

In-Laws or Outlaws? Making Siblings' Spouses Part of the Team

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When Angela married David, she was excited about joining a high-energy, well-respected, affluent family in a small, mid-western town. True, she had to move from her beloved California, and leave behind a teaching job. But David was excited about joining the manufacturing firm his grandfather had started and working in partnership with his sister and two brothers, and Angela was sure she could find a teaching job in her new community. Angela admits she became a little unnerved when, shortly before the wedding, David's parents insisted that she and David sign a prenuptial agreement that prevented her from receiving any assets of the business if she and David ever divorced. It hurt her feelings to think that the family didn't trust her, but David seemed just as hurt and angry as she was, so she signed and the wedding proceeded.

What Angela didn't expect was the isolation she felt once she and David were settled in their new home. She felt like a foreigner — instead of making her feel welcome, David's family seemed to regard her with suspicion. What's more, David complained that his father treated him unfairly, and when Angela lovingly sided with him, his sister and brothers began to treat her coolly. To top it off, David worked such long hours that it seemed like he had no time for Angela. Just when Angela was thinking she had made a big mistake marrying David and wondering if she should return to California, she discovered she was pregnant.

Angela's experience is a composite of the many stories we hear from in-laws. It is extremely difficult to be an in-law in a family business. And, in the sibling generation, in-laws — “foreigners” who have grown up in a different

culture — are introduced into the business for the first time.

The presence of in-laws makes a business-owning family edgy. And not without reason. According to our Arthur Andersen/MassMutual American Family Business Survey, 22 percent of family businesses report that at least one family member has gone through a divorce in the last five years.

The danger for family businesses is that an unhappy, angry spouse can threaten a sibling partnership and destroy any sense of team. In addition, unless the business is protected by prenuptial or shareholder agreements, an embittered spouse can gain access to assets and cripple a family company financially.

Problems also occur when in-laws promote and defend their spouses or battle for status and rewards. An in-law may complain to family members that his wife is underpaid and underappreciated. One spouse may be upset because her brother-in-law has a more exalted title than her husband, or be jealous over the fact that someone else in the family has a bigger house or fancier car. Or, in family meetings, in-laws may offer inappropriate non-business perspectives on business issues.

A happy spouse, on the other hand, can support a sibling partnership and contribute to its strength.

Some in-laws call themselves “outlaws” — they feel they are that remote from the family's business. Parents, however, cross their fingers and hold their breath when their children get married. They worry that unpredictable and uncontrollable additions to the family might disrupt the already challenging task of running the business.

In-laws' Perspectives

But we urge families to view the situation from the perspective of the in-law. With empathy, understanding, acceptance and education, families can help spouses support the family business and the sibling partnership.

In-laws often experience culture shock when they enter their new families. Unless they come from a business-owning family, they have little understanding of what to expect. As one new daughter-in-law put it: "The family business is the central topic every time family members get together. If you aren't closely involved in the business, you feel left out."

Sometimes in-laws can feel overwhelmed by the energy and enthusiasm of the tightly knit families into which they have married. Or they may feel in a bind: If they don't ask enough questions about the business, the family thinks they lack interest. If they ask too many questions, they are regarded as nosy. They'd like to know more but hesitate asking basic questions for fear of seeming naive or stupid. When they side with a husband or wife in conflict with a parent or sibling — as any good spouse would do — they incur the wrath of the family.

How Damage Happens

What often happens that leads to these problems is that the in-law — let's say a daughter-in-law — learns most of what she knows about the family from her husband. David, for example, comes home from work and complains to Angela that his father isn't paying him enough, especially compared to his brother, Steve, who doesn't work very hard and frequently takes off from work to play golf. Or he worries that his father won't approve of a decision he made that day. Angela begins to develop resentment toward her father-in-law and Steve. Unwittingly, David has begun to poison the relationships between Angela and his father and brother. What's more, Angela begins to worry that David isn't as strong and independent as she once thought he was.

What needs to happen instead is that business-owning families should immediately begin to acculturate new in-laws, helping them to feel like valued members of the team. Siblings, parents, and in-laws can take conscious steps that lead to a sense of membership for in-laws and avoid spoiling relationships with the family.

What Siblings Can Do

- As part of your code of conduct, make a pact that you will champion and support one another to your spouses. Promise not to complain about each other to your spouses. Agree that your sibling relationships are precious to you and inviolable and will not be compromised by your marriage relationships (and vice versa!).
- If you have a problem with one of your siblings, do all you can to settle it before you go home. Don't take it home with you.
- As a team and as individuals, work to develop independence from the need for parental approval.
- If relationships are reasonably healthy, include spouses in meetings of the sibling generation, even if you're talking mostly about business issues. This helps build their support for the unity of the sibling team. It also gives them the opportunity to get information firsthand.
- Develop individual relationships with in-laws. Then, if problems arise, deal with the in-law directly, one-on-one.

What Parents Can Do

- Pave the way for in-laws to become part of the team. Spend time educating them about the family's business. Explain business finances and the requirements for business success. Involve in-laws in regular family meetings, and encourage lots of basic questions.
 - Be empathetic. Allow for mistakes and confusion. If you are the wife of the business owner, for example, invite your new daughter-in-law to lunch and talk to her about how you were once in the same position, and how you learned about the family business.
 - Play up the strengths of your children's spouses. We know a daughter-in-law who is a musician. Her husband's family makes it a point to attend her performances and to talk with her about her career. Such recognition not only helps in-laws develop self-esteem in their new family but also helps a business family broaden its own interests.
 - Be open with information. Discuss issues such as compensation policies for family members.
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- Ask new in-laws to describe their families' holiday and vacation traditions. Work to honor traditions on both sides. Be sensitive to siblings who choose to be with their in-laws on special occasions.
- Establish times when discussing the family business is off-limits.
- If prenuptials are required in your family, make clear that they apply to all family members and explain the reasons for their existence.

What Siblings' Spouses Can Do

- Recognize that a sibling partnership is time-consuming and demanding. Being a part of such a team is one of the most difficult tasks your spouse could undertake. He or she will need your patience and understanding.
- Don't take sides or serve as an advocate for your spouse. If you think your husband or wife is being treated unfairly in the business, let your mate work it out.
- Learn all you can about your spouse's family business and about family businesses in general. Many colleges and universities across the country have programs that family members can attend. Read *The Family Business Advisor* newsletter.
- Develop friendships with members of your spouse's family. This enables the family to know you as a person and helps build trust.

- During family business meetings, don't bring in nonbusiness perspectives on business issues. It is not appropriate, for example, to complain that your husband's boss does not appreciate how hard he works. Evaluating executives is the job of the business' management and board.

We can't emphasize enough that spouses be included in family meetings, and that the extended family find ways to have fun together — family retreats, family vacations, holiday and birthday celebrations and such.

When you include them in meetings, spouses begin to feel part of the system. They get messages and information that are not filtered through their husbands or wives, and they're able to form their own opinions about other family members independently of their spouses. They get to see their spouses in action, so they're not just depending on the "heroic" tales that spouses tell about themselves.

When spouses are involved in events that are just for fun, family members and in-laws get to know one another better, see each other's different dimensions, and grow in appreciation of one another. And that supports the sibling team.

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