



**Diversity, Equity, and Inclusion**

## **Letting go of the reins: How female and male business leaders view succession**

by [Lea Wang](#), [Jung Eung Park](#), [Benoit F. Leleux](#) Published 10 June 2024 in [Diversity, Equity, and Inclusion](#) • 7 min read

**A new research survey among French business leaders suggests that men and women may approach the issue of stepping down from the top job from quite different perspectives.**

As France faces a demographic shift with the aging of the baby boomer generation, business successions are rapidly becoming a pressing economic concern. A quarter of SME and intermediate-sized enterprise (ETI) leaders are over 60, and more than half of these businesses are on the brink of transmission – a rate three times higher than in the previous decade, according to a [recent article in Les Echos](#). Yet, alarmingly, over a third of business leaders over 70 have not formalized a succession plan, with the figure rising to half for those aged 60 to 69. This data underscores a critical gap in preparedness at a time when leadership transition is vital for economic resilience.

In this context, female leaders' distinctive perspectives, insights, and approaches to business succession offer valuable lessons. Their leadership is often marked by an open posture (listening, team orientation) and a balanced vision, so they should offer a unique perspective in navigating the complexities of business continuity.

The need for diverse leadership styles has always been evident, particularly in times of significant transitions. It seems important to learn from the unique postures of female leaders to not only inspire but also equip businesses for a more adaptable and robust future.

Recent surveys conducted by Transmission Lab with 144 female business owners and 123 male counterparts for SMEs unveil the unique perspectives of female leaders when it comes to ensuring the business continuity of their enterprises. Four main challenges emerge in business succession and have been the focuses of analysis here:

- When the leadership torch is passed from one generation to another, what is truly passed on? What element matters most in securing a legacy: patrimony, name, craftsmanship, entrepreneurial spirit, values, or a team?
- What does succession imply for the transmitter personally?
- What triggers the leader to get the ball rolling? A successful succession often takes over 10 years to prepare, going beyond a simple legal transfer of responsibilities to adapting processes so that next-gen leaders learn to grow, fit in, and thrive with innovation and entrepreneurial passion.

What key qualities is the transmitter looking for in the next generation?

For each of these questions, respondent female owners offer unique and insightful perspectives.



“Beyond the necessary “savoir-faire,” female leaders distinguish themselves by prioritizing values and teams, while male counterparts emphasize strategy and vision.”

## Priorities to pass onto the next gen

Regarding legacy priorities, female leaders differ in the ranking of values. Both male and female leaders emphasize “savoir-faire” (know-how) as the most important element to pass on to the next generation, but they differ significantly on their second priority. Twenty percent of females opt for “values” (versus only 12% of males) and 19% for “a team.” For their male counterparts, passing on a “strategic vision” comes second (20%, versus only 6% for female leaders).

Beyond the necessary “savoir-faire,” female leaders distinguish themselves by prioritizing values and teams, while male counterparts emphasize strategy and vision. What does this imply for succession? Male leaders are more likely to look for successors who are able to carry on with their strategic vision, seeking continuity. Female leaders emphasize candidates

who will maintain the values, giving more leeway for the next generation to innovate and pivot, taking new strategic turns if the situation warrants.



“Female leaders seem to exhibit a better ability to detach themselves from the ownership role, aspiring for a balanced life with multiple projects.”

## Preparing for succession

Secondly, with a free association task, leaders were asked what “preparing for succession” represented and what came to mind spontaneously when speaking of preparing one’s succession. While both female and male leaders associated succession primarily with durability, they differed again significantly after that.

Female leaders emphasized the importance of anticipation, while their male counterparts focused on the challenges of the transition. Male leaders suggested words such as “fear” and “end,” while female leaders mentioned “success,” “opportunity,” and “pride”. This reflects a more open vision by female leaders, where succession is the beginning of a new phase of life, with a focus on preparing the next gen, whereas male leaders offer a more fatalistic vision, where succession is perceived as the end of a process, an obligation to fulfill.

Male and female leaders exhibited the most differences in the triggers for the succession process. Fifty-eight percent of male leaders kickstart the succession planning process because of imperatives: age, poor health, or a difficult financial situation, versus 23% for female leaders. Female leaders more often engage in the succession process because of a new personal or professional project. Female leaders seem to exhibit a better ability to detach themselves from the ownership role, aspiring for a balanced life with multiple projects.

Male leaders seem to form a stronger association between their identity and their role as business leaders. We heard the comments voiced explicitly by interviewees: “I no longer know who I am if I retire,” and “The worst day of the week is Sunday.” Male leaders tend to adopt a passive approach to succession planning: Succession is often forced on them under obligation or negative circumstances. Female leaders appear [more likely to proactively plan for it](#), with a more positive vision of their personal futures.

On the final issue of the characteristics of the ideal successor, stronger gender differences emerge. Female leaders in the sample emphasized “personal commitment and motivation” (a first-order requirement for 33% of the female respondents), while this item only showed up in

third place for male respondents. Even more intriguing, female leaders highlighted the importance of “excellent relational skills,” while male leaders prioritized “strategic thinking.” Once again, the contrast between humans and strategy is evident.



“The most cited hurdle in succession in the literature, especially in family businesses, is owners’ incapacity to let go.”

## Overcoming hurdles in succession

Of course, our research does not suggest that female leaders are inherently superior to their male counterparts; it only suggests that they offer unique perspectives on key succession issues. That said, the literature suggests they exhibit certain unique qualities that position them advantageously when managing business succession.

The most cited hurdle in succession in the literature, especially in [family businesses, is owners’ incapacity to let go](#). The ability of female leaders to envision a better work-life balance and personal projects simultaneously as they lead the organization and their ability to engage collective forces, rather than relying simply on their strategic insights, equip them with a more positive, less defensive stance towards succession and the journey to letting go.

Of course, we do not suggest that all female leaders are inherently better equipped to initiate and manage the succession process. Our interviews suggest that a distinctive female approach toward succession seems to exist, from which both genders can draw inspiration. Their ability to anticipate and project themselves beyond succession enables fuller and earlier empowerment of the successors, giving them the freedom to innovate and take new strategic turns.

With less anxiety about finding a perfect clone to somehow retain some level of control, the exit can be considered earlier without heavy emotional baggage, offering also a more attractive pathway to the next gen, one in which “ghosts from the past” won’t be hampering their ability to contribute to the future of the firms.



## **Authors**



### **Lea Wang**

Research director at Transmission Lab

Lea leads research at Transmission Lab, a non-profit organization in Paris committed to raising awareness, facilitating discussions, and providing support for business transmission and succession planning. She also holds a Professorship at CBS International Business School in Cologne, Germany. She obtained her Ph.D. in work and organizational psychology from Paris 8 University and Tsinghua University in China.



### **Jung Eung Park**

Associate professor at ISG Paris

Jung Park is an Associate Professor of Entrepreneurship and Innovation at ISG Paris and an Adjunct Researcher at HES-SO/HEG-Genève. His current research interests include venture governance and startup ecosystems. Prior to that, he worked for five years at IMD as a research fellow for entrepreneurship, innovation, and family business governance.



## **Benoit F. Leleux**

**Benoît Leleux** is the Stephan Schmidheiny Professor of Entrepreneurship and Finance at IMD. He is Co-Director of [Foundations for business leaders program](#) and Program Director of [Winning Sustainability Strategies program](#).

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