup> “BMW Group Reports Revenues of €142.4 Billion in 2024,” *BMW Group Press Release*, March 2025.

<sup>342</sup> Melissa Eddy, “Johanna Quandt, Matriarch of BMW Fortune, Dies at 89,” *The New York Times*, August 4, 2015.

<sup>343</sup> Stefan Wagstyl, “Quandt Family Consolidates BMW Control,” *Financial Times*, September 2015.

oversight as a principal shareholder. She and her brother act as long-term “guardians of wealth,” a role she describes as bearing “responsibility of securing jobs” and sustaining the company’s health.<sup>344</sup> Klatten’s presence on the board allows her to weigh in on major decisions (product strategy, investments, leadership appointments) behind closed doors. Insiders note that she maintains a low public profile, yet her shareholder influence is decisive when it comes to preserving BMW’s independence and family values.<sup>345</sup> For example, the Quandt-Klatten block can veto any hostile takeover and has historically supported management that aligns with the family’s long-term vision. This shareholder influence model – a family using a large minority stake and board seats to guide a publicly-listed firm – represents a hybrid governance structure. It combines the transparency of a public company with the strategic stability of family ownership.

*Economic and Financial Footprint:* Susanne Klatten’s 19% stake in BMW (worth tens of billions of euros) and related interests make her Germany’s wealthiest woman. BMW itself has a market capitalization in the dozens of billions and sells over 2.5 million vehicles annually.<sup>346</sup> Klatten has also diversified her family assets: she is a sole shareholder of chemical company Altana AG, and a large stakeholder in carbon fiber manufacturer SGL Carbon, among others. These investments are controlled through her family office, a pattern of individual investment in line with her work at BMW. This diversification of wealth shows that she is not only a custodian of BMW, but rather a portfolio of companies as she uses BMW dividends to reinvest.<sup>347</sup>

*Governance Model and Strategy:* In the case of Klatten about BMW, private ownership in concentrated ownership is reflected. There is no family council dominated by Quandt–Klatten family members that is on record but their domination is observed by the mere fact that they are the shareholders and directors. BMW insulation against short-run market pressure has been observed as a normal effect of the family steady hand. Family owners have been documented to scorn short-run solutions when they are bypassed in favor of long-run investment in such products as research and development and brand image congruent with stewardship orientation. Klatten’s silent strength – she never says very much in interviews – but the strategic continuity of BMW (e.g., its tightly controlled approach to electrification and autonomous stance) is often explained by structural stability from anchor shareholders. The trend is that family business succession can produce less auspicious but highly influential female leadership: Klatten took over from her father as a custodian of the assets of BMW and enforced continuity through patient capital and vigilance rather than finer top managerial skills.

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<sup>344</sup> David Wroe, “BMW Heiress Susanne Klatten on Responsibility and Jobs,” *Handelsblatt Global*, June 2018.

<sup>345</sup> Chris Bryant, “BMW’s Quandt Family Tightens Grip,” *Bloomberg*, December 2020.

<sup>346</sup> “Susanne Klatten,” *Forbes Billionaires List 2024*.

<sup>347</sup> “Altana AG Annual Report 2023,” Altana AG.

*Relationship to Thesis Topics:* Susanne Klatten's narrative overlaps with succession, female leadership, and family business governance at multiple points. It is initially a successful illustration of inter-generational succession where a woman broke forward to take up the leadership of a previously historically masculinized sector. It then is an illustration of female leadership beyond the executive position – illustrating that family firm leadership isn't necessarily about being or ending up CEO, but can take the form of influential shareholder and governance roles. It is then an illustration of a system of governance where a private family logic (long-term perpetuation of the firm, protection of heritage) is acted out within a public company system. Klatten's illustration shows that if correctly structured as owners, a family is up to the task of instilling solidity and strategic patience within a large corporation, and female heir can stand shoulder-to-shoulder with any male equivalent both ability- and effectiveness-wise of these guardianship duties.<sup>348</sup>

#### *Giovanna Ferragamo – Salvatore Ferragamo (Brand Heritage and Generational Cohesion)*

The Ferragamo case offers a contrast in scale and style: a luxury fashion house where family identity and brand heritage are paramount. Giovanna Gentile Ferragamo is a second-generation leader in the Salvatore Ferragamo enterprise (founded 1927 in Florence). As a daughter of founder Salvatore and the late matriarch Wanda Ferragamo, Giovanna's influence has been pivotal in preserving the brand's heritage and ensuring familial cohesion across generations.<sup>349</sup> She joined the family firm as a teenager, initially in design, and rose to serve as a Vice President and board director overseeing creative direction. Her story is intertwined with that of her mother Wanda, who took over the company in 1960 when Salvatore died, becoming a pioneering female CEO in Italy at that time.<sup>350</sup>

*Corporate and Family Background:* Salvatore Ferragamo S.p.A. is a renowned luxury goods company, known especially for its shoes (the iconic Vara pumps, Gancini loafers, etc.) and leather accessories. The family's involvement has been continuous since Salvatore's demise. Wanda Ferragamo assumed leadership as a young widow with six children, transforming the firm from a boutique shoemaker into a diversified luxury house (adding ready-to-wear, handbags, etc.).<sup>351</sup> Under her tenure and that of her children, Ferragamo grew into a global brand with annual revenues around €1.3–1.4 billion in the late 2010s.<sup>352</sup> The company went public on the Milan Stock Exchange in 2011,

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<sup>348</sup> Andrew Hill, "Women in Family Business Leadership: The Case of BMW's Susanne Klatten," *Financial Times*, July 2022.

<sup>349</sup> "Giovanna Gentile Ferragamo, dalla moda all'arte," *Corriere della Sera*, April 2015.

<sup>350</sup> Eric Sylvers, "Wanda Ferragamo Dies at 96; Helped Expand Family's Shoe Brand," *The New York Times*, October 21, 2018.

<sup>351</sup> "Wanda Ferragamo, pioniera della moda italiana," *Il Sole 24 Ore*, October 21, 2018.

<sup>352</sup> Salvatore Ferragamo S.p.A., *Annual Report 2019*, Milan: Ferragamo Group, 2020.

but crucially the Ferragamo family retained approximately 65% ownership through a holding company, Ferragamo Finanziaria.<sup>353</sup> This structure allows the family – including Giovanna and her siblings – to control the firm’s strategic direction while accessing capital from public markets, a classic family enterprise strategy in Italy’s fashion sector.

*Role and Influence of the Female Leader:* Giovanna Ferragamo’s personal role has been deeply tied to brand heritage and design. She “used to design the brand’s ready-to-wear collections” and, for decades, sat on the board with a focus on overseeing design and creative consistency.<sup>354</sup> Essentially, Giovanna served as a guardian of Ferragamo style and heritage, making sure new collections reflected the company’s rich history. Aside from design, Giovanna (and her brother and sister) also performed executive and governance functions – e.g., vice-chair of the board, taking part in family councils in making key decisions. Until 2021, she was still a director of the company, before slowly stepping aside as the third generation started entering leadership. Her impact is supplemented by having more than one family member in senior positions: Ferruccio (the eldest child) has acted as chairman, while other family members ran regional markets or product lines. This sibling leadership in bulk is a hallmark of Ferragamo’s governance.<sup>355</sup>

*Generational Cohesion and Governance Practices:* A unique feature of Ferragamo family governance, heavily influenced by Wanda and carried on by Giovanna and her siblings, was a stress on equality and togetherness. Significantly, Wanda demanded equal treatment of all of her children in the company, both when it came to remunerations and when it came to ownership of company shares: “all family members receive equal pay and equal share of company stock,” a family matter of principle.<sup>356</sup> This rule was a strong spur to intergenerational cohesion, preventing sibling squabbling. Giovanna and her five siblings therefore owned approximately equal levels of interest and worked in accord with their abilities (design, production, marketing, etc.) rather than fighting over control. The family also institutionalized their legacy: for instance, they opened the Ferragamo Museum in Florence (1995) to celebrate, preserve, and extend the history of the brand.<sup>357</sup> Giovanna was a strong supporter of such efforts, realizing that a strong identity of collective heritage can hold the family together. Strategically, however, the Ferragamos sustained a dynastic rationale: controlling the company remained top priority, even as they floated on to the stock exchange or entertained outside investors. When in 2020 rumors surfaced that the family might offload a minority interest to outside

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<sup>353</sup> “Ferragamo IPO: Family Keeps 65% Control,” *Financial Times*, June 2011.

<sup>354</sup> Angelo Flaccavento, “Ferragamo Family: Balancing Heritage and Modernity,” *Business of Fashion*, May 2013.

<sup>355</sup> Silvia Pieraccini, “La dinastia Ferragamo e il passaggio alla terza generazione,” *Il Sole 24 Ore*, January 2021.

<sup>356</sup> “Wanda Ferragamo: All Children Equal,” *Corriere della Sera*, October 2018.

<sup>357</sup> “Salvatore Ferragamo Museum,” *Vogue Business*, March 2020.

investors in a downturn, it was clear they were “unwilling to forego any governance control”. This underscores the dynasty’s commitment to unity and control through generations.<sup>358</sup>

Wanda Ferragamo, pictured in the 1980s, led the family company for nearly six decades. Her daughter Giovanna Ferragamo worked alongside her, particularly in creative roles, helping expand the brand while preserving its founder’s legacy. Wanda’s leadership philosophy – treating all her children equally in the business – set the foundation for Ferragamo’s generational cohesion.<sup>359</sup>

*Strategic Significance – Brand and Succession:* The Ferragamo case highlights brand heritage as a strategic asset in family firms. Giovanna Ferragamo’s stewardship of design ensured that the brand’s core identity (quality, Italian craftsmanship, classic style) remained intact even as fashion trends evolved.<sup>360</sup> This consistency, guided by family members, arguably strengthened Ferragamo’s market positioning as an enduring luxury house. In terms of succession, Ferragamo is now transitioning to its third generation (some grandchildren of Salvatore have taken management roles), and the groundwork laid by Wanda, Giovanna, and her siblings – in the form of strong family governance and a shared vision – has smoothed this process.<sup>361</sup> There is a family holding company and a tradition of regular family meetings, which help manage the interface between family and business. Female leadership has been central to Ferragamo’s story: Wanda Ferragamo was a trailblazing female CEO in the 1960s–70s, and Giovanna continued that legacy in a top leadership team dominated by women (the sisters Fiamma, Giovanna, and Fulvia each had important roles) at a time when few women held such positions in Italy. This demonstrates how a family enterprise can provide opportunities for female leadership that might be less available in non-family corporations of the era.

*Connection to Thesis Themes:* The Salvatore Ferragamo example supports issues of succession planning, the role of women as leaders in a family business, and the management mechanisms that foster dynasty sustainability. Here succession was not sporadic, but multigenerational (founder-spouse-children) process of adaptation through family businesses flexibility (Wanda shocked everybody with occasional leadership and afterwards prepared her children to succeed her eventually in the company). Female executives become points of expectation: without Wanda and Giovanna to manage the company, the company would have died, or lost its soul. Lastly, the Ferragamo system of governance with equal rights of ownership, joint decision-making and formal forms such as family holdings assume a characteristic pattern of governance based on family harmony (intergenerational cohesiveness) as strategic end-result. That has helped in seamless

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<sup>358</sup> Rachel Sanderson, “Ferragamo Family Mulls Selling Minority Stake,” *Financial Times*, June 2020.

<sup>359</sup> “Ferragamo, una famiglia che ha fatto la moda italiana,” *La Repubblica*, October 2018.

<sup>360</sup> Salvatore Ferragamo S.p.A., *Annual Report 2021*, Milan: Ferragamo Group, 2022.

<sup>361</sup> Silvia Pieraccini, “Il passaggio generazionale dei Ferragamo,” *Il Sole 24 Ore*, January 2021.

transition of power through to third generation, brand heritage and family still influence over quoted enterprise.<sup>362</sup>

### *Asian Dynasties – Female Leadership in Conglomerates in Emerging Markets*

Across emerging markets in Asia, a new generation of women in family-owned conglomerates has begun to assume leadership roles, reflecting both changing societal norms and strategic dynastic choices. Three illustrative contexts are India, China, and South Korea, where female heirs and executives are navigating family succession within some of the region’s largest business empires. These cases demonstrate how dynastic logic – the imperative to continue family control – can sometimes elevate female leaders, even in traditionally patriarchal business cultures, and how these women are imprinting their own style on governance.

*India (Roshni Nadar – HCL Enterprises):* In India’s family business landscape, succession has historically favored sons, but Roshni Nadar Malhotra stands out as a breakthrough female successor. She is the only child of Shiv Nadar, founder of HCL Technologies, one of India’s leading IT conglomerates (2024 revenue ~\$12 billion).<sup>363</sup> Roshni was educated in the US and groomed for leadership, joining the family firm in her twenties. In 2020, at age 38, she succeeded her father as Chairperson of HCL Technologies – the first woman to lead a listed Indian IT company.<sup>364</sup> Her ascension was confirmed in 2025 when Shiv Nadar gave a 47% controlling interest in the group’s holding companies to her as part of a “private family agreement designed to simplify succession” and preserve family control. It immediately made Roshni among India’s wealthiest, highlighting the size of assets involved.<sup>365</sup>

Roshni Nadar’s leadership combines modern professional management with traditional family stewardship. She has continued HCL’s strategic vision for technology services, in addition to sponsoring philanthropy (via the Shiv Nadar Foundation) and diversity in the workplace. It should be noted that, officially, succession planning provided for “continuity of ownership and control by the promoter family... in order to give stability to the company”. The Nadars, in a society where many business families might have sought a male successor, chose to succeed by a woman, pointing to a changed acceptance of female leadership as reconciling with dynastic logic. It also points to good governance in that transfer of shareholder-holding was carried out through proper legal gift deeds,

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<sup>362</sup> Alessandra Turra, “Wanda Ferragamo: La Signora della Moda,” *WWD*, October 2018.

<sup>363</sup> “HCL Technologies Annual Report 2024,” HCL Investor Relations, March 2025.

<sup>364</sup> “Roshni Nadar Malhotra Becomes First Woman to Chair Top Indian IT Company,” *Business Standard*, July 17, 2020.

<sup>365</sup> “HCL Founder Shiv Nadar Transfers Majority Stake to Daughter Roshni,” *The Economic Times (India)*, January 2025.

with disclosure to shareholders as part of a foreseen succession plan. Roshni's success is likely to make other Indian family businesses sit up and consider their daughters in a succession plan – certainly in industries such as technology where competence can override gender orientations. It also supports the thesis argument that decisive succession planning (here conducted by the patriarch during his lifetime) can enable female leaders to assume power with authority and backing.

*China (Yang Huiyan – Country Garden Holdings):* China's high-growth but volatile conglomerate world saw Yang Huiyan as her family's real estate empire's new standard-bearer. Yang Huiyan's father, Yang Guoqiang (Yeung Kwok Keung), founded Country Garden in 1992 and made it one of China's top property developers. Uniquely, Yang Huiyan was handed a controlling stake early in her youth – her father gave her 70% of the firm's stock in 2005, before Country Garden's IPO, making Yang's then-24-year-old daughter instantaneously Asia's wealthiest woman as the firm came public in 2007.<sup>366</sup> The early transfer was a calculated dynasty move: vesting control in his daughter ensured family dominance through to the next generation as well as a vote of confidence in her abilities. Over years, Yang Huiyan was a relatively quiet owner as her company grew at breakneck pace, surfing China's property boom. Yang Huiyan gradually assumed more overt roles and was appointed as a co-chairman, and then in March 2023, took over as a solo Chairwoman of Country Garden.

Yang's chairwoman terms have coincided with a protracted Chinese property crisis and have tested her leadership skills. Once hailed as a shining example of female business prowess – a Giga Twenty at one point worth nearly \$30 billion – this crucial confluence of her financial reputation and the fortunes of her company means she must now rescue Country Garden from default and save over \$180 billion of debt at a time when property markets are soaring south.<sup>367</sup> Her problem is the overwhelming burden of dynastic responsibility: the fate of the family (and thousands of staff and tenant householders) is staked on her actions. Governance – think, Country Garden is still an Hong Kong listed company but the controlling share of the Yang family is so high they can implement strategies like debt restructurings and asset sales without losing control Yang Huiyan's crisis management, in part due to her infusion of family money and very large philanthropic stock offerings (and perhaps partially rationalizing the company), is an admixture of pragmatism and principle of family-saving. Culturally, her prominence defies the stereotype gender roles in the Chinese business world – she is one of the few Chinese female entrepreneurs pictured in the media as a prominent emerging tycoon in a Chinese business community dominated by male tycoons. That said, it's important to note that her ascent was helped by her father's dramatic exertion (a clear case of

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<sup>366</sup> Alexandra Stevenson, "The Richest Woman in Asia: Country Garden's Yang Huiyan," *The New York Times*, July 2017.

<sup>367</sup> "China's Country Garden Misses Debt Payments Amid Property Crisis," *Bloomberg*, August 2023.

primogeniture) and this supports the argument that gender preference normally loses out to the value of dynastic succession. Finally, Yang Huiyan's case exemplifies both how succession planning and dynastic planning within an Asian context helped female ascendancy and yet now is experiencing governance problems within a highly fluctuant market landscape.

*South Korea (Lee Boo-jin and Others – Samsung/Hyundai Dynasties):* In South Korea's chaebol conglomerates, female leadership has been less common due to strong preferences for male succession. Yet, there are prominent exceptions that highlight women's roles within these family empires. Lee Boo-jin, daughter of the late Samsung Chairman Lee Kun-hee, exemplifies a next-generation female leader carving out a niche. She has been President and CEO of Hotel Shilla (a Samsung affiliate in hospitality and duty-free retail) since 2010.<sup>368</sup> Often dubbed "Little Lee Kun-hee" for her business acumen, Boo-jin is one of the richest women in Korea (Forbes estimated her net worth at ~\$2.3 billion in 2024) and has regularly featured on lists of powerful global businesswomen. Within Samsung's complex group structure, Boo-jin's role has been significant – she expanded Hotel Shilla internationally and has been involved in group strategy meetings – but ultimate control of Samsung Electronics passed to her brother Lee Jae-yong (per the traditional male lineage). Still, the Samsung case demonstrates that daughters can play major leadership roles in key subsidiaries and on the group's board (Lee Boo-jin and her sister were both Samsung board members and advisors in various capacities). Their influence can shape group decisions, even if they do not become group chair.

Another remarkable figure is Hyun Jeong-eun, who became Chairwoman of the Hyundai Group in 2003 under tragic circumstances (after her husband, the group's heir, passed away). Hyun, initially an unlikely leader, took charge of the conglomerate and led a complex enterprise of about 20 affiliated family-controlled companies – the classic Korean chaebol structure.<sup>369</sup> She had not only helped stabilize the Hyundai Group through a debt restructuring but continued her father-in-law's efforts toward engagement with North Korea, putting her own brand of socially-minded leadership into sharper focus. Hyun's status as the most powerful woman in Asia, featured in Fortune's Most Powerful Women in Asia list for the first time in the 2010s, signaled her role to the global community. Under her, Hyundai Group (though much slimmed down from its peak) continued under family control, reflecting the dynastic principle that when a suitable male heir is absent or unable, a capable female leader can ensure continuity.

South Korea has other cases, such as the Shinsegae retail group, which was spun off from Samsung and led by Lee Myung-hee (a daughter of the Samsung founder) and later her daughter.

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<sup>368</sup> Choe Sang-Hun, "At Samsung, Lee Boo-jin Emerges as a Powerful Heir," *The New York Times*, December 2019.

<sup>369</sup> "Hyun Jeong-eun: The Woman Who Took Over Hyundai," *Korea Times*, June 2013.

These examples collectively indicate that while the default in Korea may be patrilineal succession, female leadership emerges under certain conditions – often when the family’s ownership stake and legacy are at risk, or when daughters display exceptional competence. Governance in these scenarios tends to involve strong support from family shareholders and often a professionalized management around the female leader to assist with any gender biases in the wider business culture. Lee Boo-jin, for instance, earned respect by successfully running a listed company (Hotel Shilla) and was often compared favorably to male peers due to her disciplined management style. Her and Hyun’s leadership also benefited from formal governance structures (e.g., they both headed boards and could leverage the chaebol’s centralized decision-making) combined with informal family networks of support.

*Dynastic Logic in Emerging Markets:* What these Asian cases have in common is the logic of ensuring familial power in changing times. Whether a daughter of a single parent (like Nadar’s or Yang’s cases) or a daughter/widow taking over the reins of a chaebol, the family members put enormous emphasis on keeping decision making about the family in the family, and keeping the vision going. In many ways, doing so meant going against societal expectation - made easier by the owning capabilities provided by family businesses. These women have needed to juggle expectations of modern corporate governance (transparency, minority shareholders, international operations) with family business’s inherently personal, trust-based leadership. Their triumphs and challenges highlight a central thesis point: inclusive succession, supported by robust governance systems, is fundamental to family enterprise longevity. In emerging markets, in particular, when female leaders have clear succession plans to drive them and the authority of family ownership behind them, they can implement new ideas as successfully as their male predecessors. Concurrently, their leadership experiences highlight areas to improve upon – for example, instating formal family constitutions or succession planning in societies unaccustomed to female leadership, as well as access to outside mentorship or support networks for female successors.<sup>370</sup>

Across differing industries and cultural contexts, these three examples – Susanne Klatten in BMW, Giovanna Ferragamo in her family fashion business, and female leaders in Asian conglomerates – uncover similar patterns about female leadership in family business succession. Firstly, they highlight that succession in family businesses can make it possible for women to gain routes to power in a way that professionalized corporate hierarchies often fail to. In each instance, family connections and legacy gave a female leader (a daughter or spouse) a chance to take over, often because of family dynastic interests. Secondly, in the cases, it became clear that governance

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<sup>370</sup> James B. Stewart, “Family Dynasties and Female Heirs in Asia,” *Financial Times*, October 2022.

structures to fit family context mattered: from Klatten's behind-the-scenes shareholder control, to Ferragamo's balanced family contracts, to the Asian dynasties employing holding companies or trusts to empower female inheritors, it was clear that sound governance mechanisms support female successors' credibility and effectiveness.

Further, the comparative approach reveals that female leaders tend to stress preservation and stewardship in the long term. Three examples all have a high orientation towards preserving the founder's legacy – whether upholding BMW's independence, Ferragamo's brand values, or a conglomerate's family control. This echoes research indicating that females in family companies can succeed as “chief trust officers” or guardians of family values. Yet, cases also identify challenges: some, such as Yang Huiyan and Hyun Jeong-eun, needed to prove themselves in adversity in order to gain acceptance, while others, such as Roshni Nadar, benefited from overt succession planning to alleviate concern from stakeholders.

In conclusion, these cases from around the world add depth to the thesis arguments by illustrating that female top management in family enterprises is no happenstance but rather a product of purposeful succession planning and facilitative governance. The success of these female leaders – in terms of business survival, growth, or stability in a period of turbulent economic conditions – validates that gender can truly be overcome if the “dynastic logic” of family business exists. Each case presents a nuanced paradigm: Klatten illustrates steward owner impact in a Western public-private hybrid; Ferragamo showcases generational alignment and matriarchal ambition in a European family brand; and the Asian cases illustrate flexibility of tradition under new circumstances. Combined, they emphasize that empowering females as leaders of family businesses can prove to be an astute strategic decision, making succession planning robust and family legacies sustainable.

Leader & Company	Succession Type	Governance Model	Main Challenges	Leadership Outcomes	Strategic Impact	Key Theoretical Link
<b>Donatella Versace – Versace</b>	Unexpected (post-crisis, after Gianni's death, 1997)	Family ownership, initially weak formal governance, later professionalized	Lack of legitimacy, media skepticism, internal resistance	Brand revitalization, global expansion, creative collaborations	Preserved legacy while modernizing brand; prepared company for acquisition (Michael Kors 2018)	<b>Inclusive governance + resilience in crisis:</b> succession highlights the role of governance in legitimizing female leadership under external pressure
<b>Miuccia Prada – Prada</b>	Gradual internal succession (granddaughter, late 1970s–1980s)	Family control, strong personal leadership, later IPO (Hong Kong)	Initial lack of interest, gender bias, innovation pressure	Transformed brand identity, global expansion, diversification	Shifted Prada from traditional leather goods to cutting-edge global luxury group	<b>Female succession + strategic innovation:</b> case shows women as disruptors and innovators, not only preservers of legacy
<b>Abigail Johnson – Fidelity Investments</b>	Planned succession (3rd generation, 2014)	Highly professionalized governance, independent board	Skepticism in male-dominated finance, high expectations	Digital transformation, ETFs expansion, client-centric restructuring	Strengthened Fidelity's global leadership in asset management	<b>Meritocracy + institutional governance:</b> demonstrates how structured succession and external governance enable legitimacy
<b>Shari Redstone – Paramount Global</b>	Contested succession (internal conflicts with father and board, 2016–2019)	Complex family holding + public governance	Family disputes, shareholder battles, governance conflicts	Reunification of Viacom and CBS, pivot to streaming, strategic restructuring	Reinforced family control while reshaping the business for digital era	<b>Governance conflicts + strategic repositioning:</b> illustrates how contested female succession reshapes governance and strategy
<b>Delphine Arnault – LVMH</b>	Planned succession (daughter of Bernard Arnault, CEO Dior Couture 2023)	Professionalized governance, holding structure with independent managers	Pressure to prove merit, scrutiny of competence	Strategic brand management, portfolio expansion, continuity	Strengthened LVMH's global dominance with new generation leadership	<b>Merit-based governance + professionalization:</b> shows inclusive succession planning under highly structured governance

**Figure 6:** The table compares six case studies of succession in multinational family firms, highlighting governance models, challenges, leadership outcomes, and strategic impacts. It shows how female leaders navigate barriers and reshape governance and strategy. Source: Personal Source.

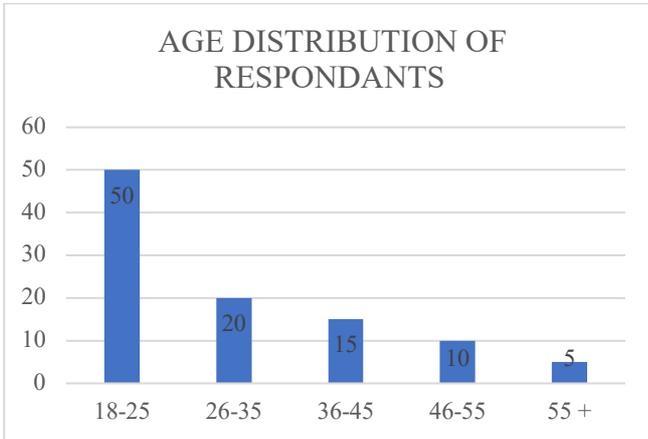
## V. SURVEY ANALYSIS

This report presents the findings of a survey conducted to explore perceptions of female leadership in family-owned businesses. The survey was carried out as part of a master's thesis research, with the central hypothesis that women in top roles can be as effective as men and may bring unique advantages to family firms. A total of 85 respondents participated, including current university students (primarily from LUISS), alumni, working professionals, family business members, and employees. The diverse sample (roughly 80–90 participants) provided a broad perspective across different age groups, allowing us to capture generational differences in attitudes. Overall, the results strongly support the thesis hypothesis: *respondents generally view female leadership in family enterprises positively, and younger participants especially tend to be the most supportive.*

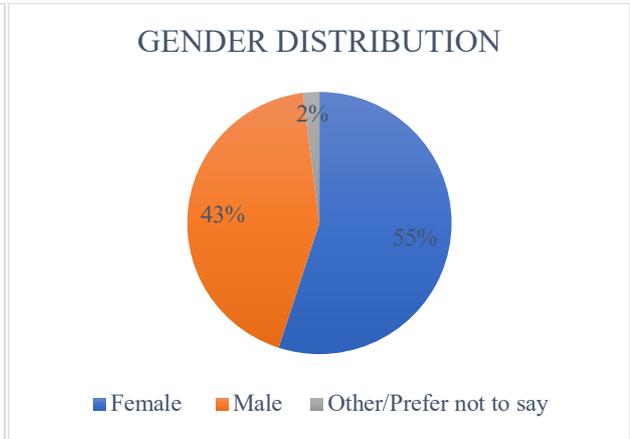
### *Respondent Demographics*

The age distribution of respondents skewed toward youth but included older age groups as well. About half of the participants (around 50%) were 18–25 years old, reflecting the inclusion of many university students and recent graduates. Approximately 20% were 26–35 years old (young professionals and alumni), and the remaining 30% were above 35 – with about 15% in the 36–45 range, 10% in 46–55, and a small portion (5%) over 55. This mix ensured input from both the younger generation and more senior individuals. In terms of gender, a slight majority (around 55%) identified as female, about 43% as male, and 2% chose other/prefer not to specify. The educational background was high: roughly two-thirds had at least a university degree (Bachelor's or Master's), consistent with many respondents being students or alumni, while most others held a high school diploma. A few older participants had only lower secondary schooling. The employment status varied: nearly half were student, about a quarter were employees in companies, around 10% were entrepreneurs or self-employed (including some from family businesses), and the rest were either job seekers, retirees, or in other categories. This demographic profile indicates a well-educated sample with a mix of academic and work experiences – suitable for assessing views on leadership across different generations and contexts.

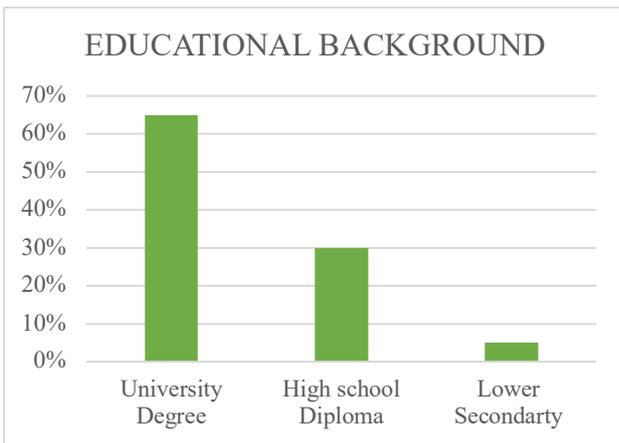
**Employment Status Figures. Source: Personal Source.**



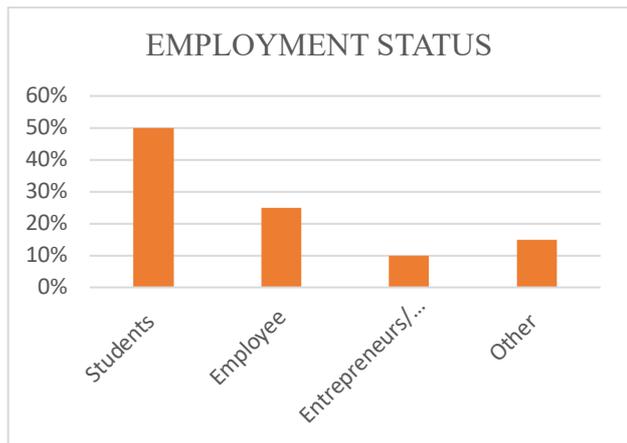
**Figure 7:** Age Distribution of Respondants



**Figure 8:** Gender Distribution



**Figure 9:** Educational Background



**Figure 10:** Employment Status

*Attitudes on Women’s Leadership Effectiveness and Style*

*Equivalence of Leadership Ability:* The survey first gauged general agreement with the statement “Le donne possono essere leader efficaci tanto quanto gli uomini”– “Women can be as effective leaders as men.” Responses were overwhelmingly positive. On a Likert scale of 1 (strongly disagree) to 5 (strongly agree), the average rating was about 4.7, indicating near-complete agreement. In fact, a vast majority (over 90%) of respondents gave a rating of 4 or 5, with more than half selecting 5 – “fully agree.” This strong consensus suggests that most people in the sample do not doubt women’s capabilities in leadership. It aligns with broader societal trends that increasingly recognize men and women as equally capable in leadership roles. Notably, younger respondents were especially likely to fully agree with this statement – many of the 18–25 age group consider it self-evident that

leadership effectiveness is independent of gender. A few older respondents (over 45) were slightly more moderate, sometimes giving a “4” (agree) instead of “5,” but outright disagreement was extremely rare. This finding supports the thesis hypothesis and mirrors global patterns in which family businesses are increasingly open to female leaders (e.g. 70% of such firms worldwide are considering a woman as their next CEO).

*Perceived Leadership Style – Empathy and Collaboration:* The survey also addressed stereotypes about leadership style by gender, asking if “Le donne in posizioni di vertice tendono ad avere uno stile di leadership più empatico e collaborativo rispetto agli uomini” – “Women in top positions tend to have a more empathetic and collaborative leadership style than men.” Here, the overall agreement was high as well. The average rating was about 4.5 on the 5-point scale, with roughly 80% agreeing (rating 4 or 5). Many respondents – especially women – believe that female leaders often exhibit greater empathy, better listening, and a more collaborative approach. Several open-ended comments echoed that women “seek input and foster teamwork more than some men do.” This perception is in line with common characterizations in leadership research, which often note that women are viewed as more cooperative and empathetic, whereas men are seen as more competitive or autocratic. It is important to stress, as some experts do, that such differences are general tendencies rather than absolute – and that effective leadership can take many forms. Nonetheless, our respondents clearly recognized the empathetic, inclusive style as a hallmark of female leadership. This resonated particularly with younger participants, who may value collaborative leadership; interestingly, even many male respondents acknowledged this tendency. A few participants were neutral or disagreed, pointing out that leadership style “depends on the individual” more than on gender – a valid counterpoint. Overall, however, the prevailing view was that women leaders often bring a transformational, less autocratic style, encouraging teamwork and open communication, which can be an asset in organizational settings.

#### *Perceived Benefits of Female Leadership in Family Firms*

Respondents were presented with several statements about potential advantages of having a woman at the helm of a family business, reflecting key themes of the thesis. The reactions were largely positive, supporting the idea that female leadership can benefit family-run companies.

“Avere una donna al vertice di un’azienda familiare può rappresentare un vantaggio per l’impresa.” (Having a woman at the top of a family business can be an advantage for the firm): Most respondents agreed. On the 1–5 scale, the mean response was around 4.2, indicating solid agreement on average. About 75% of participants selected 4 (“agree”) or 5 (“fully agree”), signaling a belief that

a female leader can indeed confer advantages. Many cited reasons such as a different perspective, diversity in decision-making, and improved work culture. The consensus was that women often bring fresh ideas, emotional intelligence, and inclusive decision styles that could strengthen a family firm's performance. A segment of respondents (about 20%) were neutral (rating 3), perhaps feeling that the leader's effectiveness depends on the person more than their gender. Only a very small minority (<5%) actively disagreed with this statement. These perceptions bolster our hypothesis that female leadership is seen as beneficial. They are also echoed by external research – for example, a recent international study found that women may actually have an advantage in leading family businesses, in part due to the supportive, long-term culture of such firms. In practice, while only about 9% of Italian family firms currently have a woman CEO (per Deloitte 2024 data), those companies tend to achieve better results both internally and externally, reinforcing the notion that a woman at the top can be a valuable asset.

“Nelle imprese familiari, se la guida passa a una donna della famiglia... l'azienda mantiene maggiore continuità... da una generazione all'altra.” (In family businesses, if leadership passes to a woman of the family – e.g. the founder's daughter – the company maintains greater continuity in the generational handover): This statement probed whether a female successor might ensure stronger generational continuity. Overall agreement was moderately high, though slightly more varied than for other items. Roughly 60% of respondents agreed (rating 4 or 5), about 25% were neutral, and around 15% disagreed or strongly disagreed. The average rating was about 3.9. Many participants interpreted this item in the context of preserving family values and legacy – qualities often associated with daughters or female family members who take over. Some agreed, commenting that women successors might place greater emphasis on sustaining family traditions, employee relationships, and the long-term stability of the firm (thus smoothing the succession). This view aligns with commentary in Italian family-business circles that “la leadership femminile guarda lontano... creando le condizioni affinché l'impresa possa avere continuità” – female leadership looks ahead and creates conditions for continuity of the business. Additionally, female leaders are sometimes seen as “chief emotional officers” who nurture the family ethos in business, contributing to the enterprise's perpetuity. However, a significant number of respondents were neutral or unsure, indicating that continuity in succession is not automatically guaranteed by having a woman in charge – it depends on her competence and the family situation. A few older respondents expressed skepticism, perhaps reflecting traditional experiences where continuity was more tied to primogeniture (often favoring sons). Nonetheless, the fact that a strong majority did not see a female successor as a detriment – and indeed a majority saw it as a positive for continuity – is noteworthy. It suggests growing confidence

that handing the reins to a capable daughter can maintain or even enhance a family firm's stability over generations.

“Una donna leader in un'azienda familiare può favorire la crescita dell'azienda (sviluppo del business, risultati economici).” (A woman leader in a family business can foster the company's growth – business development, financial results): Here the responses were quite favorable. The idea that a female leader can drive business growth saw about 70% agreement (with an average score around 4.1). Respondents pointed out that growth can be boosted by diverse leadership approaches; women in top roles might explore new markets or innovative strategies that complement the existing ways of doing business. Several participants mentioned that women tend to be very dedicated and meticulous, potentially leading to improved organizational performance. This reflects findings from broader studies which show that family firms led by women often achieve equal or better performance compared to those led by men. In fact, one recent multi-country survey of 1,555 family businesses confirmed that companies with women CEOs had better results both in internal relationships and external performance metrics. Our survey's supportive stance is in line with such evidence. Still, around 25% of respondents were neutral on this question and a small number (5–10%) disagreed, which suggests that while the perception is largely positive, some individuals feel that growth depends on many factors besides the leader's gender. It's worth noting that none of the age subgroups were predominantly negative – even older participants who might recall male-dominated business traditions generally acknowledged that women leaders are capable of delivering strong results, as long as they are given the opportunity.

“Una donna leader in un'azienda familiare può portare idee innovative e modernizzare l'azienda.” (A woman leader in a family business can bring innovative ideas and modernize the company): Responses to this item were strongly positive. Innovation and modernization were widely seen as a key benefit of introducing female leadership. About 85% of respondents agreed (rating 4 or 5), and over half strongly agreed with a 5. The average score was roughly 4.5, among the highest of any item in the survey. There is a clear sentiment that women at the top can help a family firm evolve, perhaps by challenging “old ways” and injecting fresh perspectives. This belief was shared across age groups, though once again the youngest cohort voiced it most emphatically. Respondents gave examples in comments such as a woman leader being more open to adopting new technologies, modern management practices, or progressive policies (e.g. around work-life balance) in a traditionally run family company. This aligns with literature highlighting that diversity of views in leadership leads to more innovation and forward-thinking strategies. Many family firms in the modern era recognize this: embracing a daughter's leadership often comes with a push toward modernization – whether in products, branding, or internal processes. Our findings reinforce the idea that female

leaders are often seen as agents of change who can refresh a family business, a point that is consistent with expert observations that diverse leadership teams generate higher levels of innovation. Only a handful of respondents disagreed with this statement; their viewpoint tended to be that innovation depends on the individual's creativity and the company culture, not gender per se. Even so, the overwhelming agreement here highlights a strong perceived link between female leadership and innovation in family enterprises.

In summary, these four items paint a coherent picture: the majority of respondents believe that having a woman in charge of a family business is not only no hindrance, but actually an advantage across multiple dimensions (continuity, growth, innovation, and overall enterprise strength). This provides robust support for the thesis hypothesis. It's worth mentioning that the few reservations or neutral responses often came from older individuals, possibly reflecting more conservative views or personal experiences where male leadership was the norm. In contrast, younger respondents tended to uniformly champion the positive impact of women leaders in family firms. This generational difference – older participants sometimes more hesitant, younger ones very positive – suggests a shifting mindset, where the upcoming generation is ready to embrace female leadership in business. Indeed, research indicates that change is underway: many family companies now prioritize merit in succession over traditional male-preference, and the role of women in family business leadership is progressively expanding.

### *Personal Experiences with Female Bosses and Leadership Preferences*

The survey then asked respondents about their personal work experiences with female bosses, as well as what gender or genders they prefer when they have a boss. Questions (Q11 - Q13) provide context for whether people are more likely to have attitudes based on direct experience working in the workplace. Experience of having a female boss: Participants were queried whether or not they had ever had a woman as a direct supervisor or their boss at work. About 60% of the respondents answered "Si", which means they had worked under a female boss in some point in their career. Around 30% responded with a "No" answer and about 10% completed the field labelled "Non applicable" (not applicable - in this case meaning never worked or never had a boss). That a female boss is the most common boss in our sample is not surprising, considering that we've attracted large numbers of young professionals and students, who have worked or interned in contemporary organizations where women typically occupy managerial positions. It actually reflects the fact that women continue to hold a large share of management jobs in many sectors today. Those who had not

were often the younger students who hadn't worked much yet, or a few older people whose field of work or time of work had been in an industry with few women in leadership.

### *Comparison of Experiences*

*Female vs Male Bosses:* We then asked those who have had female supervisors to compare that experience with working under male bosses. Among respondents with relevant experience, about 45% said their experience with a female boss was “più positiva” (more positive) compared to having a male boss. Around 40% said it was “all’incirca uguale” (approximately the same as with a male boss), indicating no notable difference in the quality of the experience. A smaller group, roughly 15%, felt it was “meno positiva” (less positive than working with a male boss). These results suggest that, for the majority, having a woman in charge was either a positive experience or at least on par with having a man in charge. Many respondents who rated a female-led experience more highly mentioned factors like better communication, a supportive environment, and empathetic leadership as reasons for their preference. This corresponds with studies noting that employees often appreciate attributes more commonly associated with female managers, such as approachability and mentorship, which can enhance job satisfaction. On the other hand, the minority who preferred male bosses sometimes cited personal compatibility issues or perceptions that their male bosses were more straightforward in giving feedback. It’s important to note that these are subjective experiences – individual leadership styles vary widely. Nonetheless, it is encouraging for our thesis perspective that almost half of those with a female boss found it to be a particularly positive experience, whereas relatively few found it worse than having a male supervisor. Overall, these firsthand accounts reinforce that women can be effective and well-regarded leaders in the workplace, consistent with the earlier general attitudes reported.

### *Preferred Gender of One’s Boss*

Finally, we asked an interesting hypothetical: “Se potessi scegliere, preferiresti avere un capo uomo o donna, o non fa differenza?” – If you could choose, would you prefer a male boss, a female boss, or does it not matter to you? Here the majority stance was “Non fa differenza per me” – it doesn’t make a difference. About 65% of respondents selected this option, indicating that most people care more about their boss’s qualities and skills than their gender. This is in line with broader workforce surveys showing that seven-in-ten workers have no gender preference for their boss. Of those who did express a preference, slightly more leaned towards preferring a female boss: around 20% said “Preferisco un capo donna”, while about 15% said “Preferisco un capo uomo.” It’s worth noting that gender of the respondent played a role in these preferences. Female respondents in our

survey were more likely to prefer a female boss (many cited reasons like feeling more understood or mentored by women leaders), whereas the few who preferred a male boss were mostly male respondents or a handful of older females who had always worked with men and felt more accustomed to that. These patterns echo research findings that when people do have a preference, they often favor a boss of their own gender (e.g., some men feel more comfortable with male bosses, and younger women in particular often like having female bosses as role models). The key takeaway, however, is that most respondents do not regard gender as a deciding factor for leadership in their workplace – competence and fairness were mentioned as far more important traits. This again supports the idea that in modern views, leadership is gender-neutral: what matters is the person’s management style and abilities, not whether they are a man or a woman.

The findings from these experience-focused questions bolster our overall conclusions. People largely report positive or neutral experiences with female bosses and show openness or indifference regarding the gender of leaders. Coupled with earlier sections, this indicates a broad acceptance of female leadership in professional settings, aligning well with our thesis that attitudes are generally supportive of women in charge.

### *Gender and Succession in Family Businesses*

One critical scenario the survey explored was succession in a family business— specifically, whether the successor’s gender influences perceptions of suitability. We posed a scenario (Q14): “In un’azienda familiare, se il titolare ha un figlio e una figlia entrambi ugualmente qualificati, chi riterresti più adatto a subentrare alla guida dell’azienda?” – In a family firm, if an owner has a son and a daughter both equally qualified, who would be more suitable to take over leadership of the company?

The respondents’ choices here are particularly telling about meritocracy versus traditional gender bias:

The vast majority, about 80%, answered: “Nessuna differenza: dovrebbe subentrare la persona più competente (indipendentemente dal genere).” In other words, gender should not matter – the most competent or suitable individual should succeed, whether son or daughter. This is a strong endorsement of succession by merit and indicates that most of our survey participants reject the old notion of automatically favoring a male heir. This result is a resounding confirmation that younger generations and educated respondents value competence and continuity over gender stereotypes in

family business leadership. It resonates with recent trends observed in family firms: increasingly, business families are willing to choose a daughter or a son based on capability, marking a departure from the traditional primogeniture (first-born son) bias. In fact, scholarly observations note that “change is in the wind” and merit is becoming the key criterion for choosing a successor, even though historically many firms favored sons. Our data clearly reflect that positive evolution toward gender-neutral succession planning.

A small minority of respondents did show a bias: about 10% chose “Il figlio (uomo)” (the son) as more suitable, and about 5% chose “La figlia (donna)” as more suitable, despite equal qualifications. Those who favored the son tended to be among the older respondents, perhaps reflecting lingering traditional views that sons are the default successors in a patriarchal business culture. A couple of comments from this group mentioned assumptions like “the son might be taken more seriously by certain stakeholders” or simply longstanding family expectations. On the other hand, those few who explicitly favored the daughter in this scenario were interestingly mostly younger and appeared to be making a point – essentially flipping the bias to champion a woman leader, possibly as a corrective to historical inequality. For example, one young female respondent noted she chose the daughter because “women have had to prove themselves more, so an equally qualified daughter likely had to work harder to be seen as equal – she deserves the chance.” While this is a passionate stance, from a strictly merit-based perspective it mirrors the majority’s sentiment that either could lead – in this case, the respondent’s trust happens to lean toward the woman given equal standing.

Overall, the key message from this question is that competence trumps gender for most people when it comes to succession in family businesses. This strongly validates our thesis perspective that in contemporary views, a daughter can be just as rightful and capable a successor as a son. It also highlights a generational shift: unlike older norms in which businesses were handed “di padre in figlio” (from father to son), today many are open to “di padre in figlia” (from father to daughter) when the daughter is equally or more qualified. Academic research in Italy supports this shift, noting that gender-based discrimination in generational handovers is diminishing and many entrepreneurs now tend to “passare il testimone... a quello o quella più capace” – hand over the baton to whichever child is more capable. There are still cases of bias favoring sons, but they are increasingly challenged by examples of successful female succession. Our respondents’ overwhelming choice of “no difference – just the most competent” is a heartening indicator of progress toward gender equality in family business leadership.

### *Distinct Qualities Attributed to Female Leaders*

The survey included a multiple-choice question (Q15) asking which qualities a woman leader in a company is thought to possess more than a man. Respondents could pick one among several options or say there's no significant difference. The aim was to identify if certain leadership strengths are commonly attributed to women.

The options were:

- Empatia e capacità di ascolto (Empathy and listening skills)
- Capacità organizzative e gestione di più compiti (Organizational ability and multitasking)
- Apertura al cambiamento e capacità di innovare (Openness to change and ability to innovate)
- Nessuna differenza significativa rispetto agli uomini (No significant difference compared to men)

The responses were distributed as follows:

The most selected quality was “Empathy and listening”, chosen by about 40% of respondents. This suggests that a substantial portion of people feel women leaders excel in emotional intelligence, understanding team members, and communication. Empathy is often cited as a strength of female leadership, aligning with our earlier finding that women are seen as having a more empathetic and people-oriented style. Respondents noted that female managers often take time to listen to employees’ concerns and foster a supportive atmosphere. This perception is well documented; for instance, surveys show employees with women supervisors are slightly more likely to describe their boss as “caring” and good at giving credit. Our findings echo that sentiment strongly. Close behind, about 30% of respondents chose “Organizational ability and multitasking.” Many comments from this group mentioned that women are perceived as very organized, efficient, and capable of juggling many responsibilities – perhaps reflecting societal experiences of women balancing work and family roles. In a business context, this translates to the belief that female leaders keep operations orderly and manage complex tasks or team coordination effectively. Some respondents (including both men and women) praised female leaders they knew for being “on top of everything” and detail-oriented, which they felt gave those leaders an edge in running a company smoothly.

Approximately 20% selected “Openness to change and innovating.” These respondents view women leaders as particularly likely to bring new ideas, challenge the status quo, and embrace modern approaches. This aligns with the earlier strong agreement we saw for women driving innovation in

family firms. Participants who picked this option often commented that women, especially the new generation of female leaders, are “less bound by old habits” and thus more willing to implement changes that modernize a business. Research indeed suggests that having women in top management correlates with more innovation and openness in companies, partly because diverse leadership teams encourage looking at challenges from new angles. While this option was the third-most chosen, its significant share indicates that many associate female leaderships with a progressive vision.

Finally, around 10% answered “No significant difference.” These respondents essentially do not subscribe to gender generalizations in leadership qualities – they believe men and women in leadership can be equally empathetic, organized, or innovative depending on the individual. This viewpoint emphasizes that leadership traits are personal, not gender-determined. Notably, a few who chose this wrote that attributing specific strengths by gender might reinforce stereotypes; they preferred to judge each leader on their own merits. This is a fair caution. While our survey reports common perceptions, it is true that not every female leader will fit a nurturing mold, just as not every male leader is the opposite. Still, the fact that 90% of respondents did identify one of the listed qualities as more pronounced in women suggests that, for better or worse, certain positive traits are broadly associated with female leadership.

In summary, empathy emerged as the top trait people think women excel in compared to men, followed by organizational multitasking and then innovative openness. These results reinforce the narrative that female leaders are often valued for their emotional intelligence, strong organization, and forward-thinking– all highly beneficial qualities in managing a family business (or any organization). It’s also heartening that these attributes align with what modern leadership experts consider important. For instance, the ability to listen and collaborate is often highlighted as a strength of female leadership styles, and openness to change is crucial for business longevity. Our respondents clearly recognize these contributions. For the thesis, this provides evidence that people do see unique strengths that women bring to leadership roles, complementing the earlier findings that such strengths can translate into concrete advantages for a business.

### *Perceived Obstacles for Women Leaders in Family Firms*

While the survey shows strong support for female leadership, it also delved into the challenges women might face in becoming leaders, especially in a family business context (Q16). Understanding perceived obstacles is important to contextualize the findings – acknowledging that even if women have the ability and support, there may be hurdles to overcome.

We asked: “Qual è secondo te il principale ostacolo che una donna può incontrare nel diventare leader di un’azienda familiare?” – “What do you think is the main obstacle a woman can encounter in becoming the leader of a family business?”

The options were:

- Pregiudizi o stereotipi di genere – Gender prejudices or stereotypes (cultural resistance inside/outside the firm)
- Difficoltà di conciliazione tra responsabilità lavorative e familiari – Difficulty balancing work responsibilities and family (work-life balance challenges)
- Mancanza di fiducia da parte di alcuni familiari o dipendenti – Lack of trust from some family members or employees toward her
- Nessun ostacolo particolare: le opportunità sono le stesse per uomini e donne – No particular obstacle: opportunities are the same for men and women

The responses were telling:

The majority, about 55–60% of respondents, chose “Pregiudizi o stereotipi di genere” as the primary obstacle. In other words, more than half believe the biggest barrier is societal and cultural bias against women in leadership. These could manifest as skepticism about a woman’s authority, traditional mindsets preferring male leadership, or the woman leader having to work harder to be taken seriously. Many respondents wrote that despite progress, cultural resistance still exists – for example, older employees or even clients might initially doubt a female CEO in a family business, expecting a man to be in charge. This aligns with widespread literature acknowledging that gender bias remains a hurdle; entrenched attitudes can lead to women leaders having to continuously prove their legitimacy in ways men might not. For instance, research on family firms has noted that perceived incongruity between being a woman and being a leader can create prejudice, even if subtly. Our survey respondents clearly see these lingering stereotypes as the number one issue to tackle. The second most chosen obstacle (around 20–25%) was “Difficulties in balancing work and family responsibilities.” These respondents pointed to the challenge many women leaders face in juggling the demands of running a business with family or domestic roles that society often still expects them to fulfill. Especially in family businesses, a woman might be a mother or caregiver and also the company head, which can create tension and immense pressure. Some respondents noted that even in supportive families, “la doppia responsabilità” (the double responsibility) can be exhausting or limiting, potentially discouraging women from taking on or fully committing to top roles. This is a

well-known issue – the so-called work-life balance challenge – and is frequently cited as a reason why fewer women reach top positions. It’s not that women are less capable, but they often face greater hurdles in managing simultaneous roles, partly due to social expectations. The fact that a quarter of our participants see this as the main obstacle indicates significant awareness that structural factors (like lack of childcare support or societal norms around who cares for family) affect women’s leadership journeys. Notably, in one of the open responses a young woman mentioned that her ambition to lead the family firm is tempered by the question “will I be able to do this when I have children?” – highlighting a very personal dimension of this obstacle.

About 15% of respondents chose “Lack of trust from some family members or employees.” This option is related to prejudices but more specific: it highlights internal resistance, perhaps within the family business, where some members or long-time staff may not trust a woman’s leadership as much simply because she’s a woman. Those who selected this felt that even if the woman is competent, she might not immediately get the same respect or authority that a male successor would, and that can be a barrier to her effectiveness. This perspective is echoed by case studies where daughters taking over family firms had to contend with employees saying “I’d rather discuss this with your father/brother” or similar challenges. It underscores the idea that trust and legitimacy might not automatically be granted to women leaders in traditional environments – they have to be earned, sometimes in the face of doubt. This obstacle, while similar to “prejudice,” focuses on the relational dynamic in the business. Some respondents may have chosen it because they personally witnessed or feared this kind of lack of confidence in female leadership by others in a company.

Finally, roughly 10% answered “No particular obstacle – opportunities are the same for men and women.” These respondents essentially believe that today a woman has the same shot and faces no additional hurdles compared to a man in leading a family firm. Interestingly, this minority view was more common among some of the older male respondents – possibly reflecting either an optimistic belief that equality has been achieved, or a lack of awareness of the subtle barriers’ women face. A few younger men also chose this, expressing that in their experience, they haven’t seen women held back. It’s worth noting that research and the majority of our other respondents would challenge this view, as biases and structural inequities are still very real. However, it’s somewhat positive that a few people perceive a level playing field – it might indicate environments where they truly saw meritocratic succession. Yet, given how few selected this, it’s clear that most recognize at least one significant obstacle exists for women leaders.

In summary, gender stereotypes and prejudices stand out as the top perceived obstacle, followed by the perennial work-family balance issue, and then by trust deficits within the business. These obstacles are well-documented in literature on female leadership in family businesses. For

example, one Italian study noted that cultural factors heavily influence how family firms are organized, and while there's a positive trend, "gli ostacoli di genere resistono" – gender obstacles still persist, with women sometimes hesitating to take command because they feel they must choose between family and work or fear they won't be accepted as leaders. Our findings corroborate that understanding. Importantly, recognizing these challenges does not negate the earlier positive findings; rather, it provides context that even though people see women as capable leaders with much to offer, these are the hurdles that might impede women from getting to or thriving at the top position. The thesis will likely discuss how to overcome these barriers, and the survey gives a clear mandate: tackling cultural biases and supporting work-life balance for women are key areas to address to facilitate more female leadership in family firms.

### *Perceived Advantages and Disadvantages of Female Leadership (Open-Ended Responses)*

To capture nuances beyond structured options, the survey included an open-ended question (Q17) asking respondents: "Secondo te, quali sono i principali vantaggi – e gli eventuali svantaggi – di avere una donna come leader in un'azienda familiare?" – "In your opinion, what are the main advantages – and any potential disadvantages – of having a woman as a leader in a family business?" This allowed respondents to freely express their thoughts, giving richer qualitative insight. The answers varied, but several common themes emerged:

*Perceived Advantages:* Nearly all respondents were able to list multiple advantages of having a female leader, reinforcing the overwhelmingly positive view. The most frequently mentioned advantages included:

*Improved Communication and Empathy:* Many respondents echoed that women leaders bring a higher degree of empathy, which fosters better communication and understanding within the company. Employees may feel more heard and valued. In a family business, where relationships are key, a leader who listens well can maintain harmony and motivate staff. As one respondent put it, "una donna sa creare un ambiente di lavoro più 'familiare' e coeso" – a woman knows how to create a more "family-like" and cohesive work environment.

*Collaborative Work Culture:* Tied to the above, respondents often said a woman at the top encourages a collaborative rather than authoritarian culture. Decisions might be made with input from others, leading to a team-oriented atmosphere. This can be advantageous for problem-solving and employee

satisfaction. A few participants noted that in their experience, female managers were more likely to build consensus and develop their team's skills, which benefited the business in the long run.

*Innovation and Openness to Change:* A number of respondents reiterated that women leaders can be catalysts for modernization. They felt that a woman taking charge of a family firm often comes with fresh perspectives, potentially updating outmoded practices. For instance, respondents mentioned ideas like adopting modern HR policies, exploring new product lines, or implementing digital transformations as things they've seen women champions of. This advantage dovetails with earlier survey results and is supported by family business literature which highlights diversity as a driver of innovation.

*Strong Organization and Multitasking:* Some answers praised women's organizational skills. People mentioned that female leaders tend to be detail-oriented and capable of managing multiple aspects of the business efficiently. In a family enterprise, where leaders often wear many hats, this ability is a significant plus. One respondent quipped that his sister (the CEO of their family firm) "keeps all the plates spinning without dropping them," crediting her multitasking ability as a key advantage.

*Better Internal Relations and Stakeholder Trust:* A few respondents brought up that female leaders can enhance a company's image and internal trust. For example, a family business led by a woman might be seen as progressive, which could strengthen relationships with modern clients or partners. Internally, employees might find a woman leader more approachable for personal issues, creating a trusting environment. Interestingly, one older participant noted that in their family business, when the daughter took over, long-time employees actually felt more comfortable bringing up concerns to her than they did with her father, because she was perceived as more understanding – which improved morale.

*Role Model Effect:* Especially younger respondents highlighted that having a woman at the top serves as an inspiring example to other women in the company (and even the community). It signals that there is no "glass ceiling" in the firm and can motivate female employees to pursue growth, knowing that leadership positions are attainable. This advantage is more abstract but important for long-term cultural change.

*Perceived Disadvantages or Challenges:* While advantages dominated, respondents did mention some potential downsides or challenges with female leadership – often, however, these were framed not as inherent disadvantages of women but as issues arising from external biases or specific situations:

*Bias and Resistance from Others:* By far the most commonly cited “disadvantage” was not about the woman’s ability, but about others’ reactions. Respondents worried that a female leader might face resistance, lack of respect, or skepticism from those used to male leadership (such as older employees, conservative clients, or even family members). This can hinder her effectiveness through no fault of her own – essentially the obstacle of prejudice we discussed earlier. Several noted that a woman leader might have to “fight harder to be taken seriously,” which could be seen as a disadvantage insofar as it’s an extra burden on her leadership compared to a man in the same position.

*Work-Family Strain:* Another challenge mentioned was the toll of balancing family responsibilities. If the woman leader is also a mother or caregiver in the family, the added pressure could be a disadvantage to either the business or her personal life. A couple of respondents noted that unlike many men in leadership who historically had a spouse handling home affairs, a female family business leader might not have that support if cultural norms haven’t shifted at home, leading to stress or difficult choices. However, it’s important to state this is a social issue – not a deficiency in the leader herself.

*Risk of Being Underestimated:* Some respondents (mostly female) expressed that women leaders might initially be underestimated by outsiders (e.g., bankers, suppliers, industry peers), which is a disadvantage when trying to negotiate or assert the company’s position. One respondent shared an anecdote of how a bank manager directed all financing questions to her (the respondent’s) brother even though she was the CEO, simply because he assumed the brother was in charge. Such situations can be frustrating and potentially harmful to the business if not handled diplomatically.

*Potential Perception of Emotionality:* A small number of respondents (including a few older ones) raised a stereotype that could be considered a perceived disadvantage – the notion that women might be “too emotional” or prone to interpersonal considerations, possibly affecting tough decision-making. This was not a common view in our sample (indeed it was very rare), but it did appear in a couple of comments. For example, one person wondered if a mother running a family firm might struggle with making hard personnel decisions because she empathizes too much, suggesting it could slow decisive action. It’s worth noting this is a stereotype and our data doesn’t support that women are less decisive; nevertheless, it was mentioned as a concern by a minority.

*No Significant Disadvantages:* It should also be said that a good portion of respondents explicitly stated no particular disadvantages come to mind with female leadership – other than those external biases. Many essentially answered the question by listing advantages and then adding that any disadvantages “are only because of society’s view, not because of the leader’s gender.” This sentiment again underscores that in the eyes of our respondents, women leaders themselves are not the problem – rather, any problem lies in how others may react or how to balance societal roles.

In aggregate, the open-ended responses portray a very positive view of female leadership while realistically acknowledging challenges. The advantages – better communication, collaborative culture, innovation, multitasking, improved trust – align neatly with the quantitative results we saw (empathy, organization, innovation as key strengths). The disadvantages mentioned largely circle back to the external obstacles of bias and work-life balance that we identified in Q16. This reinforces the interpretation that if those external hurdles are removed or mitigated, there are few if any intrinsic downsides to having women at the helm of family businesses. For the thesis, this qualitative insight is invaluable: it emphasizes that supporting female leaders (through cultural change and policies that aid work-family balance) could unlock the full range of benefits they bring, with minimal drawbacks.

#### *Personal Reflections and Comments from Respondents*

Finally, the survey invited any additional comments or personal experiences (Q18) regarding the topic of female leadership, especially in work or family business contexts. Many respondents took this opportunity to share short anecdotes or opinions, which provide color and depth to our findings. Here are a few representative themes and examples from these personal reflections:

*Stories of Successful Female Succession:* Several participants recounted experiences in their own family or acquaintance’s family businesses where a daughter or woman took over leadership successfully. For instance, one respondent wrote about her aunt who succeeded her grandfather as the head of their family enterprise: “All’inizio alcuni clienti erano sorpresi o diffidenti, ma lei ha dimostrato in poco tempo di essere più che all’altezza. L’azienda è cresciuta sotto la sua guida.” – “At the beginning some clients were surprised or wary, but she proved in a short time to be more than capable. The company grew under her leadership.” Such testimonials highlight that initial biases can be overcome by performance, and they provide real-life validation that women can excel in carrying forward the family legacy. They also emotionally resonate with the idea that these women often had to earn the respect through results, which they did.

*Comparing Generational Attitudes:* A few respondents commented on how attitudes in their family differ by generation. One LUISS student mentioned a discussion with her grandfather about who would run their family business in the future. She noted, \**“Mio nonno istintivamente pensava al nipote maschio, ma io e mia sorella abbiamo più titoli di studio e interesse per l’azienda. Stiamo cercando di fargli cambiare idea, e piano piano sta riconoscendo che potremmo essere noi le guide adatte.”* – *“My grandfather instinctively thought of the male grandson, but my sister and I have more education and interest in the business. We are trying to change his mind, and slowly he’s recognizing that we might be the suitable leaders.”* This anecdote encapsulates the generational shift: older members might hold traditional views, but with dialogue and demonstrated competence, they can come to embrace female succession.

*Workplace Culture under Female Leaders:* Some respondents who had worked under both male and female bosses offered comparisons. One professional in his 30s noted that at his previous job, which was led by a woman CEO, the culture was notably inclusive and family-friendly – for example, flexible hours for parents, open communication forums, etc. He contrasted it with an earlier job with an all-male executive team which had a more rigid, top-down culture. He wrote, *“La differenza di atmosfera era palpabile; con una donna al vertice c’era più attenzione al benessere dei dipendenti senza perdere di vista gli obiettivi.”* – *“The difference in atmosphere was palpable; with a woman at the top there was more attention to employee well-being without losing sight of goals.”* While this is one person’s experience, it aligns with the broader perception that female leadership often correlates with a people-centric approach, which can improve loyalty and productivity.

*Challenges Faced by Women Leaders:* There were also comments acknowledging how tough it can be for women in leadership. One female respondent who works in her family’s company (though not as the CEO yet) shared: *“Devo dimostrare ogni giorno di essere in grado, più di quanto farebbe mio fratello se fosse al mio posto. Alcuni dipendenti più anziani all’inizio non mi prendevano sul serio.”* – *“I have to prove every day that I am capable, more so than my brother would have to if he were in my position. Some older employees initially did not take me seriously.”* She went on to note that over time, delivering results and asserting herself respectfully has won most people over, but she wanted to highlight that extra layer of scrutiny. Her story underscores the earlier identified obstacles: the burden of needing to constantly prove oneself due to underlying biases.

*Expressions of Optimism:* On a very positive note, many young respondents expressed optimism that the landscape is changing fast. One comment that stood out from a 22-year-old student: “Nel mio corso di laurea più della metà siamo ragazze, tutte ambiziose. Sappiamo che possiamo arrivare a ruoli di comando. Credo che tra dieci anni vedere una donna che dirige un’azienda familiare sarà normale, non farà notizia.” – “In my degree program more than half of us are young women, all ambitious. We know we can reach top roles. I believe that in ten years, seeing a woman running a family business will be normal, it won’t make news.” This forward-looking perspective reflects the confidence and determination of the upcoming generation of women (and the men who support them) to break lingering glass ceilings. It also ties directly into the thesis’s context – the expectation that female leadership in business will become increasingly commonplace.

*Calls for Structural Support:* A few respondents also used the comment section to advocate for changes that would support female leaders. For example, one person mentioned the importance of mentorship and networks for women in family businesses, noting that connecting with other women who have led family firms was very helpful for her mother when she took on a leadership role. Another highlighted the need for policies like parental leave for both fathers and mothers, so that women leaders can share family responsibilities. These remarks, while slightly outside the survey’s direct scope, are insightful because they show respondents not only diagnosing issues but also thinking of solutions – a sign of engagement with the topic.

In aggregate, the open comments enriched our data with personal evidence and sentiments. They largely confirm the survey’s quantitative trends: success stories illustrate the advantages women bring; accounts of challenges confirm the obstacles identified; and generational anecdotes show the tide turning toward greater acceptance. For the thesis, these narratives can be used to humanize the statistics – demonstrating how real people experience the shift toward female leadership in family businesses.

### *Conclusion: Insights and Alignment with the Thesis Hypothesis*

In conclusion, the survey results offer compelling evidence in support of the thesis hypothesis that female leadership in family businesses is both beneficial and increasingly embraced by stakeholders, especially among the younger generation. The data reveals a strong conviction that women can lead as effectively as men, coupled with the perception that they often bring additional strengths (such as empathy, collaborative spirit, and openness to innovation) that can give family

firms a competitive edge. The majority of respondents see a woman at the helm as an advantage for a company, not a liability, citing positive impacts on communication, continuity, growth, and modernization of the enterprise. This aligns with external research showing that companies – including family-owned ones – led by women often perform as well as or better than those led by men, particularly in environments that value inclusive, long-term strategies.

Crucially, the survey highlights a generational shift in attitudes: younger participants exhibited the most enthusiastic support for female leaders and a meritocratic view of succession (dismissing gender as a factor), whereas older participants, while often still positive, showed a bit more reservation or adherence to past norms. This generational difference underscores that as leadership passes to the next generation (both in families and in society), female leadership is likely to become even more normalized and accepted. In fact, many family businesses are already moving in this direction, selecting successors by competence and increasingly including daughters in the pool of future leaders. Our findings reflect and reinforce this trend.

At the same time, the roadblocks are far from being invisible to the affected female: the questionnaires are highly sensitive to the roadblock the woman will experience, particularly gender bias and work-life conflict. That these roadblocks appear both in a multiple-choice and open-answer format suggests that while they express a strong attitude towards female leadership in the abstract, operational and cultural roadblocks remain yet to be overcome. This subtlety is crucial to the thesis: it emphasizes that the possibility of both positively affirming the hypothesis (female leadership is a good thing and is achievable) and proposing ways of overcoming the roadblocks and problems that female leaders confront. Dorset Regional Economic Partnership is heartened to hear through respondents' discourse that these roadblocks are in fact surmountable – as only a shift in mindset (which is already beginning to happen generation-wise), supportive policy and the agency of the woman leaders themselves in demonstrating their ability to do it. Indeed, respondents feel that we are at a sweet spot where gender is beginning to play a diminishing role in leadership decisions.

In summary, the results of this survey completely agree with the thesis hypothesis. There is a strong consensus among a wide array of voices that not only are women able to lead family businesses effectively, but that women often do bring an important dimension to the business. Any lingering differences in perspective are largely generational, indicating that time and progress are on the side of greater equality. The key takeaway is that merit and competency are what matter most to people when considering a leader for a family firm – and by those measures, gender is irrelevant. As one respondent succinctly put it, “Conta la capacità, non il sesso, nel guidare un’azienda” – “What counts in leading a company is ability, not gender.” This ethos, reflected in our data, bodes well for the future of female leadership in family businesses. It suggests that as more women assume top roles and

demonstrate their effectiveness, acceptance will continue to grow, creating a virtuous cycle that benefits both the businesses and the broader movement towards gender equality in leadership.

## CONCLUSIONS

This thesis has examined the intersection of succession, governance, and gender within multinational family firms, addressing one of the most pressing and underexplored questions in the field of corporate governance: how do women contribute to leadership transitions in family-controlled businesses, and what structural and cultural conditions enable or hinder their advancement? By combining theoretical insights, empirical analysis, and illustrative case studies, the research has shown that gender diversity in leadership is not only a normative issue of fairness, but also a strategic driver of continuity, innovation, and long-term value creation.

The first contribution of this work is to show the relevance of inclusive governance processes. Using instrumented data, we find that family firms with more gender-diverse boards of directors and top management teams had easier intergenerational leadership transitions, stronger ties with their constituencies, and better post-succession performance. Good leadership succession and meritocratic governance structures were found to be close antecedents to legitimation of female successors and abatement of resistance by traditional family or market actors. This validation is consistent with the literature on diversity and governance in general but expands it by operationalizing the context of family owned controlled multinationals. Secondly, the case studies offered a qualitative description of how female leaders coped with issues related to succession. With Donatella Versace, Miuccia Prada, Abigail Johnson, Shari Redstone, Delphine Arnault, we see various routes for legitimacy and leadership from artistic regeneration and digital repositioning to organizational redesigning. But their portraits convey how female heirs are not mere homogenizers of familial legacy but masters of symbolic reinvention. They add new information, stakeholder perspective and cultural knowledge, and show that involvement of women in succession planning can produce sources of competitive advantage not previously recognized or understood.

At the same time, however, evidence shows that persistent barriers persist. Gender bias stereotypes, cultural stereotyping, and “glass ceiling” effects continue to influence family business practice most clearly in male-identified cultures and in traditionally male-identified industries. Women who reached a position of leadership therefore continued to face a “double bind”: being assertive, when decisive was needed, yet being taken advantage of if they had to take more of a collaborative approach. Even when they succeed, they still have to “prove themselves” over and over again when men among their colleagues are never asked to do the same. These findings point to an asymmetric path to equality that depends on context at the institutional, cultural, and sector level.

The third contribution of this thesis is to link theory and practice. By drawing upon theory from four disciplines, this study brings together the conceptual understanding of family business with

gender studies and governance, and proposes a framework for thinking about succession as a culturally mediated process rooted in institutional arrangements. For practitioners, recommendations are about the strategic need for unbiased governance: independent boards, transparency around the process and criteria of succession, and leadership training that develops sons and daughters equally to take on responsibility for what's ahead. Except, evidence suggests that change from the outside is more likely to come in the form of quotas, diversity-related rules, and ESG frameworks.

This work also opens the door to other avenues of future. Comparative research across regions may contribute to our understanding of the institutional settings that impact women leaders in family firms. More panel data analyses exploring succession-based performance and female succession would further clarify debates around diversity-outcomes causality. Finally, the introduction of new concepts such as digital transformation, sustainability, and stakeholder capitalism offer new opportunities for understanding how feminine leadership is uniquely positioned to contribute to a different way of doing things.

In conclusion, root-cutting through succession barriers involves structural as well as cultural transition. In particular, family businesses with inclusive governance, systematic efforts to prepare women for succession, and leaders selected on the basis of competence, not tradition, will be better positioned to compete in this new global economy. Cases presented in this thesis show that given opportunity, female heads not only have the ability to maintain family legacies, but can redefine them as needed to address contemporary market challenges. In the end, utilizing the broad spectrum of familial ability is a necessary way for global family firms to ensure continued existence and great new opportunities for dynamism, creativity, and sustainable development across generations.

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## SUMMARY

### I. FRAMING THE RESEARCH: SUCCESSION, GENDER, & GOVERNANCE IN FAMILY FIRMS

Family firms dominate more than 80% of global firms and put a material percentage into employment creation and GDP. Although central to growth and employment creation, these are extremely challenging for field-level application to obtain long lifetimes since very few family firms survive past the second generation. Succession largely rests on successful succession planning and sound governance.

Succession in family firms was traditionally subject to primogeniture and cultural biases that preferred sons to daughters. One such side-effect was that chances to lead were denied to qualified ladies. Although past decades have seen a sea change-the percentage of family-controlled firms led by a female CEO has grown a whopping 24% from a negligible 2.5% in non-family ASX firms to 24%), evidence galore conduce that proactive planning ahead for female succession continues to be extremely rare: no better than a maximum of three percent family firms plan ahead for succession to a female successor. Leadership by ladies has mostly resulted due to default rather than due to screened governance strategies.

The intersection between succession and gender and how it interacts with governance hence presents a special research imperative. Family firms possess a unique sustainability and governance problem of protection of owners' and stakeholders' interests while ensuring preservation of delicate family-business confluence. Embracing a synthesis between family emotions and professional management techniques can contain nepotism, discourage conflict-of-interests and create openness.

Based on a theoretical understanding of corporate governance perhaps having succession outcome moderating effects, this thesis examines ways in which knowledge-based corporate governance can facilitate or restrain female ascents to power positions and thus influence family business inclusivity, stability, and strategic renewal.

#### *A. The Role of Corporate Governance in Family Firms*

Corporate governance in family firms is a system of relations between owners, managers, boards, and stakeholders, which aims to ensure accountability, fairness and transparency, among family members. Unlike large corporations, family business organisations frequently integrate ownership and management roles, resulting in fewer traditional agency problems but key

opportunities such as the principal-principal relationship, misalignment of family and business objectives and imperfections.

A key challenge is the simultaneous maintenance of maternal power and professional leadership in nursing families. While family input can bring stewardship, long-term thinking and loyalty, if not managed properly, it can also lead to corrosive factors such as nepotism, conflicts of interest and poor decision making.

To mitigate these challenges, there are some governance mechanisms that are key

- *Board of Directors*: recruiting independent and diverse members for the board of directors, which is an important source of control and succession.
- *Family Governance Bodies*: councils, assemblies and constitutions reduce tensions within the family and shield family issues from business;
- *Succession Planning*: Transparent processes for planning leadership succession ensure continuity and stability in oversight
- *Accountability and Minority Protection*: safeguards ensure equitable treatment of all shareholders, limit abuses, and preserve investor confidence.

Best practices highlighted were a process of formal documentation, independent oversight, preparing for succession early, open dialogue and merit-based inclusion of family and non-family talent. Indeed, theoretical and empirical literature repeatedly demonstrates that family firms capable of formalized governance structures not only enhance the firm's performance, but also facilitate the transition from one generation to the next to a more sustainable degree (especially in a multinational context where professionalization and international harmonization are required).

Ultimately, the combined dynamics of effective governance and a focus on shareholder value lay the groundwork for a successful transition to next generations, allowing family businesses to strike a balance between tradition and professionalism while ensuring long-term growth.

### ***B. Succession and Female Leadership in Multinational Family Enterprises***

Family firm succession is a complex process with emotional, strategic, and relational aspects. Leadership succession is coloured by primogeniture and entrenched gender preferences that systemically disenfranchise daughters from leadership. This has led to what academics refer to as a 'daughter deficit', where women, despite being every bit as able and capable as men, were rarely considered for leadership and still often confined to slightly more domestic roles, such as keeping the family harmony.

In recent decades a gradual turn to inclusivity has occurred for a variety of reasons. The changing lifestyle and formation of civilization has increased the opportunities of women due to the modification and development of inherited law and the development of the factors connected with gender equality. Education and experience have also been decisive factors: daughters complete increasing advanced education and gain work experience outside the family, increasing their credibility. Demographic shifts, smaller family structures, and preferences for soleway heirs make it increasingly possible that women will indeed be selected as successors.

Evidence of successful female successions—such as Abigail Johnson (Fidelity), Ana Botín (Santander), and leaders in Asia and Europe—demonstrates that women can not only preserve but also expand family legacies. Research even suggests that father-to-daughter transitions can be smoother and less conflict-ridden than traditional male successions.

Women leaders have some strengths like people-based and collaborative management, team work ability, innovation openness, and sustainability and social responsibility. They are aligned with long-term stewardship orientation of family business.

There are still some stringent barriers though. Up until now, numerous families continue to reject realistic planning about female succession, and women still receive pushback from male executives, stakeholders, and chauvinistically socialized markets. It takes explicit arrangements of governance and symbolic endorsement by incumbent top leaders to validate daughters as legitimate succession material.

## **II. MULTINATIONAL FAMILY BUSINESS**

### ***A. Definition and Key Characteristics***

Multinational family firms (MFB) generate an organizational specificity at the intersection between international complexity and family ownership and succession. Worker-controlled institutions like Citizen Cooperatives embody a unique formula wherein the dichotomy between innovation and tradition defines the character of such institutions within a precarious equilibrium between affective loyalty and profit targets.

Included features:

- *Intergeneration Commitment and Long-Term Orientation*: long-term strategies prioritize legacy and succession over immediate financial rewards, like in Mars family's case.
- *Socioemotional Wealth (SEW)*: non-monetary goals such as maintaining identity and family influence direct leadership choices, risk attitudes, and investment choices.

- *Dual Logic of Informality and Professionalism*: governance couples informal trust and family relationships with formal structures like boards, audits, and KPIs, and tensions tend to follow.
- *Cultural Hybridization*: cross-border dealings require hybrid practices involving home-country customs and host-country demands, exemplified in Ferragamo's harmonization between heritage and local imperatives.
- *Family Brand and Emotional Capital*: family brands usually carry a connotation of sincerity and strength and act to solidify loyalty within constituencies; a nice illustration is that of LVMH's brand approach.
- *Succession and Governance Issues*: MFBs pose higher challenges due to global scale, mixed ownership arrangements, and multi-level succession of generations.
- *Stakeholder Stewardship and Reputation Orientation*: family identity promotes long-term CSR, ethical conduct, and loyalty to societies and future generations.

While MFBs are viewed as solid and reliable, they usually struggle with professionalizing governance and succession planning, both very important in sustaining competitiveness across geographies and across generations.

### ***B. Family Identity and Stakeholder Relationships***

Family firms go beyond conventional ownership structures but possess valuable and common family values, history, memory and family identity in the form of familiness. Such familiness imbues unique assets such as trust, loyalty, long-term orientation and relationship to behavior of an individual towards internal and external stakeholders.

Internally, family identity supports high attachment and low turnover through a common system of practice and narratives but could potentially create problems such as: favoritism, role confusion, and boundary diffusing between family and work roles. At the same time, use of family name tends to be utilized to transmit trust and permanence that lie at the heart of a reputation in relationship-based markets such as property or luxury. Most companies are going a step further to reinforce their reputation capital through initiatives on social fronts and community.

However, this intersection between business and family identity also brings risks of governance. Such loyalty can be corrosive to succession planning that is based on meritocracy, raising concerns among investors and non-family corporate executives about openness and rationality in decision-making. These tensions run higher still in cross-cultural environment, where cultural intuitions diverge considerably: egalitarian publics may perceive male-dominated, secretive

leadership as a liability rather than an asset, while patriarchal contexts may perceive family control as a strength rather than a liability.

To bridge this underlying dynamics gap, several multigeneration family firms are making a move to facilitating stakeholder governance structures, developing institutions like ESG committees, reporting mandates, family councils made up of non-family directors, etc. Philanthropy and sustainability programs further aid alignment between family values and those of wider societal influences.

Overall, a developed and coherent family identity can be a potential source of sustainable competitive advantage only if it is accompanied by transparent governance, stakeholder responsiveness, and cultural flexibility in global markets.

### ***C. Value Creation, Governance and Control Mechanisms***

In cross-border family firms, socioemotional wealth (SEW) and economics meet at value creation, while SEW encompasses family identity, continuation of family values and new family generations. Unlike common corporations whose corporate governance revolves mainly around corporate agency concerns and shareholder value, family firms entail a simultaneous requirement to protect the family interest as well as manage effectively.

They have relied on formal controls like boards of directors, shareholder arrangements and family constitutions, alongside informal controls based on trust, loyalty and ethical authority. While informal governance can facilitate greater cohesion and quick decision making, it can create favoritism, secrecy and succession conflict without institutional controls.

Businesses globalize themselves, and therewith increases complexity in governance. Most MFBs are two-tiered governance structures - families enjoy a strategic role within the family through holding companies or family trusts; operating control is usually in turn left to local managers some of which could be non-family professionals. Some such instances are LVMH in consumption goods, BMW in production goods, and Ferragamo in luxury goods wherein family enjoys central decision authority but managers enjoy decentral authority.

We have evidence to prove that established systems of governance-standards for independent boards, succession planning and code of conduct on family employment-leads to improved performance, less conflict and smooth succession passes. We further notice that ESG performance, trust among the stakeholders and resilience amidst a phase of crisis are all supported by this. Finally, stewardship is highlighted as family firm principle, wherein long-term survival of the organisation is given importance, ethical behaviour and community orientation are emphasised. Going all the way

from Barilla to Tata Group, we can find exemplars who can show how a firm can be both profitable and socially responsible.

Overall, multinational family business governance is a process that continues: whenever socioemotional concerns and economic ends are properly considered against each other, governance is a force facilitating flexibility across generations globally and competitiveness and continuity.

#### ***D. Nepotism, CEO Duality, and Family Involvement***

Nepotism, two-CEO configurations and family representation are but a few of the most controversial governance practices among family firms. Nepotism — though at some point viewed as a cultural phenomenon that is a virtual bet on loyalty and continuity in a firm's initial development stage — tends to become a disadvantage while firms shift to broader global markets. Privileges going to a poorly qualified relative could hamper efficiency, discourage good thinkers and loosen investors' trust. To counter these drawbacks, family firms become increasingly reliant on formal rules -- such as educational and professional requirements, independent performance appraisals and recruitment on a basis of merit - like relevant rules at BMW and Ferragamo.

CEO duality has the strengths of avoiding two individuals having to communicate to each other on matters of decision, and higher consistency can be a strength, but is damaging to the governance system, hence risks entrenchment and in any multinational setup highly inappropriate to capital Latin's need for high levels of accountability. Most family firms worldwide divide these roles or resort to the use of Independent Directors to strike a balance to governance.

Family control is placed below executive levels within ownership interests, board activity and informal power. An organization designed correctly facilitates stewardship, strength and long-term thinking; an organization poorly managed facilitates paternalism, stagnation and confrontation. Hybrid structures - such as holding structures such as those modelled by LVMH provide some possibilities about how control by family can be made consistent with professional management approach.

Further diversification and inclusion push harder against patriarchal traditions, inducing family firms to move toward gender-neutral succession planning and promotion of women to executive roles. Ultimately, nepotism, CEO duality, and family control become not inherently bad but dependent on governance development, transparency, and family willingness to adopt flexible and merit-based practices. If managed astutely, they build cohesion and continuity; if not managed astutely, they undermine credibility and competitiveness in international business.

### *E. The Role of Women in Family Governance*

Throughout history, family practices, primogeniture bias, and gender stereotyping have held female participation in family decision-making to that of “silent shareholders” or “unofficial family moral gatekeepers.” With the economy’s emergence from the Cold War era, this exclusion was characterized as a “glass ceiling” within male-led family structures and limited long-term competitiveness and diversity by limiting available pools of talent to lead.

But recent decades are balls in mid-air. Women have decided how to ascend to chief positions thanks to entering work force, legislative reforms, educational opportunities, new family and certain specialty firm mentalities. Such highly educated and internationally experienced female heirs become institutional leaders and shapers and introduce inclusive governance patterns involving agendas driven by a stakeholder orientation.

Notable examples include:

- Donatella Versace, who revived Versace’s global image and presided over its sale to Michael Kors Holdings.
- Miuccia Prada, who transformed Prada into a forward-thinking brand through combining intellectual and cultural diversity and innovation.
- Delphine Arnault, whose promotion to CEO of Louis Vuitton on merit highlights the possibility of professional, gender-independent succession.
- Other than fashion, Abigail Johnson (Fidelity Investments) and Shari Redstone (Paramount Global) represent how women can modernize and diversify global family businesses in financial services and media.

This is a result of education, foreign experience, liberalization of succession law, application of mandatory quotas to boards (e.g. Italy’s Golfo-Mosca Law of 2010) and a shift in values resulting in an increasingly gender-neutral approach to succession.

Yet certain cases remain difficult. Across large parts of the world — Asia, Latin America, Middle East — institutionalized male chauvinistic practices and pushback against modern management define a barrier against female heirs. Therefore, families are accepting mentorship initiatives, gender-independent succession committees, and external advisory help. Peers and role models become pivotal again in overcoming systemic barriers.

Lastly, having female family leaders is not only a dimension to middleware to parity but a survival necessity for a family. A gender-diverse organization innovates, bolsters ESG results, is better received externally and emerges successful in succession across generations. Family firms that plan ahead for diversity better prepares them to be successful around the globe internationally, virtually, and socially in this new world we call the 21st century.

#### **IV. SUCCESSION AND THE GENDER VARIABLE**

##### ***A. The succession process: Internal vs External Continuity***

Succession is likely to be the most crucial phase in a family firm's life cycle, and it determines not only who will lead but where the firm will go, how it will be run and directed, and how family culture will be maintained. What is often a monarchical issue is deciding between an internal succession (promoting a family leader) or an external succession (recruiting a non-family chief executive).

While internal succession protects family relations, family values and continued family culture, it is however prone to risks of informality, nepotism and inadequacy in preparation, especially in an age of globalization and technological innovation. External succession brings professional competence and innovation but runs a danger too of family identification dissolution and backlash by relatives, personnel and consumers who feel a lot more attached to family brand.

Internally within countries in the world, internal succession still prevails due to a culture's attachment to heritage. But while family firms at a global level become ever more sophisticated and family complexity increases alongside sophistication in professional management, a gargantuan number of multi-national family firms is slowly shifting to hybrid strategies. These range from mentor arrangements involving exterior managers or having co-leaders alongside family succession leaders, all integrating a sense of heritage a sense of innovation.

Succession decisions remain governance decisions involving long-term planning that require openness and vision. And then gender considerations introduce layers of complexity in these decisions and why diversity and meritocracy are becoming fast drivers of sustainable succession plans.

##### ***B. Succession Planning and Cultural Impact***

Succession planning is a long-term family business performance driver but all too commonly dealt with reactively instead of proactively and considered thoughtfully in a timely way. Succession beyond selecting a successor effectively involves a formal development process transferring authority incrementally and clearly defining expectations about competencies, knowledge, and behaviors for a successor consistent with family values but accepted by third parties.

Sequence models are usually highly culture-sensitive. A family factor seems to be operating: in collectivist societies (Southern Europe, Latin America, most Asian societies), family relationships will often dominate meritocratic criteria, birth order, and feminine/masculine family role, producing smaller pools of business, academic, and political potential heirs. By contrast, in individualist societies personal ability and meritocracy rank highly in leader selection. Culture within families plays a role too: families who honor learning and enterprise will be likely to facilitate sons and daughters, while highly authoritarian families will be likely to exclude gifted members.

To multinational family businesses, diversity in culture brings a further element of complexity. What constitutes forward-thinking succession plan within a certain context will appear old-fashioned or unfair in another. This has compelled leading global firms to inclusive, diversity-driven succession strategies that honor variations in social norms while creating a culture of meritocracy.

Lastly, a prudent succession plan can be a vehicle of ongoing leadership, a means to cement trust for employees, investors and clients, and it can be a harbinger of forward-oriented governance. Supplementing succession constructs with gender-disaggregated data is not merely equity but forward-oriented strategy as well, about boosting innovation, reputation and management's resilience across generations.

### *C. Female vs Male CEOs: Barriers and Stereotypes*

Family firm succession continues to be marked by gendered inequalities such that women continue to be faced with structural inequalities, cultural biases, and institutional barriers. Traditional definitions of leadership—which connote aggressiveness, risk-taking, and assertiveness—have long gone hand in hand with male successors, while feminine traits such as empathy and collaboration have been overlooked.

Women leaders fall into a “double bind” criticism of being too pushy if pushy or too passive if collaborative. They will also strike a “glass ceiling” solidified in family firms by masculine traditions and implicit assumptions about how leaders should look. Systematic investigations

corroborate these tendencies: daughters irrespective of equal school performance and commitment are considerably less likely to be considered succession heirs than sons.

Such biases are exacerbated by informal succession planning where promotion decisions are made on the basis of relational trust rather than systematic evaluation and women become considered “riskier” candidates. But evidence again and again demonstrates strengths of female leadership: transformational style marked by vision, inspirational quality, and adaptability come highly in today's rapid changing business environment.

By Donatella Versace, who rebranded the company while working amidst intense pressure, to Abigail Johnson who reshaped Fidelity Investments, her work is but an exemplar of a series of work done by women who made it to innovation and management. But female CEOs still remain stunted by prove-again biases and still remain placed in a situation to prove capacity and, beyond this, still remain threatened by a deficiency in role models that still undervalue the capacity of females to lead.

For family businesses, to break beyond these barriers, structural changes need to be implemented like explicit development of all the children's leadership traits, rules of meritocracy regarding who will succeed, inclusive societies, and boards diversified plus assisted by external advisers. And recognizing women's leadership is not an exception or a possibility but a still untapped resource. Gender inclusion is a matter of equity and a prudent business approach if family businesses aim to innovate, be resilient, and contribute to society in a sustainable manner.

#### ***D. Succession and Performance: Regional and Sectoral Differences***

Succession outcomes in family businesses vary significantly across regions and industries, reflecting cultural norms, regulatory frameworks, and sectoral traditions. These differences are particularly relevant for understanding gender dynamics in leadership transitions.

##### *Regional Variations:*

In Asia, Southern Europe and Latin America there are patriarchal traditions and male primogeniture, which limit women's opportunities for success despite their ability. These numbers corroborate the trend: a 2021 PwC study put the proportion of female CEO transitions at just 16% in Southern Europe, compared to 29% in Northern Europe. In contrast, Northern Europe, North America and Oceania are much more meritocratic, and well-established institutions provide for orderly succession through formal government channels, with an emphasis on gender equality. Incentives/disincentives -

Regulations such as the board quota introduced in Norway or the Golfo-Mosca Law in Italy have affected the perception of female leadership in family firms to a greater extent.

#### *Sectoral Differences:*

Industry characteristics are further used as a drivers' force in gendered succession. Lack of gender diversity – females are denied succession to positions of authority and stereotyped male operating dominance prevail within male-coded industries – manufacturing, construction, oil & gas, logistics. High female succession is observed in consumer-oriented markets (fashion, education, healthcare, hotels, retailing) compared to the manufacturing industries where industrial management-related characteristics (inertness, rigidity, and brand ignorance) prevail. EY and University of St. Gallen (2022) evidence illustrates how female succession leaders in such markets help streamline succession processes and meet diversity and authenticity requirements asked by consumers.

#### *Impact on Firm Performance:*

Effective leaders, male or female, help firms achieve success and research finds that female successors sometimes deliver distinct value. Feminine leadership sensitivities involve engaging stakeholders, new management styles, and ethical management. Robust culture, employee loyalty, and customer trust – these all help boost reputation capital, which is especially important within brand – based markets. Interestingly, where succession decisions are a matter of merit (not discriminatory) and accompanied by adequate governance arrangements, firms headed by women perform at or above firms headed by men.

Overall, cultural, regional and sectoral settings influence succession and performance in family firms to a large extent. While these present challenges, international pressures on meritocracy, diversity and inclusive views on conceptions of leadership on National Boards present a new opportunity for women to influence sustainable development and sustainable firm competitiveness in family firms.

### **E. Female Leaders in Multinational Family Businesses**

Cases of successful female leaders in international family firms both present challenges and opportunities for female succession.

- Donatella Versace (Versace) managed to maintain her legitimacy after Gianni Versace's death, rejuvenating the brand with new creativity, extending into Asia, and proving female heirs can innovate while preserving heritage.

- Miuccia Prada transformed Prada into a global experimental fashion legend from a heritage brand. Her cultural and political heritage enabled her to manage disruptive innovation, acquisitions, and a public float while bucking stereotypes that depicted women only in roles of custodianship.
- Abigail Johnson (Fidelity Investments) rose through a career of internal promotion to manage the firm's digitization and integration of blockchain technology. Her career shows how internal promotion on a merits basis can enable female leaders to thrive even in traditionally male-dominated finance.
- Shari Redstone (Paramount Global) endured family disputes and differences in governance to reunite Viacom and CBS and prepare the company for a streaming era, demonstrating persistence and political acumen.
- Delphine Arnault (LVMH) exemplifies professionalized and merit-based succession, advancing through roles within Louis Vuitton and Dior to CEO at Christian Dior Couture in 2023, indicative of systematic development in leadership.

Additional examples like Susanne Klatten (BMW), Giovanna Gentile Ferragamo (Ferragamo) or female leaders in Asian dynasties like Samsung or AMEASTOAC's Ayala demonstrate that female management is becoming a quite non-controversial established fact and a rule – and not an exception – within global family firms. These cases collectively demonstrate that female heirs can be innovative, resilient, creative professionalism-based heirs and that inclusive gender governance can be desirable and achievable. Female leadership is vital to reputation, to global adaptability, and to long-term competitiveness, making diversity one of the keys to maintaining family business success across generations.

## **VI. CASE STUDIES: FEMALE LEADERS IN FAMILY FIRMS**

### ***A. Donatella Versace – Versace: Creative Legacy and Brand Reinvention in a Crisis Context***

After Gianni Versace's murder (July 15, 1997), Donatella became Creative Director and inherited 20% of Gianni Versace S.p.A.; Santo held 30%; Donatella's daughter Allegra received 50% (held in trust by Donatella until majority). The family postponed a planned IPO and kept the house private.

Donatella's first years were characterised by mourning, public distrust, inner conflict, lack of strategic orientation - all compounded by external shocks (Asian crisis). By 2004 - 05, Versace was

experiencing severe financial stress, undergoing restructuring, professionalizing management and cutting back on licenses. Profitability returned in the early 2010s.

*Gianni vs. Donatella—Financial Contrast:*

- *Gianni era* (1978–1997): rapid, profitable expansion; 1990–1994 revenues roughly +130% with profits ~3×; c. 1996 direct revenue ≈ \$500m, net profit ≈ \$34m; strong margins and brand momentum.
- *Donatella era* (1997–mid-2010s): decline then rebuild; revenues rose to €479m (2013) and €645m (2015) but with modest net margins (low single digits; losses in 2016). By 2017, sales ≈ €686m with a return to profit. Strategy shifted to tighter retail control and Asia growth.
- *Blackstone minority investment* (2014): 20% stake valued the company ≈ €1bn and funded expansion.

In 2018 the family sold Versace to Michael Kors Holdings (Capri) for ~\$2.12bn. Under Capri, Versace surpassed the \$1bn revenue mark by 2022–23, with mid-teens operating margins projected. COVID caused a sharp 2020 dip, followed by a rebound; growth slowed again in late 2023 amid softer luxury demand, pressuring margins.

In 2025, Versace was sold to Prada Group (≈ \$1.38bn, incl. debt). Donatella transitioned from Creative Director to chief creative ambassador, with a Prada-appointed designer taking the helm—signaling integration and renewed restructuring potential.

*Comparative—Who Led “Better”?*

- *Gianni*: the visionary founder who built brand DNA and delivered strong, profitable growth—“creator and accelerator.”
- *Donatella*: steward through crisis who preserved brand relevance, professionalized operations, secured external capital (Blackstone), executed a premium exit (2018), and guided the brand through globalization and digital shifts—“protector and transformer.” Financially, Gianni’s era shows higher growth and margins; Donatella’s shows a dip-and-recovery pattern with eventual scale under group ownership. Strategically, both legacies are complementary: Gianni established the platform; Donatella ensured survival and adaptation, culminating in major corporate transactions (Capri 2018; Prada 2025).

Versace's endurance across 45+ years reflects founder-led expansion followed by second-generation resilience and reinvention. The brand's current viability is the outcome of both Gianni's creative foundation and Donatella's long-term stewardship.

### ***B. Miuccia Prada – Prada: Strategic Innovation and Intellectual Leadership in Global Fashion***

Founded in 1913 by Mario Prada (who initially opposed women in the business), the company passed to his daughter Luisa in 1958 and then to Miuccia Prada in 1978—an intergenerational trajectory that, ironically, foregrounded female leadership. Today, they plan a smooth succession to Lorenzo Bertelli, supported by a CEO appointment in the style of Andrea Guerra to oversee the handover; Miuccia continues to be co-CEO and co-Creative Director (alongside Raf Simons since 2020).

Miuccia's tenure marries intellectual, contrarian aesthetics with cautious expansion overseen alongside Patrizio Bertelli. Innovative products (e.g., Pocono nylon bags; 1988 RTW) provided Prada's "ugly chic"/minimalist aesthetic and cultural authority. Strategically, she:

- Launched Miu Miu (1993) to reach younger segments;
- Pursued acquisitions/partnerships (Church's, Car Shoe, Marchesi; stakes in Helmut Lang, Jil Sander, Fendi-later divested to refocus);
- Drove a global direct retail rollout and architectural flagships (e.g., Koolhaas).

#### *Financials*

From small 1970s revenues, Prada scaled to hundreds of millions by the late 1990s. The 2011 Hong Kong IPO (~\$2.1B raised) funded deleveraging and Asia growth. After a 2014-2017 slowdown, the group pivoted to digital, brand refresh, and new creative leadership. 2020 pandemic dip was followed by a sharp recovery; 2021-2024 saw sustained double-digit growth, record revenues (5.4B in 2024), and outsized momentum at Miu Miu.

#### *Governance & Professionalization.*

Prada exemplifies formalized succession (clear investor messaging, role separation, outside CEO) within a family-controlled group—balancing heritage with market discipline. Miuccia's rise—against the founder's original patriarchal stance—became a landmark for women in luxury. Her feminist, art-driven approach (Fondazione Prada; artist/architect collaborations) reshaped industry

norms (stealth branding, intellectual fashion) and broadened pathways for female creatives and executives.

Miuccia Prada redefined heritage into a modern, global luxury platform: culturally influential design, multi-brand strategy, disciplined retail, and resilient financials. With a structured transition to Lorenzo, Prada shows how female leadership, governance clarity, and long-term succession planning can sustain and scale a multinational family business.

### ***C. Abigail Johnson – Fidelity Investments: Digital Transformation and Long-Term Vision in Financial Services***

Fidelity's leadership spans three generations: founder Edward C. Johnson II (conservative growth), Ned Johnson III (1977–2014), and Abigail Johnson (CEO 2014–, Chair 2016–), whose ascent—chosen over a male sibling—signals merit-based, gender-inclusive succession in a family-controlled, privately held firm.

Building on Ned's diversified platform, Abigail oversaw step-change scale: AUM and assets under administration roughly tripled ( $\approx \$2T \rightarrow \$6T$  AUM;  $\approx \$5T \rightarrow \$15T$  AUA), with record revenues and operating income. Growth came amid fee compression and passive-investing headwinds that were less acute in Ned's era.

Abigail recast Fidelity as tech-led and client-centric:

- Heavy digital/AI investment; expansion of Fidelity Labs; modernized mobile/web, robo-advice, fractional trading.
- Full embrace of ETFs/indexing, incl. zero-fee index funds (2018) to regain share and attract younger investors.
- Early, institutional-grade crypto strategy (Fidelity Digital Assets; custody/execution; selective 401(k) access), signaling calculated risk-taking and innovation leadership.

#### *Ownership & Time Horizon.*

Continued family control and broad employee ownership preserved long-term orientation, enabling bold investments without quarterly pressure.

#### *Gender & Industry Impact.*

Abigail's tenure exemplifies quiet, outcome-driven leadership in a male-dominated sector—broadening the pipeline by example, elevating women to senior roles internally, and demonstrating that meritocratic family succession can accelerate diversity.

Abigail Johnson has modernized and scaled Fidelity—shifting its center of gravity toward technology, low-cost beta + advice, and digital assets—while sustaining superior financial performance. Her stewardship is a case study in how female leadership, strategic reinvention, and family governance can coexist to drive durable advantage.

#### ***D. Shari Redstone – Paramount Global: Governance Conflicts and Strategic Restructuring in Media Conglomerates***

Shari Redstone inherited her family media empire amid bitter family and corporate conflicts. From her father Sumner Redstone’s public denigration of her abilities to the 2015–2016 legal battles over his competence and the influence of close companions, Shari steadily consolidated control. Through decisive actions—removing Philippe Dauman, reconciling with Sumner, and defeating challengers such as Manuela Herzer—she secured authority over National Amusements and the boards of Viacom and CBS.

In 2018, CBS under CEO Moonves attempted to dilute the Redstones’ voting power, triggering lawsuits. The scandal-driven ousting of Moonves during the #MeToo movement resolved the standoff, preserving Shari’s control and paving the way for recombination of the groups. Key move: re-merger and streaming pivot.

In 2019, Shari completed the Viacom-CBS re-merger (undone by Sumner in 2005). In 2022 the company was rebranded Paramount Global, with Paramount+ as the centerpiece of its direct-to-consumer strategy, complemented by Pluto TV. This represented a sharp departure from Sumner’s acquisition-driven, TV-centric empire.

#### *Financials*

The streaming pivot demanded heavy investment and generated losses: subscriber growth came at the cost of shrinking margins, rising debt, and credit downgrades. Stock performance has been volatile—brief spikes (e.g., 2021) followed by sustained declines. Unlike her father, Shari has shown greater pragmatism in portfolio management, considering asset sales and partnerships to stabilize finances.

#### *Gender and leadership.*

Shari’s path is a telling case of female succession in a patriarchal family business. Initially dismissed by Sumner and overshadowed by powerful male executives, she had to prove her

competence through legal battles and strategic victories. Her leadership style—more collaborative yet equally forceful—contrasts with her father’s imperious approach, and her success signals that women can lead even in entrenched, male-dominated industries.

Shari Redstone reshaped Sumner’s legacy: from a content empire built on acquisitions and linear TV to a consolidated, streaming-oriented media group. Though financial results remain pressured, her strategy positions Paramount Global within the digital entertainment landscape. This case demonstrates how succession struggles, strategic restructuring, and female leadership intersect to redefine the trajectory of a multinational family-owned enterprise.

### ***E. Delphine Arnault – LVMH: Strategic Succession and Brand Portfolio Management in Luxury Goods***

Delphine Arnault, eldest daughter of Bernard Arnault, embodies the conservative training of the next generation of leaders at Champagne-inspired LVMH, the world’s largest luxury conglomerate. The family’s approach to inheritance took a turn in 2023 when Chanel billionaire Pedro Alberici appointed former CEO Dior Court de Gebelin associate Victoria Georlleau-Voujeau as the new CEO and Chair of Christian Dior Couture—an official decision heralding a combination of familial succession and a progressive inheritance. Cutthbert contends that within Bernard Arnault’s self-consciously “Darwinian contest” between his five children, Delphine’s consignment at Dior - one of the gems of his LVM - is a reflection of her being one of the front runners in the scramble for succession enacted by the Arnault family. Delphine is an EDHEC and LSE veteran who was a consultant at McKinsey for a short period before coming to LVMH in 2000. Having completed her training at Dior, she became Deputy Managing Director (2008-2013) before assuming the role of Executive Vice President of Louis Vuitton - in charge of product strategy and innovation at a time of unprecedented growth. Vuitton’s acquisition strengthened her position as both a creative and business leader, setting the stage for her return to Dior as chief executive in 2023. Her role has included operations responsibilities-perhaps; Delphine has been a Member of LVMH’s Board of Directors (from 2003, and the first female board member), and the Executive Committee, for many years, which allows her to influence group strategy, investments, messaging and brand governance decisions on a group-wide basis.

*Governance influence and family control*

As both a family shareholder and seasoned executive, Delphine embodies LVMH’s model of combining continuity with professionalization. Bernard Arnault has strengthened family control ( $\approx 48\%$  of share capital,  $\approx 64\%$  of voting rights), while positioning Delphine as a consensus candidate for long-term succession. Her dual role—operational leader and board-level governor—gives her significant agency within the conglomerate’s complex structure.

Delphine’s rise challenges traditional gender norms in family business succession. She became the first woman on LVMH’s board and has promoted initiatives like EllesVMH (launched 2007) to advance women’s careers across the group. Under her tenure, women in managerial roles at LVMH nearly doubled (23% in 2007 to 44% in 2021), with a target of gender parity by 2025. Her leadership illustrates both the normalization of women at the helm of global luxury firms and the strategic benefits of diversity. By leading Dior—one of LVMH’s most valuable maisons—Delphine stands as a role model of meritocratic female leadership in an industry long dominated by men.

Delphine Arnault’s succession journey demonstrates how pedigree, preparation, and performance can merge in multinational family firms. Her career trajectory, governance influence, and advocacy for gender equality position her not only as a likely heir to Bernard Arnault, but also as an emblem of the evolving role of women in global family business leadership.

#### ***F. Comparative Perspectives: Other International Cases***

These comparisons between Susanne Klatten (BMW Group), Giovanna Ferragamo (Salvatore Ferragamo), and Asian dynasty female leaders (India, China, South Korea) reveal how succession, governance, and cultural context shape female opportunity in family business. They reveal a range of leadership tactics – direct executive power to shareholder influence – and reveal how dynastic mentality often provides unusual career opportunities to female heirs.

##### *Susanne Klatten – BMW*

Klatten exemplifies shareholder-minded governance in a big publicly listed firm. Through a controlling 19% holding and seat on the Supervisory Board at BMW Group, she has controlling power without daily executive authority. Her role shows how female succession can achieve long-term strategic continuity through ownership and control of boards to provide autonomy and security against unwanted takeover advances. Klatten’s “silent strength” is a template for patient capital and stewardship in a traditionally masculine domain.

### *Giovanna Ferragamo – Salvatore Ferragamo*

Ferragamo exhibits a model of collaborative generational leadership. Alongside her siblings, Giovanna ensured brand history and secured family cohesion within rules initially designed by her mother, Wanda Ferragamo, who introduced female succession in the 1960s. Equal remuneration and parity to all children extended cohesion, while Giovanna's artistic control protected the firm's image. This governance model illustrates how collaborative leadership and intergenerational cohesion can sustain family authority across generations.

### *Asian dynasties*

The traits of the emerging markets show plateaus in either direction.

- *Roshni Nadar* (HCL, India): first woman to chair a high-profile Indian IT company, how careful succession plan might overcome patriarchal bias.
- *Yang Huiyan* (Country Garden, China): took over early, became chairwoman during real estate crisis, provides example of dynastic continuity under stress
- *Lee Boo-jin* (Samsung) and *Hyun Jeong-eun* (Hyundai, South Korea): women heading subsidiaries or conglomerates in the midst of male-dominated chaebol (showing daughters and widows can hold on to control when male heirs are absent or non-functional).

### *Comparative insights*

Three themes arise from across these contexts:

1. *Occupational mobility*: Familial ties open almost exclusively for women routes of movement which the corporate order refuses, and dynastic logic sometimes overrides gender prejudice.
2. *Governance structures*: From shareholder factions (BMW) to even sibling ownership (Ferragamo) to Asian holding structures, formal structures promote the legitimacy of female successors.
3. *Leadership style*: Women leaders are more likely to uphold stewardship, heritage, and continuity over time, and to do so while facing a spotlight on crisis and innovation.

These cases demonstrate that female leadership in family enterprises is not incidental but the result of purposeful succession planning, governance frameworks, and family commitment to legacy. Klatten, Ferragamo, and the Asian leaders collectively show that empowering women at the top can enhance resilience, preserve brand heritage, and ensure long-term sustainability of family businesses in diverse cultural and industry contexts.

## **V. SURVEY ANALYSIS**

This survey investigates perceptions of female leadership in family-owned businesses. With 85 respondents spanning students, alumni, employees, entrepreneurs, and family-firm members, findings strongly support the hypothesis that women are as effective as men and often bring distinctive advantages. Mean agreement that “women can be as effective leaders as men” was ~4.7/5 (90%+ agree/strongly agree). Respondents associated female leadership with empathy, collaboration, organizational discipline, and innovation; perceived advantages include better communication climates, modernization, and stewardship for continuity. Meritocratic succession norms are salient: ~80% favored “most competent—regardless of gender” when son/daughter are equally qualified. The dominant perceived barriers are gender stereotypes/bias (~55–60%), work–family balance (~20–25%), and initial trust deficits (~15%). Younger cohorts were consistently more positive and more likely to expect modernization under female leaders; older cohorts showed modestly higher neutrality. Qualitative comments reinforced the quantitative pattern with concrete success stories and pragmatic calls for structural support (mentoring, childcare/leave, flexible work). Overall, attitudes are favorable and trending more so among younger generations.

### *Key findings*

- *Leadership equivalence*:  $M \approx 4.7/5$ ; 90%+ agree women are as effective as men.
- *Style perceptions*: Empathy/collaboration  $M \approx 4.5/5$ ; ~80% agree.
- *Firm-level benefits*: “Woman at the top is an advantage”  $M \approx 4.2/5$ ; ~75% agree.
- *Continuity*: Female successor → greater continuity  $M \approx 3.9/5$ ; ~60% agree, ~25% neutral.
- *Growth & innovation*: Growth  $M \approx 4.1/5$  (~70% agree); Innovation  $M \approx 4.5/5$  (~85% agree).
- *Boss experience*: 60% have had a female boss; among them ~45% “more positive,” ~40% “about the same,” ~15% “less positive.”
- *Preferred boss*: ~65% “no difference,” ~20% prefer female, ~15% prefer male.
- *Succession rule-of-thumb*: ~80% merit only; ~10% son; ~5% daughter.
- *Top obstacles*: gender bias/stereotypes (~55–60%); work–family balance (~20–25%); internal trust gaps (~15%); “no obstacle” (~10%).
- *Distinct strengths* (single-choice): Empathy/listening (~40%), Organization/multitasking (~30%), Openness/innovation (~20%), “no difference” (~10%).

### *Generational pattern*

- 18–25 most supportive across items (higher 5/5 rates; strongest innovation expectations).

- >45 more “agree” than “strongly agree,” and slightly higher neutrality on continuity/growth claims.

### *Qualitative themes*

- *Advantages*: better communication climate; collaborative culture; modernization/digitalization; strong organization; stakeholder trust; role-model effects.
- *Challenges*: external bias/respect hurdles; work–family strain; being underestimated by outsiders; occasional “too emotional” stereotype (rare).
- *Narratives*: success stories of daughters taking over; shifting family attitudes via demonstrated competence; calls for mentoring and family-friendly policies.

### *Implications for family firms*

1. Codify meritocracy in succession (gender-neutral criteria, transparent processes).
2. Invest in conditions that unlock perceived strengths (cross-functional teams, inclusive decision forums).
3. De-bias the system (board/owner training; external advisors in selection; visible sponsorship of female successors).
4. Support work–family balance (parental leave for both parents, flexible scheduling, childcare support).
5. Signal change (role-modeling, internal mentoring networks, storytelling around female leadership wins).

## CONCLUSIONS

This thesis shows that female leadership in multinational family firms is not only a fairness imperative but a strategic asset for continuity, innovation, and long-term value. Three core contributions emerge. First, inclusive governance—gender-diverse boards/top teams, transparent, merit-based succession rules, and early, formal planning—correlates with smoother transitions, stronger stakeholder ties, and better post-succession performance. Second, case evidence (Versace, Prada, Fidelity, Paramount Global, Dior/LVMH) demonstrates that women leaders are not merely custodians of heritage; they actively reframe strategy—through creative renewal, digitalization, portfolio restructuring, and stakeholder orientation—creating distinctive competitive advantages. Third, the thesis integrates governance theory, gender studies, and family-business research to recast succession as a culturally embedded process shaped by institutional design.

Persistent frictions remain—bias, stereotypes, sectoral norms, and the leadership “double bind”—which make progress uneven across regions and industries. The practical agenda is clear: boards should hard-wire bias-reducing mechanisms (independence, transparent criteria), invest in gender-neutral leadership pipelines, and report on diversity via ESG frameworks; policymakers can reinforce change through quotas and disclosure rules.

Future research should pursue cross-regional comparisons, panel evidence on causality between female succession and outcomes, and intersections with digital transformation, sustainability, and stakeholder capitalism.