

Leadership of a Family Council: Directive Leader or Servant Leader?

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Picture a summer trip being organized for a family with six young children; who arranges everything? The decisions on transportation, accommodations, scheduling day trips and activities-as well as the length of stay in each location-are all left to the “planning” parent. This is what is expected in a family and it works. Now, think of a similar multi-city vacation being planned for a group of six adult siblings and their families. One of the brothers or sisters could pull off managing the logistics: organizing and planning everything without a revolt and everyone would just show up. Now, that organizing sibling could either be deeply appreciated for taking the load off their brothers and sisters and families, or could end up being resented for exerting so much control, or in many cases, both! The difference in the resulting attitude of their family members will be largely driven by HOW he or she went about the process . . .

“What makes leadership is the ability to get people to do what they don’t want to do and like it.” - Harry Truman

Which brings us to thinking about family council leadership. A family council needs leadership and may choose a leadership model of a clear “director,” or may go the route of “servant leadership.” A director will take over responsibility for planning and organizing, setting the agenda for family council meetings,

making decisions and telling others what to do. Where substantive decisions are required, a director will do the research and homework and come to the family council prepared with a recommendation. Directors come in different forms; in many cases it is the most capable family member who serves this role, yet it might also be a non-family staff member, such as the internal legal counsel, the leader of the family office or it may also be an outside consultant. Directors get things done. A director might be just right for the circumstances of some family groups and yet, might drive others completely nuts.

Alternatively, family councils may rely on a chairperson who facilitates and coordinates the work of others; a servant leader. Like the name implies, servant leaders are facilitators who encourage participation and delegate generously. A servant leader style

may extend to anyone in a leadership role. Committee chairs and task force leaders utilizing servant leader styles do not see themselves as doing the work for the family council; they are facilitating discussions, soliciting opinions and ideas and then summarizing drafts, to be reviewed by the entire family council,

ultimately resulting in a broader family-owned result. The servant leader's style requires more time and often leads to more meetings than is required by a directive style of leadership. Thus, the servant leader might be just right for some family groups and might drive others completely nuts!

Which is better? If one style can be just right for one family council and absolutely wrong for another family, how do you decide what is right for you? In fact, it is even more complex; one style can be just right for one meeting and absolutely wrong for the next meeting in the same family.

Leadership styles have been studied in business settings for many years and some conclusions can be generalized to family groups. Situational leadership is a particularly valuable guideline. The situational theory of leader behavior holds that leader style ranges from supportive, often described as facilitative and participative (which I called servant leader), to directive, which involves telling people what to do, when, and how, and then keeping an eye on how they perform. Leaders with the ability to utilize both styles are considered most effective as these leaders can adjust their style to match the changing situations in the work group. For example, where group members have lots of experience and capabilities for a project; a supportive/ facilitative servant leader style works best. If group members are less experienced, a directive style often produces better performance.

Family council groups are not exactly like business work teams, as family dynamics can drive a lot of what happens in family groups, yet there are some generalizations we might follow as rules of thumb. These guidelines are not meant to cover all possible situations, as families and what they are trying to accomplish don't lend themselves easily to orderly categorization. However, we have observed some patterns.

Nature of the task - Family council leaders must coordinate accomplishment of many kinds of tasks. Generally, directive leaders might be more efficient for a concrete task, such as meeting logistics (where, what and accommodations) and getting things started such as with first drafts of family council charters or family employment policies. After a first draft, the same leader might adjust to a participative leadership

style in order to manage how the council discusses the draft and provides input on draft iterations all the way to completion. For bigger, less concrete tasks, such as defining criteria for family board members, designing an education curriculum for training future shareholders, creating a protocol or constitution, or developing a family mission/vision statement, facilitative is better. Tight timeframes call for more direction on the part of a leader; a task appropriate for a servant leader style should not be rushed.

Family relationship configuration in the family council

- Like the trip planning scenario, siblings will be resistant to a brother or sister who assumes a directive style too often or at the wrong time. If there are many sibling relationships, facilitative leadership on the part of a leader sibling is preferred. Also, if a member of the younger generation is leading a family council dominated by his or her elders, a facilitative style is not only respectful; it is likely a directive style will not be tolerated; so there is no choice.

Stage of the family council's development

- Family councils go through cycles where they have concrete accomplishments about which there is wide-spread enthusiasm and then periods where there is little urgent work resulting in a drift toward apathy on the part of family council members. When a family has little to accomplish it is important that apathy does not cause the demise of the function of the family council; an operating family council will be needed again in the future, so it must be kept alive. A directive style will serve this family council; it needs interesting and compelling meeting designs, topics and engaging structure that cannot be accomplished through facilitation of apathetic members. A new family council also benefits from a directive leader style, whereas generally, an experienced group will need less direction. And finally, a family council that has completed a series of very participative projects will have some members feeling weary, especially those who are used to the efficiency of business meetings. An astute family council leader will recognize that their directive side should now be applied to make sure the next few agendas include topics where concrete accomplishments are possible.

Experience level of the family council members

- Some families have natural skills in the areas of working on

projects, gaining broad input, dealing with the lack of structure and providing it themselves when it is needed. Facilitative and supportive leadership works best with these families. Alternatively, another family council may be comprised of members who have neither the skills nor the aptitude for their projects and will need much more direction.

Generally as a goal, over time more facilitative and less directive leadership is the preferred style for family councils. Based on an internal survey of FBCG consultants whose combined working experience exceeds 180 family councils, the single most important indicator of long-term family council success is the existence of “broad family engagement, enthusiasm and commitment.” Ranking second was “the family effectively communicates with one another.” While not the only factor, facilitated, broad participation contributes greatly to these results in family councils.

In selecting leaders for a family council, or when defining qualifications prior to nominations or soliciting volunteers for a leader role, merit principles applied to family governance are reinforced by asking the questions: How much direction versus facilitating do we need and want as a family? What kind of associated leader skills do we need; someone who leans toward servant leadership or a more directive style? Of course, the preferred criteria is a leader who can do both and who knows when to apply different styles. However, if one dominant style will serve the family council over

the next period, a family who recognizes it and solicits candidates who meet the criteria is being purposeful about its leadership choice.

Managing expectations and being clear around style will contribute to overall satisfaction. Frankly, when a directive approach is all that will work, a family should be grateful that they have a member willing to do this and cope with the resistance to their control that will inevitably be “part of the package.” As one very effectual leader put it just as the family council was getting started with drafting a charter:

“I may seem a little bossy and controlling in the beginning as I get the committee organized and enough work meetings scheduled, and also with deadlines for completion of parts of our charter. However, I will not dictate what goes in the charter, and I will do my best to maintain an efficient democratic, fair process where we listen to all members of the committee, and then to all members of the family council to create a consensus on a final document. Is that OK with everyone?”

These are wise words that reflect a person who is aware of his or her style, and setting expectations with others about how the process should go to balance effective task completion, with a desire for democratic process and an opportunity for all to be heard. The ability to strike the right balance between directive task accomplishment and servant inclusiveness is the mark of the best possible family council leader.



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