

How Families Can Override Emotions to Make Better Judgments

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When decisions become emotionally charged, it becomes harder to think clearly just when clear thinking is needed most.

A family business leader said to me recently, “We need to make a decision, but every option creates a different problem.”

Move too quickly, and relationships that have taken years to build may be damaged. Wait too long, and the business begins to drift. Bring in advisers, and you get thoughtful recommendations—but none of them quite fit the situation you’re actually in.

These moments are not unusual. They are part of the job.

In family enterprises, decisions rarely involve just one dimension. Financial considerations sit alongside family dynamics. Short-term pressures compete with long-term intentions. What looks like a straightforward business choice often carries implications for identity, fairness, and trust.

In those moments, the challenge is to think clearly enough to decide well. In practice, that often means someone taking responsibility for helping the group think things through. I think of this as stewarding judgment.

When Judgment Gets Strained

In my experience, judgment tends to break down in ways that are surprisingly consistent. I’ll often hear some version of, “We’ve been around this three times and we’re no closer,” or “Every option feels like it creates a different problem.”

Sometimes different goals pull in opposite directions, like growing the business while preserving harmony or rewarding contribution while maintaining fairness. And sometimes people are seeing the situation through different lenses, making it hard to arrive at a shared understanding of what’s actually going on.

When that happens, even experienced leaders can find themselves going in circles. Conversations repeat. Positions harden or go unspoken. Decisions get deferred -- not because they don’t matter, but because they matter too much.

The instinct is often to look for a better answer. I’ve found it’s usually more useful to improve the quality of the thinking that leads to the answer.

A Familiar Decision

Consider a situation that many family businesses face at some point: choosing the next CEO.

A founder or second-generation leader is stepping back, and there are two clear paths. One is to appoint a family member who has been involved in the business and is deeply trusted. The other is to bring in an experienced external executive.

At first, it may seem like a question of qualifications. In practice, it rarely stays there. Other concerns begin to surface:

- A desire to keep leadership in the family and preserve continuity
- Questions about whether the family member is fully ready
- Concerns about how other family members will react
- The risk that an external hire may not understand the culture or may disrupt

relationships

- The longer-term implications for ownership, governance, and the next generation

Discussions like this can become circular or tense. People advocate strongly for one option or avoid taking a position altogether. Sometimes the real issues are understood privately but never fully discussed as a group.

Part of what makes these conversations difficult is that important goals are pulling in different directions at the same time. A family may want strong, capable leadership while also wanting to preserve family involvement and maintain fairness. Those are all reasonable aims. They don't always fit neatly together.

When tensions like this are present, they often generate strong feelings—frustration, anxiety, protectiveness, even disappointment. Those feelings are not the problem. They are often a signal that something important is at stake.

The difficulty is that, under pressure, those feelings can interfere with the group's ability to reason through the situation. Instead of breaking things down and working through them, people may simplify, personalize, or push for quick resolution. That is usually when the conversation starts to lose traction.

Seeing the Thinking More Clearly

When leaders step back and work through the situation more deliberately, something shifts. They get clearer on what is actually happening—both in the business and within the family. They surface what they are trying to achieve, including where those goals are in tension. They consider the likely consequences of different paths, including second- and third-order effects. And they look for a next step that moves things forward without trying to resolve everything at once.

It may help to see how this plays out:

- Before any structure is applied, people are often reacting to different parts of the situation without realizing it.
- One person focuses on continuity: "We've always been family-led."
- Another focuses on capability: "This is a more complex business than it used to be."
- Someone else is thinking about fairness: "What

message does this send to the rest of the family?"

- And someone may be concerned about risk: "What happens if we get this wrong?"

All of these are valid concerns. But when they are mixed together without being sorted out, the conversation can feel tangled. What helps is for someone to slow the conversation down and make the different lines of thinking visible to everyone. That might sound like:

- "Let's pause for a moment. I'm hearing a few different concerns, and I want to make sure we're not mixing them together."
- "Some of us are focused on continuity: keeping leadership in the family."
- "Some are focused on capability: whether the role has outgrown where we are."
- "Others are thinking about fairness and how this will be experienced across the family."
- "And there are real concerns about risk: what happens if we get this wrong?"
- "All of those matter. Before we move toward a decision, can we take a few minutes to look at each of these more clearly?"

When the thinking is laid out this way, something shifts. What felt tangled begins to separate into parts that can be examined and worked through.

A Practical Way to Steady Your Thinking

Over time, I've found it helpful to organize this thinking into four areas: What's really going on here? What are we trying to achieve? What might happen if we take this path? What's a sensible next step?

I use the shorthand COImpAct for these—Context, Outcomes, Implications, and Action—but the labels matter less than the discipline of working through them.

Everyone uses some kind of model when making decisions. Most of the time, it's just not explicit or consistent. One part of the situation gets attention, while another is overlooked. Conversations move toward action before there is shared clarity about what is driving the decision.

Making the structure of the thinking more explicit helps restore the group's ability to reason through the situation. In practice, this often means slowing the

conversation down just enough to make room for clearer thinking. It also means recognizing that action doesn't have to come in the form of a single, high-stakes decision.

In a CEO transition, that might mean asking the family candidate to take on a broader operating role for a defined period or bringing in an external executive in a complementary position. These are not compromises. They are ways to learn about what is needed before committing to a single path.

When this is done well, something that felt complicated but vague becomes more manageable. The decision may still involve trade-offs, but those trade-offs are easier to see and discuss.

From Pressure to Progress

The goal isn't to eliminate uncertainty. That's rarely possible. It's to move from a place where the decision feels heavy and constrained to one where you can take a step forward with a clearer understanding of what you are doing and why. That may lead to a clear decision. Or it may lead to a step that improves the situation and makes the next decision easier.

Either way, the work is the same:

- To stay with the complexity long enough to understand it.
- To make the reasoning more visible and shared.
- And to move forward in a way that you can stand behind.

That is what it means to steward judgment.