

When Political Differences Threaten the Family Business

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Political differences can turn dangerous when family members begin dismissing one another's business judgment based on political identity.

Imagine a family business meeting about how to reduce energy costs. One sibling proposes investing in renewable energy, citing long-term savings and available tax incentives. Another dismisses the idea as "woke." The first replies that anyone who supports a certain candidate cannot be trusted. Soon the family is no longer comparing investment costs, payback periods, reliability, and financial risk. The political argument has taken over.

The danger extends beyond the immediate argument. Once family members begin treating political identity as evidence that someone's judgment is unreliable, useful information can be dismissed along with the person offering it. Political conflict can then taint judgments about competence, loyalty, stewardship, employment, philanthropy, and succession. A disagreement that began outside the company starts to govern decisions inside it.

How Political Labels Affect Business Judgment

Family business decisions are already complex. They require family members to think simultaneously about ownership, management, money, identity, history, and legacy. Politics adds questions of morality, group identity, social standing, and threat. When the stakes feel personal, people can have difficulty taking in and integrating all the information the decision requires.

Good decisions require people to tolerate uncertainty long enough to consider relevant information. As discomfort rises, certainty becomes more appealing. Psychologists call this the need for cognitive closure: the

desire for a definite answer and an aversion to ambiguity. Under pressure, people may seize on a plausible answer and stop considering alternatives.

A political label can provide that answer. Calling someone "woke," "far right," a communist, or a fascist turns a complex person into a familiar category. Once the label takes hold, family members may assume that it explains everything the person says and dismiss information that deserves consideration. A political position becomes a complete description of a person. Disagreement becomes evidence of disloyalty or poor judgment.

I think of this as de-differentiation: losing distinctions that matter to the decision. A person can hold a political view you reject and still have useful knowledge about energy costs, operations, or risk. A proposal can be financially sound even if you dislike the values you associate with it. Sound judgment requires separating the person from the position, the political disagreement from the business question, and the quality of the evidence from the identity of the person presenting it. Research on integrative complexity describes a related ability: recognizing different dimensions of a problem and connecting them into a coherent judgment.

Why the Pattern Reinforces Itself

Closure can bring immediate relief. Certainty, anger, and moral conviction can feel more manageable than confusion, anxiety, and uncertainty. Even brief relief can make the same response more likely the next time discomfort appears.

Other people can reinforce the pattern. Political sectarianism involves seeing the other side as fundamentally different, disliking its members, and believing they are morally suspect. Attention then shifts from understanding a problem to defeating an opponent. Social media research shows that approval for expressions of moral outrage makes similar expressions more likely in the future. Families have their own forms

of reinforcement: laughter, approval, silence, alliances, retaliation, and the satisfaction of provoking someone.

Some arguments continue long after persuasion has become impossible because the stated topic is no longer the real purpose of the exchange. A discussion about an important business matter can devolve into a heated debate over taxes, immigration, climate change, foreign policy, or another divisive topic. Taking sides may reduce discomfort, signal loyalty, protect identity, discharge anger, establish dominance, or test who is on whose side. When the exchange is serving one of these purposes, facts about the political issue are unlikely to change anyone's mind, and the business decision is delayed.

Reading the Family System

Stand-up comics have to read the room. Family members and advisors need a similar capacity: noticing the context, the emotional climate, the motives shaping the conversation, and what the family is trying to accomplish.

A political fight may be about politics. It may also serve as a proxy for existing family conflict or become a vehicle for expressing another concern: an old sibling rivalry, fear about succession, resentment over compensation, or anxiety about who will control the enterprise. Before trying to resolve the political disagreement, the family needs to determine which problem it is actually facing. Advisors can help the family separate the business issue from the family conflict and recover the information needed to make a decision.

Six Ways to Restore the Ability to Think Together

Re-establish the purpose. Ask, "What decision are we here to make?" If no decision is required, ask whether the purpose is understanding, persuasion, relationship repair, or simply expression. If people want different things from the exchange, that difference must be addressed before the content can be productive.

Restore the missing distinctions. Separate the person from the position, values from policy means, family role from civic identity, disagreement from disloyalty, and business performance from political affiliation. If a belief or behavior has a genuine effect on employees, reputation, safety, or strategy, define that

effect in concrete terms.

Ask what information would matter. Bring the question back to the business decision: "What could we learn about cost, reliability, risk, or long-term impact that would cause us to revise our view?" The answer need not come quickly. If the honest answer is "nothing," recognize that the exchange has become a personal or political argument, and end it.

Create capacity before adding data. You cannot add water to a bucket that is already full. When people feel endangered or dismissed, they have little capacity to take in new information, and additional facts can feel like another attack. Acknowledging the stakes can lower the sense of threat: "I can hear that you're concerned the energy choice that looks least expensive today could create larger costs for the business and the family later." Empathy helps restore curiosity and the ability to separate the different parts of the problem: cost, reliability, environmental impact, and consequences for the business and the family. The family can then return to the evidence and weigh the alternatives.

Put the issue in the right forum. A board meeting, family council, management meeting, and Thanksgiving dinner have different purposes and decision rules. If a political question affects the enterprise, translate it into a specific business question and identify who has authority to decide it. When it doesn't impact the enterprise, move the conversation to a more appropriate setting or end it.

Set a boundary when inquiry breaks down. Productive inquiry depends on basic standards of conduct. Reading the room includes recognizing when contempt, intimidation, or dehumanization have displaced any genuine effort to understand. At that point, a family may need to end the conversation, establish rules for conduct, protect an employee, or separate a family relationship from a business role. A clear boundary protects the people involved and may create better conditions for returning to the issue later.

A Simple Protocol for Charged Conversations

Family business governance offers structures that ordinary families often lack in their personal interactions outside of work. Before a politically charged discussion proceeds, a chair, family leader, or advisor can ask five questions:

- Does this issue belong in this meeting, given what we are here to accomplish?
- What decision or outcome are we seeking?
- Which roles and decision rights apply?
- What information is relevant, and is everyone willing to consider it?
- What conduct will allow people to participate without being demeaned or intimidated?

These questions can help a family get back on course when a business discussion has veered into politics. They also reveal when what appears to be problem solving is serving another purpose, such as providing emotional relief, demonstrating loyalty, or asserting control.

Curiosity and Sound Judgment

Curiosity keeps inquiry going when certainty is more appealing. It asks what else might be true, what information is missing, and under what conditions people behave as they do. Recent research has associated political curiosity with stronger learning goals and less desire for social distance from people with different political views.

Understanding how someone arrived at a different view can help family members judge that person's contribution more accurately. Describing the person simply as "incapable of handling complexity" defeats that effort by replacing one label with another and allowing a single category to stand in for a fuller judgment.

Judging the person's contribution and judging the political position are two different tasks. The family must evaluate the position by examining the evidence and considering the practical and moral consequences of the policy being discussed. The family also needs to consider how people behave during the discussion, since contempt, intimidation, or dehumanization may make further engagement unsafe or unproductive.

The Capacity a Family Business Needs

Family enterprises can remain viable despite political disagreement when they retain the ability to distinguish among the issues, integrate relevant information, and act under pressure. That capacity supports sound governance, fair employment decisions, credible succession planning, and the ability to revise a

judgment when the facts change.

Before the next difficult conversation, ask, "What are we trying to accomplish? What distinctions does that require? Are we still willing to consider business ideas from people whose political views differ from our own, or are we dismissing their ideas because of their politics?" Conflict can be informative when people remain willing to learn from it. Once that willingness disappears, the family should stop calling the argument problem solving -- and decide what boundary, forum, or process is needed.

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