

Overcoming Dysfunction in the Next Generation

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Anyone involved in a family business is no stranger to the dynamics of the family that come into play in the business. But the children of family business owners (especially founders) have specific challenges that aren't talked about enough and need intentional support from the right people.

In this article, I'll cover three of the main dysfunctions that I have seen in my work with family business clients over the last 10 years. My team and I have worked with family businesses over a variety of industries to help them navigate consequential transitions in a way that allows the individuals, the family, and the business to protect their core values and ensure the longevity of the business. This work is done holistically and with a clear process that includes overall wellbeing, vision creation, leadership mentoring, organizational health, and business strategy and implementation.

Below are some real-life situations from this work that I hope will help you gain some insight that you can apply to your own experience. Some details have been changed to protect the families mentioned.

Number One: Following in the Footsteps of Over-Achievers

The children in a family business are often expected to follow in their parents' footsteps and bear the great responsibility of ensuring the continued success of the business so that the legacy remains intact to pass on to future generations. They have the pressure of a high bar to meet the expectations of their over-achieving parents -- parents who may have even been emotionally and physically absent as the business took precedence. Unfortunately, this often leads to detachment, guilt, and even substance abuse as they end up feeling desperate in their need to prove their worth.

They are rudderless...robbed of the opportunity to find their own purpose. This often looks like a complete "checking out" and apathy towards the business, their career, and their personal relationships with family

members.

Example: One of my past clients was a family with three children involved in the business: two sons and one daughter. The daughter had fallen into the trap of feeling expected and obligated to be involved in the family business. Although she was working very minimal hours, she was receiving a large paycheck. And she was miserable; the job and industry did not fulfill her. Yet she was terrified to tell her father, afraid of disappointing him and her brothers.

Along with creating tension in the family relationships and negatively affecting her mental health, the situation was also causing animosity in other players in the company.

In our work together, she was finally able to bring all these fears and beliefs to light. We had created the space to talk about it together with her family and she was actually able to share her true dream career with her father and brothers. Her ultimate dream was to become a nurse, a field completely different from that of the family business, but one that she knew would bring her joy and fulfillment.

We were able to create strategies for a smooth and fair exit that put her, her family and the business in an even better place. Their relationships were stronger; the company had the right people in the right seats; and engagement and morale improved. I received an email from her several years later, with a picture of her beaming in her uniform and a heartfelt thanks that we were able to come to a fair resolution and practical way to support her in following her passion.

Number Two: White Horses and Lack of Resilience

Another challenge I often see in families with successful businesses and plenty of resources is the lack of opportunity for the children to develop resilience. Their parents used their resources to constantly ride in on the white horse and solve all their children's problems. They never allowed the children to take responsibility for their

actions.

Taking away a child's opportunity to take personal responsibility also takes away their opportunity to develop self-love, self-esteem, self-respect and their own sense of security. These children are often riddled with anxiety and may struggle with depression and substance abuse.

You end up with frustrated parents and frustrated children.

Example: A first-generation owner hired me to work with him and his son. Over the years, the parents had constantly stepped in to fix his problems -- in school, financially, professionally and otherwise. At 25 years old he was involved in the business, but also using and selling illegal substances and struggling with addiction.

His parents were at a loss of what to do.

My counsel was simple: Be the parent who helps your son become someone who has resilience and takes personal responsibility. Up until that point he had never had to live by his own decisions. He was always rescued. It led to lack of purpose and lack of responsibility.

Although it may have been the hardest thing they ever had to do, they finally began laying down rules and boundaries. The proverbial tough love. I would talk to the father often as he continued to set boundaries and face fears around losing the love of his son.

The son eventually ended up checking into rehab. He faced his addiction, worked with a therapist and myself, and today is in a much better place.

In the families I work with in these scenarios, a therapist is typically involved alongside a family business consultant. In this particular case, the therapist and I also worked together (with the client's permission) to help him find his peace.

Through proper coaching a person can literally rewire themselves to become someone who sees their purpose in life and the value it can provide to others. This eventually leads to fulfillment.

Number Three: The Dirty Word 'Entitlement'

The children of family business owners, especially those with the "white horse" parents, may be especially prone to entitlement. Often the business and family become so enmeshed together that there is an expectation of what the children should receive from the business simply because they are family, or what job titles they should hold. There are no rules around who can enter the business, what they need to have accomplished first, or a process for entry.

The bigger problem arises when these children grow up to be adults with a parent's company in their hands and little to no experience.

This leads to many problems such as lack of drive, diminished leadership capabilities, or real-world problem-solving skills. They will end up struggling under expectations set by their predecessors that they are completely unprepared to meet. This unpreparedness may eventually cause the demise of the company.

Example: Another family business I worked with was run by a husband and wife, with two of their three children involved. One son in particular had been with the company for years and poured blood, sweat and tears into the business.

I was brought in when the second son wanted to also join the business. They were beginning to look at succession and create a plan for who would take over what. When asked what he was interested in or what he would like to do in the business, the second son was more interested in what he would "get" for each role. He held the belief that he deserved a large part of the business just because he was the son of the founder.

But the business is not a handout. This is where I remind business owners that, when family members want to join the business, what is best for the BUSINESS is best for everyone. A family member looking for a handout will create animosity and be toxic to the organization.

The Solution

By building a foundation of intrinsic motivation, self-love and self-worth in children of family businesses, there is a path to overcoming these challenges.

Most of us begin defining who we are as humans through our early childhood and family life, our culture and our experiences. By the time we enter our 20s or

30s we have defined, in a completely unconscious way, who we are and how we believe life works. For example, children in the business may believe that they must struggle for success because that's what they saw their parents do, or that they must work constant long hours and be owned by the business, or even that their own self-worth is dependent on the business.

The problem is these beliefs are not based on truth. They are based only on our limited experience. When we continue to be ruled by these stories there is a deeper level of us that remains incomplete and unfulfilled. If you ask someone in this situation how much self-love and self-worth they have on a scale of 1-10, you will probably get a pretty low rating. They are pursuing external worth, devaluing themselves, believing they have to achieve their worth by meeting familial expectations.

If this seems like a daunting task, working with a therapist or coach who understands these principles can help you start challenging some of these illusions. The goal is to become more self-aware and conscious of the internal stories that, left unchecked, sabotage our best attempts at a joyful and fulfilled life. The root of them is not complicated, but an outside perspective can be helpful.

I often tell my clients that, while it may seem difficult at first, doing this work together as a family and as individuals can be the best thing that has ever happened to both their business and their family relationships. It allows them to integrate their values into the family and the business so they can have genuine success with both people and profits.

In order to regain a sense of self-love and worth, children need permission from their parents to be exactly who they are -- not what anyone else expects them to be.