

What Family Businesses in Africa Can Teach Us About Women Leaders

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Large family firms in countries such as Ghana, Kenya, and Madagascar show that women's leadership can thrive when families widen their view of succession.

In many parts of the world, businesses are still struggling to achieve gender balance in leadership. One surprising exception: Africa. Did you know that in several African nations, women occupy more than a third of executive roles within large family-owned firms? Statistics from Ghana, Kenya, and Madagascar shows that female leadership rates exceed the benchmarks set by comparable firms in France (22.3%) and Monaco (32.4%).

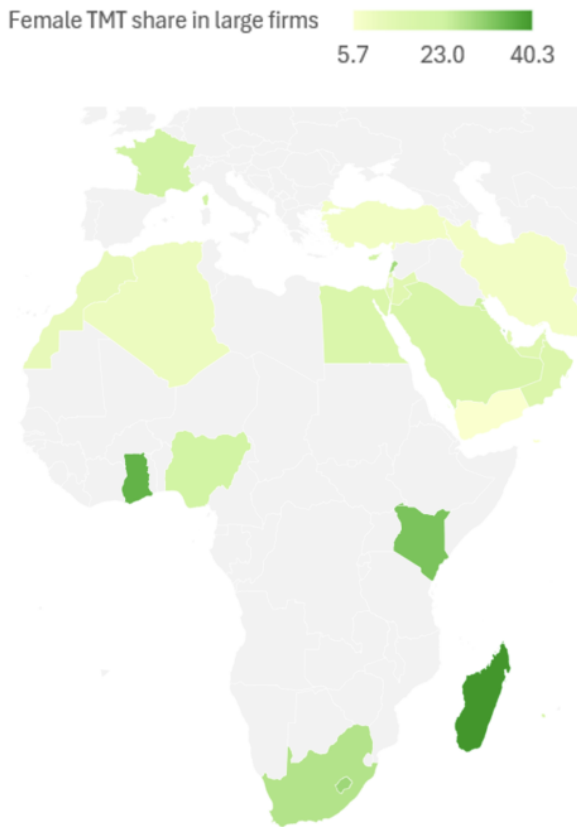
New large-scale evidence involving nearly three million managers across 23 countries in Africa and the Near East (Ahrens et al., 2024) challenges the prevailing assumption that African business environments are uniformly restrictive for women. Instead, the findings suggest that family firms in these regions play a pivotal role in fostering more balanced leadership teams.

Despite that, substantial gender imbalances persist. In the Africa and Near East region, which hosts two billion people and accounts for one-fourth of the world's population, women still occupy only 20% of executive (top-managerial) positions in large enterprises. This underperforms the global average of 24% - a benchmark that is already far from true gender equality.

However, family-owned businesses are bucking this trend in Africa. Globally, they are the most common type

of business, representing upwards of 90% of the corporate landscape in several countries, including Africa and the Near East. While these firms contribute to job creation and economic stability, and often play an important social role, succession can make or break their longevity.

Family firms usually rely upon family members to take over leadership in the next generation (Ahrens, 2020). When families consider both sons and daughters as potential successors, they significantly expand their pool of talents (Ahrens et al., 2015). This increases the opportunities to find a skilled, experienced, and capable leader and, convergently, improves the long-term survival of the business. For this reason, gender equality constitutes both a social issue and a practical challenge for family firms (Maseda et al., 2021). The relatively high female leadership rates in countries such as Ghana, Kenya, and Madagascar, are therefore especially relevant for practitioners interested in intergenerational performance and continuity of the family firm.



Are Family Firms Driving Leadership Equality?

Around the world, family firms often create favorable conditions for women to move into top management roles. On average, large family firms maintain a slightly higher proportion of women in senior leadership compared to their non-family counterparts. The comparative margin might seem limited (1.6 percentage points; Ahrens et al., 2024), but it's far greater in Africa and the Near East: in Africa, the overall share of women in executive teams is 2.1 percentage points higher in family-owned businesses than in non-family firms.

However, this pattern varies widely in other countries, where women are less represented in leadership positions within family firms. For example, in Lebanon, the share of women in top management is about 9.1 percentage points *lower* in family firms than in non-family firms. For comparison, the gap in France is much smaller, at around 2.1 percentage points lower.

Contrast this with Egypt and Kenya, where the share of

women in top management is about 10 percentage points higher in family firms than in non-family firms. The difference is larger in Madagascar, where the gap reaches about 15 percentage points, a level similar to that observed in Monaco. In Bahrain, the difference is even more pronounced, reaching roughly 24 percentage points. These large differences suggest that the broader environment matters a great deal. National institutions, cultural norms, and labor market conditions all influence whether family firms support or hinder women's leadership (Hunjra et al., 2023; Ahrens et al., 2024).

Overall, family firms do not automatically promote or limit gender equality. Instead, they tend to reflect and sometimes amplify the context in which they operate. In some settings, they reinforce traditional norms that restrict women's advancement. In others, they help compensate for weak labor market institutions by promoting women into leadership roles.

Implications for Practitioners and Policymakers

Leadership equality in business has received much more public attention in recent decades, and some progress has been made. For example, in 1996, there were only two female CEOs among Fortune 500 companies, and women held just 1.2% of board positions in those firms (Daily et al., 1999). While the situation has improved since then, leadership positions are still far from gender balanced.

For family business owners, managers, and advisers, the message is simple: Talent and professional qualifications are not determined by gender. Leadership ability and entrepreneurial potential exist among both men and women. When people have equal access to education, experience, and opportunities -- something that is unfortunately still not the case in many parts of the world, including parts of Africa -- this talent can develop and benefit the business. The next outstanding business leader in a family could be a daughter instead of a son. Expanding the pool of potential leaders increases the likelihood of selecting the right person and strengthens the firm's long-term prospects.

Research also shows that strong human capital in leadership roles contributes directly to higher financial performance in family firms (Ahrens et al., 2019). When families exclude women from business activities or make it harder for them to participate, they may unintentionally reduce the talent available to the firm and

eliminate the best candidates. So in practice, considering both male and female candidates is not only a question of fairness or social progress, but also a key economic issue that can influence the prosperity of the family firm and its ability to survive across generations.

For policymakers and business leaders alike, encouraging gender-inclusive strategies at every level - from the nuclear family to broader society - is essential for holistic development and economic prosperity. Despite the upward trend in female leadership within family enterprises, substantial barriers to opportunity persist. These hurdles often emanate from deeply embedded patriarchal structures and cultural and historical legacies that shape traditional governance. Advancing toward a more equitable landscape therefore requires systemic progress across multiple socio-economic spheres:

- Women need equal access to financial resources and inheritance, including the opportunity to start a family business and to inherit ownership or wealth.
- They need to be included in family business decision-making, both in management roles and in the governance of family assets, even in parts of the world where these roles have traditionally been dominated by men.
- Succession planning is equally important. Families should consider daughters as potential successors and support their development through mentoring, education, and leadership experience. In some places, even basic factors such as access to education or digital skills can still limit women's opportunities to prepare for leadership roles (e.g., Akemu et al., 2023; Coco et al., 2024).

Policymakers can support these changes by creating legal frameworks that empower family firms to address challenges and grow sustainably. When families make full use of the human and social capital available within the family, they can build stronger businesses and create wealth across generations.

In the end, promoting gender-inclusive leadership in family firms is not only about fairness. It also strengthens resilience, improves efficiency and competitiveness, and helps ensure that family businesses can successfully pass from one generation to the next, as Africa's experience has shown. When

barriers are lowered and opportunities are shared more equally, both businesses and societies benefit.

Paths for Future Research

Despite their economic significance, the family firms in Africa have not been studied enough, so our understanding of their inner workings and their broader impact on society remains fragmented. We need to know much more about gender inclusion; scholars describe the field as "underdeveloped and ambiguous" when analyzing the trajectory of women into top management (Jain et al., 2021, p. 2).

Women-run family enterprises are far from passive; they are potent shapers and drivers of social change (Montemerlo et al., 2013). The evidence suggests that leadership diversity is shaped by a complex interplay of family dynamics, national institutions, and local cultural contexts. Untangling these factors requires more robust, intersectional research (Chanlat & Bruna, 2011; Welch et al., 2025). Nowhere is this more pressing than in Africa, where countries like Madagascar challenge conventional wisdom by boasting high rates of female entrepreneurship. By learning more about how these families operate, we can generate vital insights for both scholars and practitioners worldwide.

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