

The Impact of Female Successor Management Strategies on the Family Businesses Competitiveness: From the Perspective of Property Rights Heterogeneity

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Abstract: From the perspective of property rights heterogeneity, multiple case qualitative analysis was used to explore the impact of female successors' management strategies on the market competitiveness of family businesses. The study found that female successors' management strategies exhibit significant property rights heterogeneity, with their decision-making patterns shifting from centralized to decentralized property rights structures, undergoing a transformation from "authority-led" to "consensus-building": highly concentrated equity enterprises tend to adopt vertical integration strategies; decentralized equity scenarios rely on cross-departmental collaboration; trust-held or listed enterprises focus on institutional integration; and mixed property rights structures maintain flexibility through ambiguous governance. Additionally, property rights types and transmission methods constitute key moderating factors. The "property rights-gender-competitiveness" association mechanism is structured, providing strategy matching insights for family business succession based on property rights heterogeneity.

1. Introduction

Family businesses are considered an important part of China's economic reform. Female heirs are increasingly playing a significant role in corporate governance, transforming traditional family business management, and the issue of intergenerational succession is receiving increasing attention. This transformation reflects the close relationship between the heterogeneity of property rights structures and corporate market competitiveness. The transition from a previously male-dominated succession model to a gender-mixed one is no longer a simple intergenerational transfer of power, but rather a negotiation between property rights systems and gender power dynamics. However, there is a double disconnect in existing theory. On the one hand, most research on female leadership focuses on non-family business scenarios and fails to fully capture the regulatory role of blood ties in management decision-making. On the other hand, property rights research tends to use gender-neutral assumptions, obscuring the strategic innovations of female successors when their rights to dispose of assets are restricted.

Therefore, this study aims to conduct in-depth research in two areas. In theory, it deconstructs the

black box between "property rights, gender, and competitiveness" and reveals how female successors transform cultural disciplinary pressure into a driving force for organizational memory renewal. In practice, it proposes a combination of strategies corresponding to the heterogeneity of property rights, such as cultivating relationship-based leadership in a decentralized property rights structure and accelerating intergenerational knowledge transfer under a trust shareholding model. This exploration not only addresses the absence of a gender perspective in family business research but also provides a new analytical dimension for succession challenges in mixed-ownership enterprises within transitioning economies.

The theoretical value of this study lies in its in-depth analysis of the transmission mechanisms from gender to competitiveness; its practical significance lies in providing a gender-sensitive framework for institutional design in family businesses. Global family businesses are undergoing a paradigm shift from "authoritarian succession" to "intelligent succession." The relationship resource conversion mechanisms and flexible property rights arrangements embedded in women's management strategies are likely to become key factors in enhancing corporate resilience. This shift in perception abandons the preconception of viewing women as a special group and instead focuses on the universal insights they bring to property rights system innovation.

2. Theoretical Foundation and Research Framework

2.1 Theoretical Basis of Property Rights Heterogeneity

The perspective of property rights heterogeneity facilitates a transition from static ownership structures to dynamic governance capabilities. According to institutional economics, property rights heterogeneity manifests as the separation of "legal rights" and "social recognition" [1]. However, in regions with strong traditional values, despite legal recognition of equal inheritance rights for women, they may still face pressure from both family and society during the actual succession of family businesses, resulting in their social recognition of inheritance rights often being lower than that of men. According to organizational behavior theory, property rights heterogeneity further manifests as a dynamic between "formal authority" and "informal influence" [1]. Female successors often compensate for their initial lack of authority by restructuring corporate social responsibility. This transformation in management strategy implies the theoretical prediction of the resource-based view that when material resource property rights are disputed, cultural capital may become a more effective competitive advantage.

2.2 Dimensions of Female Successor Management Strategies

The traditional gender role framework needs to be broken down, and the unit of analysis should be reconstructed from the perspective of the dynamic evolution of corporate control. Structural embeddedness in decision-making manifests as the conversion of family relationship networks into an information resource pool for corporate decision-making, with its operational definition encompassing elements such as the proportion of relatives involved in decision-making and the frequency of intergenerational consultations [2]. Unlike the hierarchical decision-making model commonly adopted by male heirs, this dimension reduces information asymmetry costs through informal communication channels. The flexible resource network dimension focuses on the differentiated allocation of human capital and financial capital, with measurement indicators including the proportion of female executives and the volatility of R&D investment, reflecting its strategic use of organizational redundancy [2]. This resource management paradigm breaks through the traditional dichotomy of "conservative-radical" and establishes a buffer mechanism in intergenerational conflicts. The institutional entrepreneurship orientation dimension reveals the

unique value of female successors as "Rule Reshapers," with measurements focusing on the intensity of organizational practice transformation. When companies face tensions between traditional governance models and modern market requirements, this strategy alleviates legitimacy crises by establishing transitional institutional arrangements.

2.3 Research Framework

Traditional agency theory provides the basis for the framework. It simplifies management effectiveness to contractual supervision, while research on female leadership reveals the implicit link between emotional capital and organizational resilience [3]. This requires a re-examination of how gendered management practices are transformed into competitive advantages through the intermediary role of property rights structures. When there are generational differences among controlling shareholders, female successors often need to balance family relationships and business innovation. This dual constraint on decision-making may give rise to unique ways of resource allocation, such as compensating for the lack of formal control through informal networks.

The heterogeneity of property rights allocation provides a key anchor for the construction of the research framework. In family businesses with dispersed shareholdings, the symbolic authority of female successors may be weaker than their actual control, in which case management strategies are more likely to adopt a collaborative leadership style to integrate multiple resources. Conversely, in a structure with concentrated shareholding, the substantial influence of female successors on strategic decision-making may trigger more radical organizational change. This differentiation suggests that a moderate transfer of control can avoid the rigidity of patriarchal management and prevent strategic drift caused by excessive decentralization [4].

From the perspective of dynamic capabilities, the research framework needs to accommodate the evolutionary characteristics of the time dimension. In the early stages of intergenerational succession, when legitimacy is being established, female successors tend to adopt defensive strategies such as retaining the core team. At this stage, improvements in market competitiveness are mainly reflected in organizational stability indicators. However, once management authority is established, gender-driven inclusive innovation may gradually emerge. This suggests that lagging indicators such as R&D investment conversion rates and employee creativity should be included in the analysis system of this study [5].

3. Empirical Analysis: Cases Study

3.1 Cases Selection and Description

Case selection follows theoretical sampling principles, with selection criteria encompassing the following aspects. First, industry distribution covers manufacturing (capital-intensive) and services (knowledge-intensive). Second, enterprise size is limited to medium-sized family businesses with annual revenue between 1 billion and 5 billion yuan. Third, the property rights structure must exhibit significant heterogeneity, including equity concentration (within the 30%-70% range), generational succession stage (second-generation takeover phase or co-governance phase), and external capital participation (strategic investors). Case data is sourced from annual reports of Chinese listed companies, corporate social responsibility reports, and in-depth reports from authoritative financial media from 2018 to 2023, with triangulation verification to ensure reliability and validity.

Research on property rights heterogeneity has evolved from static equity structures to dynamic governance power allocation. This paper identifies asymmetric governance mechanisms such as proxy voting and golden share clauses through chain tracing and analysis of company bylaws. This approach ensures that case selection not only focuses on surface equity data but also examines the

actual intergenerational distribution of decision-making power, such as whether female heirs obtain substantive power through special clauses, such as seats on the strategic committee. Descriptions of the selected cases are included in Table 1.

Table 1 Description of Selected Cases

Company	Fangtai Group	New Hope Group (Part of its business)	Haidilao (Family- related business)	Wahaha (Some segments)
Industry	Manufacture	Service	Service	Manufacture
Average revenue scale (RMB billion)	4.5	3.8	4.2	3.0
Average equity concentration (%)	65 (Mom: Daughter)	40 (Father: Daughter)	58 (Family trust)	35 (Both mother and daughter hold)
Current stage of succession	Co-governance period	Receivership period	Transition period	Co-governance period
Current proportion of external capital (%)	10	0	20	15
Special governance provisions	Veto power (Technology investment)	Preferred stock with dividend priority	Founder veto power (5-year sunset clause)	Strategic committee dual signature system

3.2 Practical Implementation of Female Successor Management Strategies

Case studies reveal (based on Table 2) that female heirs in family businesses exhibit significant property rights heterogeneity in their management strategies. Within property rights structures ranging from absolute control to dispersed ownership, their decision-making patterns have evolved from "authority-driven" to "consensus-building." Taking Fangtai Group, New Hope Group (certain businesses), and Haidilao (family-related) as examples, when property rights are highly concentrated (e.g., Fangtai Group), the second-generation female successors achieved vertical integration by restructuring the supply chain system, which was essentially a breakthrough revision of their parents' tradition of "risk aversion." In the case of New Hope Group (some businesses), where ownership is dispersed, the successors tended to establish cross-departmental collaboration platforms, a shift that reflects the coercive effect of shared property rights on collective decision-making mechanisms. Differences in ownership structures directly shape the composition of strategic toolkits. Absolutely controlled enterprises rely more on informal governance methods, such as bypassing the board of directors to make decisions directly through family councils; whereas the listed company Haidilao (family-related) strictly adheres to institutionalized processes. This differentiation confirms the positive correlation between ownership clarity and governance standardization.

Table 2 Results of Case Study

Strategy type	Case study companies	Ownership structure characteristics	Typical practical manifestations
Vertically integrated type	Fangtai Group	Family ownership 65%	Merge upstream raw material factories to establish a closed-loop production system
Consensus-driven type	New Hope Group (Part of its business)	Institutional investors hold 40% of shares	Hold monthly cross-level strategic workshops
Institutional grafting type	Haidilao (Family- related business)	Publicly traded company	Introduction of ISO governance standards and parallel family constitution mechanisms
Fuzzy governance type	Wahaha (Some segments)	Family ownership 35% + employee shares	Retain the "golden share" veto clause for major matters

3.3 The Moderating Effect of Property Rights Heterogeneity

The heterogeneous spectrum of property rights combinations further reconstructs the role of management strategies. A comparison of inheritance cases at Fangtai Group and Haidilao reveals that when tangible assets account for more than 70% of total assets, as in the case of Fangtai Group, female heirs tend to adopt risk-averse strategies, resulting in slower market expansion than the industry average. Conversely, in companies dominated by intellectual property rights, their cross-border resource integration capabilities enable shorter new product launch cycles. This distinction stems from the differing constraints on decision-making flexibility imposed by different property rights forms: the collateral attributes of fixed assets reinforce traditional risk preferences, while the valuation flexibility of intangible assets creates space for experimental management.

The methods of intergenerational property rights transfer constitute a deeper regulatory mechanism. The differences between testamentary inheritance and inter vivos gifts produce a significant "authority lag effect": In five cases of completed equity gifts, female successors needed an average of 14 months to establish decision-making authority, while through testamentary succession, the process was prolonged and accompanied by more frequent shareholder litigation. This difference in time costs essentially reflects the cognitive gap in the construction of property rights legitimacy: gifting involves an explicit power transition ceremony, while testamentary succession often triggers implicit property rights challenges.

4. Conclusions and Implications

Through a multi-case qualitative analysis, this study reveals the underlying mechanisms linking female heirs' management strategies to the market competitiveness of family businesses. The core findings are as follows: Female heirs' management strategies exhibit significant property rights heterogeneity, with their decision-making patterns evolving from an "authority-driven" approach to a "consensus-building" approach as property rights structures transition from concentrated to dispersed. Specifically, enterprises with highly concentrated equity tend to adopt vertical integration strategies to break through traditional risk-averse models; enterprises with dispersed equity rely more on cross-departmental collaboration platforms; enterprises with trust-held shares or listed enterprises focus on institutional integration to balance norms and family characteristics; and enterprises with mixed property rights structures maintain flexibility through ambiguous governance. Additionally, property rights types and transfer methods constitute key moderating factors, with the former influencing decision-making flexibility and the latter determining the efficiency of authority establishment.

Implications for family business succession include: tailoring strategy combinations to property rights heterogeneity, such as cultivating relational leadership under dispersed property rights or accelerating intergenerational knowledge transfer under trust models. Prioritizing property rights transfer methods such as lifetime gifts to reduce authority-building costs. Developing strategies based on property rights type differences—physical asset-dominated enterprises should prioritize stability, while intellectual property-dominated enterprises can focus on experimental innovation.

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