

Achieving Balance: Individual Rights and Family Interests

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Living in a civil society requires some sacrifice of individual freedom. In fact, much of the debate between U.S. political parties, which has become even more polarized in recent years, deals with the extent to which the state (society) should be involved with (interfere with) individual choice. In our consulting engagements with families in business together we have also often observed this dynamic at work.

Seeking Independence: A Case Study from David

Years ago I consulted with a family in trouble. A mother and 16 year-old daughter had been abandoned by their husband/father who went on to start another life with another family in another state. The mother was a successful entrepreneur who had built a thriving business from scratch and who was accustomed to getting her way. The daughter was intent on freeing herself from her mother's parenting. The mother and daughter's relationship was in a constant uproar: there were regular arguments over curfew; over the daughter leaving the house and being unaccounted for; over threats to run away (from both mother and daughter!), etc., etc. The mother was frustrated, yet the harder she tried to control her daughter's behavior, the more out of control things became.

As a consultant to the family, I was also frustrated, because no amount of counseling or cajoling had any

impact on the daughter's behavior. Finally, reaching the end of my rope, I came to a conclusion: if the daughter was so determined to leave, let's help her make that happen. At my next meeting with the mother and daughter, I introduced my new plan: "You so much want to leave and to be on your own, let's make that happen. Let's say you will leave home. Where will you live? How will you support yourself? At our next meeting we will discuss your answers to these questions."

At the following meeting, mother and daughter were very apologetic: They hadn't had time to do their homework; they had spent too much time enjoying each other's company, shopping, going out for dinner and to the movies. The tension had almost completely disappeared. Over time, the daughter's efforts to leave her mother faded to non-existent.

Individual vs. Family: Why Conflict Occurs

David's vignette illustrates a key theme we have observed in many families, in particular among multigenerational families who strive to share assets: when togetherness is experienced as enforced, imposed or expected, there is a natural inclination to resist. When choice is introduced, the energy to separate is often dissipated.

We have coined a term for this specific dynamic: "Imposed Mutuality." Imposed Mutuality seems often to grow from a founder's dream that his or her family

stay together for generations. The irony associated with dreams like this is that they often grow without reference to what the next generation actually wants. Once this dream has been put in place, the next generation is seldom consulted as to whether they wish to be part of it.

Challenges Arise From Imposed Mutuality

When a family member freely chooses to associate with the family, his or her view of the relationship is quite different than when forced to associate. When required, rather than chosen, family engagement becomes one more part of the inheritance, and is more likely to be felt as an obligation rather than an opportunity. This leads to tension between individual rights and community responsibilities in family enterprises, which can be exacerbated by a disparity between what is modeled and what is expected. For example, in some families, siblings watch their parents live a life defined by self-determination and autonomy, and the siblings grow to adulthood expecting the same freedom and independence. Many times it comes as a shock when they realize that, in order to succeed as a sibling team, they will have to curb their individualistic impulses and limit their individual freedom.

Another circumstance that can make it difficult for individuals in the next generation to make the sacrifices necessary for a strong community is a family culture of scarcity rather than abundance. Paradoxically, in a family with abundant financial resources, there can be a scarcity of attention, of time to hang out together, of parental affection, care, love and discipline. This scarcity is found largely in the realm of relationships. In the face of this scarcity, natural sibling rivalry can become intensified, as sisters and brothers feel a need to compete for relationship resources.

Also, past history can make it difficult for members of the present generation to make sacrifices for the enterprise. This dynamic tends to emerge more in the cousin stage, but if the next generation perceives that they or their family suffered in the past as a result of demands of the business, they may be very reluctant to commit to the enterprise in the present. In the second generation, this can be when one of the children felt jealous of the business and the attention it received from parents (and that they failed to get as kids). In the cousin stage, it

can be perceptions of unfair treatment or opportunity afforded to your branch of the family. These kinds of resentments make some family members reluctant to commit for now and the future.

The Benefits of Being a Group

And yet, even with all these roadblocks, we see that being part of a larger group can support individual growth and personal success. In fact, one of the best ways to “work on yourself” is to be a part of a group. In the family, participating in the group provides a variety of opportunities to sharpen communication skills, engage in difficult conversations and receive feedback on individual effectiveness. Being a lone wolf, focused solely on individual needs and desires, not only weakens the group, but also results in a weaker, less-developed individual.

Here’s an example of how being part of the group leads to skill development for individual family members: a Southern California retailer of significant size and scope, which had an active cousin group providing leadership for their family council over a period of 10 years. Whether it was the full-time homemaker, the highschool math teacher, the clinical social worker or the computer software engineer, each of the family members learned and grew in ways they never could have expected. They learned about estate planning and tax laws. They learned about group dynamics and effective communication skills. They learned how to foster healthy parent/child relationships. They learned about best practices in the board room, and the rights and responsibilities of shareholders. Some of the learning happened in formal educational settings, while other learning happened along the way, in planning annual family retreats and establishing family policies.

The skills that these individuals developed, as a result of participating in their family group, had wide application in other areas of their lives. The learning helped them when they became parents themselves, and fostered healthy relationships in their newly established households. The benefits are almost too numerous to list, but family members often recognize this when they say: “It hasn’t always been easy, and it has taken a lot of time and energy, but I never would be the person I have become without the opportunities that have come with being part of this family group.”

Strategies for a Striking Healthy Balance

This is a challenging paradox — how can a sibling or cousin group honor the needs of the individual while also respecting the needs of the community? While there are certainly many possibilities, here are four promising strategies for managing, and even synthesizing, the individual/enterprise paradox:

1. Explore the contradictions: Acknowledge any biases and work to overcome them and seek to value BOTH the individual and the enterprise.

First and foremost, simply talking about this dynamic, and the antagonism that can commonly arise between the individual and the community, is a great place to begin. Explore the ways in which this dynamic is currently present in your family. In what ways are you handling it well and where is it causing problems?

Most families have a bias; a preference for the individual or the community. You will be surprised at the benefits from spending extra time and attention on the side that you do not prefer. This can create overall strength in the system, and prevents the problems that come with an overemphasis on one half of the equation.

For example, families with a strong preference for individual freedom will be well served by planning group events and modeling collective decision making for the next generation. Families with a strong preference for the community will benefit by celebrating the unique paths or choices some family members take and recognizing the accomplishments of individuals.

2. Create processes that are dynamic and alive.

- Policies/Rules: If the group creates policies and rules that are too strict, inflexible or onerous, thereby shutting out individual expression, some kind of mutiny can be expected. Or, perhaps even worse, individuals will agree to the rules in principle, but ignore them in action — a “false agreement.” Groups that clearly respect individual differences and allow for some measure of flexibility in their policies will have much more success with them;
- Values/Legacy: It is clear that consistent, enduring values are essential to continuity in family business. However, when imposed upon the next generation

in ways that allow no room for self-expression or self-discovery, traditional values can actually impair the next generation’s ability to find and follow those core values in their heart. Groups that allow for individual expression in the context of enduring values will find the most genuine and passionate advocates of the values in the next generation.

3. Work collaboratively on exit strategies.

People most passionately defend their rights to individual freedom when they perceive that freedom being threatened. If there is no clearly perceived exit possibility, exiting becomes most urgent. When members of a sibling or cousin team acknowledge the need for exit strategies and work together to create them, pressure to separate is mitigated. Moreover, working together to think through and to construct viable exit strategies can paradoxically provide just the kind of collaborative experience that might work against the need to exit in any case.

4. Acknowledge that separation might ultimately be right in some circumstances.

In some situations the tension between individual and community rights and responsibilities is a reflection of a real fissure in the family or in the enterprise. In these situations, separation of the individual from the enterprise might indeed be the best solution for all. Although we firmly believe in the value of diversity and inclusiveness, we also believe that under some circumstances, there is either not enough flexibility inherent in the system or willingness and capacity on the part of individuals to resolve the individual/community tension. Put simply, the differences between the individual and the enterprise are just too large and the only healthy and viable path is for the individual to exit the group.

While this is always a difficult path to follow, it may be the most realistic. And again, paradoxically, may be the best way to preserve relationships. While a discussion of an exit process is beyond the scope of this article, we suggest that in these cases, all parties consider how best to create a graceful exit and one that enables continued membership in the social and relational aspects of family, if not the enterprise.

Key Points to Remember

1. When togetherness is experienced as enforced, imposed or expected, there is a natural inclination to resist.
2. In order to succeed as a team, siblings have to curb their individualistic impulses and limit their individual freedom.
3. If the next generation perceives that they or their family suffered in the past as a result of demands of the business, they may be very reluctant to commit
4. Being part of a larger group can support individual growth and personal success.
5. Groups that allow for individual expression in the context of enduring values will find the most genuine and passionate advocates of the values in the next generation.

to the enterprise in the present.



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