

Should I Leave the Family Business? To Go or Not to Go

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“I’m thinking about leaving the family business.” With this admission, Michael was finally able to state what had been on his mind. Before I could respond, he asked, “What do you think?” And thus began much discussion about the value and risks inherent in staying or leaving the family’s 35-year-old enterprise, a company Michael co-owned with his two siblings, having taken over from their parents six years earlier.

While we have long recommended family members first work outside the business to gain experience and confidence, and discourage entry into the business by those whose life calling is inconsistent with a business role, leaving the family’s business is rarely an easy choice once a family member has been employed there a significant length of time. No matter what is leading a person to consider this option, there is a heavy emotional overlay that makes it hard to remain objective and rational. As this decision can have a life-long impact on your family relationships and professional opportunities, it is critical that it be made with some guidance from trusted advisors or close friends who can broaden the perspectives to consider.

When a decision to leave the family business is explored, there are often two components: leaving employment and leaving ownership. Unless shareholders are bound to sell their shares upon ceasing to work as an employee of the firm (as dictated by some stock restriction

agreements), these decisions are best considered as two separate - and big - decisions. Given the complexity of even one, we will focus only on the employment decision in this article.

Leaving employment: Moving towards something new versus escaping

If you are thinking about leaving the family’s business, first be honest with yourself about your motivation. Are you seeking to move towards a new opportunity or are you seeking escape from a difficult situation? While there are plenty of situations that it would be better to exit, how you leave is particularly tricky and important. Take some time to reflect on the following questions:

- Why did you join the family business in the first place? Were you motivated to work side by side with your family, excited to share the journey of building the family business-or did you feel compelled to come into the business to please your family?
- Was the business ever a strong personal calling, a way for you to bring your professional hopes and dreams to life? Or did you feel like you owed it to your family (or they owed you the job)?
- When your work situation is not fulfilling it can be helpful to reflect on what brought you to that role in the first place. What was your expectation about

this career? With the benefit of hindsight, do you think your initial vision for your career was realistic? What, specifically, has lived up to your hopes and expectations and what has not?

Sue had worked at her family's business for 15 years before she came to the realization that she was not really pursuing her dream: "While my dad did not pressure me to come into the business, I knew he wanted me there, and I was excited by the prospect of working side by side with him. Over the years I have realized that I am not really suited to this kind of work, so I feel like a square peg in a round hole around here."

Working through these insights with the support of a trained professional or trusted advisor can help the family employee navigate the optimal next steps. For example, Sue may need to do some work to determine her life's passions and goals. It may well be that this discovery process could identify another area in the business that is a better fit, or a career outside of the business that will provide greater opportunity to grow and develop.

Sometimes a family member becomes aware of a desire to move into a new field (i.e., "teaching is my true calling") or to start a new business. When this is the case, careful thought and consideration is still needed to think through the implications of the decision, and to look for ways to make the transition mutually beneficial for all. For example, the family might help launch one family member's new entrepreneurial venture in a vacant building owned by the family, creating a win-win. The aspiring teacher could review training programs at the company or volunteer to develop a family education curriculum for shareholders. Smooth transitions away from family employment can provide growth opportunities for the entire family, while rough transitions can lead to residual pain, and have the potential to harm relationships for years to come.

What has changed?

If your work situation has become far less enjoyable of late it is important to determine if something internal to you has changed (you have a new passion) or if the situation has evolved (or has failed to evolve) in a way that you find unbearable.

If a person reaches the point through introspection

that he or she just wants to do something new in terms of career track, this may reflect a positive desire to move towards new opportunities. However, sometimes individuals are too eager to change everything when perhaps a more measured response could achieve their goal. A career counselor, coach or advisor who knows you well and has access to the right assessment tools can help you find true alignment between your skills and interests and professional opportunities, in or outside of the business. While the right choice for some may include leaving the family business, for others there may be a path within that would be a great fit, such as reassignment to a different role or geographic location within the company.

If your goals haven't changed but you no longer believe you can fulfill these at the business, you are likely facing a different set of challenges. Some of the more common issues we see include:

- 1. "He's never going to retire!"** In this situation, a child becomes so frustrated with a senior leader's apparent reluctance to give up authority that he begins to see the situation as all bad and "hopeless," often ignoring the fact that the job is meaningful, the pay acceptable and the benefit of community standing important. Spending time being realistic about the pros of the current situation balanced against the cons is a good first step. It may be helpful to try to imagine how things might look in five or 10 years if you remain in the business versus how it would be if you left the business. For example, a senior parent leader will age and eventually pass on the mantle of leadership. Or, going to a new firm may still involve working with a leader who is difficult to work with, while increasing the risk of getting downsized.
- 2. "I just want to get away from this conflict!"** Working in a family business is intense at times. Balancing personal and professional roles is not easy and can be mentally exhausting for some. Individuals can gain a sense of greater control amidst conflict by working with a therapist or coach on diffusing emotional triggers that lead to turmoil and unhealthy conflict. These professionals may also help a family to address family communication and interaction patterns that result in unproductive conflict. While running away from conflict provides

short-term relief from a difficult situation, developing individual and family skills to negotiate conflict can have a life-long impact of improved communication and relationships. While we find that many family business conflicts that appear hopeless can vastly improve when the family is willing to do the hard work and make the efforts to change; this is not always the case. If you find yourself in an abusive work situation, or the conflicts that are present cause you significant emotional distress even after working on the underlying issues with a professional, exiting is entirely rational.

3. “If only he would change!” We all struggle emotionally when others close to us are not the people we want them to be. “I wish mom and dad were less controlling.” “I choose to be hurt because mom will not affirm me in my choices.” When this happens, at its root, we expect others to change to fit our version of who they should be. In essence, we refuse to accept another’s limitations or shortcomings. Individual therapy with a trained professional can help you develop stronger boundaries and compassion for another’s way of being, even with their failings. While the inability of an individual to change may mean you cannot work with them and need to leave the business, the transition can be made with less resentment and life-choking anger if you can work to accept that person for who they are.

While we would never suggest family members stay in a work role that brings them great unhappiness, what we are advocating is making sure you think through the alternatives and seek out the support you need to succeed in the family business, if that is your calling. Sometimes it can be as simple as articulating what you want.

A nephew of the CEO once said he was leaving because they would not promote him. When asked, he realized that he had never made the case for gaining a promotion and needed to know if a strong presentation on his part might result in advancement. Through much preparation, he approached the CEO and made a case for a new area in the business where he could be a valuable resource. After several discussions, he was assigned new responsibilities in the company and five

years later was thrilled he had stayed. He needed to know that his best effort would be rewarded, and it was.

Getting alignment on what is possible takes effort and good communication. If a lot of frustration has built up over time it can be harder to see possible win-win solutions that with patience might be found. Much is at risk when a decision to leave family employment is made with hopes that “things will be OK once I get away from here.” In our experience, too often the problems that were causing tension don’t end if they don’t actually get addressed. They tend to follow the departed and emerge later in new form during family communications, events or even in new endeavors. In most situations, simply exiting is not the cure-all that it may appear to be on the surface.

Some final thoughts to bear in mind as you consider the best decision for your own situation:

Don’t leave on a rainy day. Leaving in a huff on the worst day of the year generally leaves the decision in the hands of emotion, when rational thinking is essential to making the best the decision. Take your time to get clear in your thinking so the choice can be made during a time of personal strength rather than when at wits end.

Take a long-term perspective. Make a list of the implications of the decision in three, five, 10 or 25 years. Identify the positive implications and the negative implications.

Get clear on what is driving your thinking about leaving at this time. Are they internal factors that you can work on to improve the situation, or are they external factors that have little potential of changing?

Ensure you have all the information you need to make a good decision. Are you clear on what you are giving up? Have you asked all the right questions of leadership or mentors? Have you been able to apply creative thinking to possible solutions that might be found within the family business?

Make sure you understand the short- and long-term economic comparison of staying or leaving. Money is certainly not everything, but making good life decisions is about understanding the factors that may impact the decision. Economics is one factor and over a lifetime can be a significant one.

Ensure you are as ready to leave as you can be. Are there areas where you need to develop yourself in order to be successful in another professional pursuit? Are there appropriate opportunities to build these skills in the business? Would building up your skills in either a technical (such as accounting or computer skills) or relational (such as anger management or delegation) area make for a smoother transition?

Seek the advice of wise council. A career counselor, family business consultant, trained therapist or other advisor can help. Talk to your spouse if you are married. They likely know you best and your decision will impact them and any children you have. Certainly use a facilitator when speaking to a family boss if the relationship has been marked by unproductive or frustrating interactions, keeping your eye on ways to move on without damaging relationships.

While leaving employment in the family business is never an easy choice, if it is well thought out and handled with grace, it can actually lead to stronger relationships and a better professional path for the exiting family member.

Achieving this outcome requires that equal voice be given to the needs and concerns of the individual and the needs and priorities of the overall system. If you are honest with yourself, have thoroughly considered options within the family enterprise and still determine that you cannot accomplish your professional goals there, share your thoughts and conclusions with family to help them more deeply understand you. Be clear on what you are striving towards. Do not couch it in terms of what others did or did not do to you or for you at the family business, as this is likely to make people defensive and unable to hear and understand your hopes for the future. Take ownership of your choice, be gracious and show appreciation for all you have learned while working in the business. If exiting employment at your family's business is the right choice for you, you want to walk out the door towards new opportunities without having burned bridges with family or others.



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