

# Do You Treat In-Laws Like the Family Business Outlaws ?

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Have you heard this before? *“If it wasn’t for my in-laws, our family would be fine!”* Such frustrated statements are typically followed by rants about how someone spends too lavishly, does not care to spend time with the family, and generally doesn’t have the right values or proper attitude. This can sow the seeds for family business conflict.

If you get along swimmingly with in-laws, count yourself among the fortunate minority (for now at least!). Regardless, you too can benefit from thinking through the many issues that surround in-laws in business-owning families.

First, you may want to think about the role, rights, and responsibilities that committed life partners should have in your business family and family business. Under what conditions do they qualify to work in the company, serve on the board or the family council, or participate in educational activities? Do they get direct access to information about the company or family office that you deem sensitive (or is it only filtered through their family partner), and do they get to participate in family and business events? And what do you do if some of your children have partners who you would love to get involved in the business, and others that you rather want to stay away from it as far as possible?

Every family has their own approach to including – or excluding – committed life partners, but few are as committed to including them (even after the relationship ends) as the Ochs-Sulzberger family, owners of the New York Times. The fourth-generation matriarch had always told her family to be careful who they marry because they would always be invited to her family

events – even in the case of divorce. The New York Times has been owned by the family since 1896. Contrast this with the case of the Pritzker family (e.g., Hyatt hotels, Marmon Group) where a divorce led a former in-law to likely turn her children away from the family. Children sued their father’s business for access to information and money, and the the business broke up as a result.

What do these anecdotal examples tell us? Families differ in their willingness to integrate outsiders into their family circle, and these actions influence the included or excluded individuals in different ways. The treatment usually transfers to their offspring and creates a ripple effect throughout the family: Feelings of unfair treatment often last generations; they are built into the family narrative and embedded in ownership and sometimes governance structures. In the absence of clear expectations, resentment and feelings of unfairness abound. While answering some of the important questions below can take time and patience, they are best faced head-on.

## Who is Family?

Whom do you consider part of your family? This may sound like a simple question, but it is far from it – and it is one that every business family with a multigenerational vision must address. It is also one that some families are reluctant to broach, knowing it may lead to disagreement and conflict. However, agreeing on what defines family membership is important because it determines responsibilities and rights: what is expected from family members, which behaviors are acceptable or not, and who has access to what. For

example, does access to sensitive information differ between owners, beneficiaries, and members of the extended family? What access do in-laws and committed life partners, divorced partners, stepchildren, and adopted children have to information and resources? Who can be considered for employment in the family business, inclusion in educational activities, access to family assets such as vacation homes, private airplanes, or other amenities, invitations to family vacations, or financial opportunities such as the family venture fund?

Discussion questions for your family:

- *Do we want to include spouses and committed life partners in our discussions and activities, or do we prefer to keep these things to blood-related family members?*
- *Do we treat family members with ownership differently from family members without ownership? How and when do these differences show up?*
- *Do we consider spouses and committed life partners to be part of our family? What does that mean in terms of the access to resources, information, opportunities, and assets that blood-related family members have access to?*
- *How do we treat stepchildren and adopted children -- that is, children who spouses and committed life partners bring into the family -- in terms of access to resources, information, opportunities, and assets?*

The answers to these questions have consequences: Being inclusive and exclusive require both the family and the business to be managed purposefully. For example, exclusive families typically have to contend with feelings of unfairness, while inclusive families have to manage boundaries, educate family members, and be clear about roles and responsibilities.

## How to Include In-Laws?

In a 2021 survey among 100+ members of business-owning families in the UK, we found that almost half of all respondents keep spouses from receiving what they consider to be sensitive information about the business, and only a third give spouses access to the same resources – for example, educational opportunities – as blood-related family members. What was most surprising to us was that 40% of survey respondents stated that spouses were not invited to family events.<sup>[1]</sup>

While there is no right or wrong here, we usually recommend that families favor inclusion over exclusion. Why? Not only will you put a burden on your children's relationship by excluding their significant others (which will strain their relationship with you), but it is also very likely that a disaffected or disenfranchised in-law will (consciously or unconsciously) turn their (grand-) children away from the family or business. What is more, in-laws often have much to offer to the family and the business. If you do not include them in your family circle, you are missing out on what they can bring to the table. We cannot overestimate the importance of these deliberations for the long-term health of your family and your business – particularly because of the effect it has on subsequent generations.

Discussion questions for your family:

- *Do we have an agreed-upon definition of who qualifies as an in-law or committed life partner, and what that means in terms of their rights and responsibilities? Is it shared and understood within the family?*
- *Do we have an onboarding program for new in-laws or committed life partners so that they can learn about the business and get to know the family?*
- *Who is in charge of these efforts, and what are we willing to invest, in terms of time, energy, and resources, in order to make this a meaningful experience?*

## Why Can't They Just Be More Like Us?

We often hear this question (usually with an undertone of frustration) when life partners with different values and attitudes enter the family. The general fear is that differences in values and attitudes that life partners naturally bring with them will inevitably lead to disagreements and conflicts, harming both business and family. Families hope that an alignment in values will help counter these risks, because when everyone feels and thinks the same, there should be less disagreement and more cohesion.

This attitude, however, has a major drawback and we caution families not to fall into this trap. Alignment is very different from harmony, as military mastermind and pioneering strategic thinker Colonel John Boyd reminds us: In complex living systems, such as families or

organizations, alignment blinds individuals to seeing only the obvious and ignoring the periphery where novelty (and potentially, improvement) exists. Alignment, on the other hand, can quickly turn into groupthink that often results in catastrophic failure.

Harmony, which Boyd defines as “a web of interconnected feelings, thoughts, values, actions, among otherwise differently oriented individuals that permit them to operate in a cooperative or focused way,” is likely a more useful concept. This implies that family leaders should focus their attention to developing cooperation by emphasizing communication, collaboration, capability, and conditions that foster harmony – instead of obsessing with alignment and uniformity.

Discussion questions for your family:

- *How well do we deal with differing opinions in our family?*
- *What can we do to foster harmony in our family?*
- *How can we leverage different viewpoints, backgrounds, and perspectives while maintaining a shared orientation and common outlook?*

## Be Mindful of These Family Dynamics

When committed life partners enter a new family system, they come with their very own set of values, beliefs, and experiences that might vastly differ from – or even be at odds with – the shared experiences of the family group they enter. A system, in trying to maintain stability, has four basic options when it is confronted with an outside element: It may assimilate the element (which requires the new system element to give up their identity), reject it, move towards coexistence, or it can adjust and change, making use of what the new system element has to offer. The way in which in-laws are treated will likely depend on your family’s orientation regarding what is going to best serve the system.

These are a few behaviors to pay attention to:

- *Do we routinely blame in-laws when things go wrong – for example, when our children or relatives behave poorly or fail to show up to family meetings?*

- *Do we appropriately hold our children accountable for their behaviors – or do we tend to attribute our children’s successes solely to their own qualities, and their failures to their partners?*
- *Do we hold our children to the same standards as their partners?*

Another interesting pattern we observe is that we sometimes choose a partner out of our (un)conscious desire to communicate something to our family that we ourselves are unwilling or unable to say. So, for example, a daughter who is unable to tell her overly involved mother to give her some space may choose a partner who has no problem setting and upholding that boundary for the couple. The son who always felt his parents were uninvolved and couldn’t express love marries someone who has no problem insisting on a hug with every greeting and departure. This, of course can backfire for the spouse, who is engaging in the very behavior that the parents perceive as undesirable.

*What tasks and interactions are our children delegating to their partners, and why might that occur? How can we directly address issues with our children in an open, safe, caring, and loving manner?*

## Make Sure It Fits!

No matter where you land on the inclusion-exclusion continuum, make sure your approach to inclusion or exclusion of in-laws is consistent with the way the family operates and the family’s most important values. For example, if your family is very secretive and values privacy, you probably would not want to include in-laws in everything without a lot of trust-building first – and that may take a long time. Similarly, if your family struggles with accepting and valuing different opinions and experiences even coming from family members, in-laws may have a hard time feeling appreciated and heard. In those instances, we advise starting with very small steps – working on developing more trust and a higher level of tolerance for different opinions within the family – across generations, experiences, and branches – and then slowly expanding this to in-laws by having them participate in social events.

Lastly, asking in-laws what they would like to see in terms of the role they might play in the family and the business goes a long way: You demonstrate an interest in their needs and opinions, and you gain clarity as to what their expectations are – all of which helps solidify

relationships and build trust.

## A Final Word on Inclusion

*“An atmosphere of doubt and suspicion loosens human bonds among members of an organic whole or between organic wholes.”* John R. Boyd (1981)

One of our favorite strategists, John Boyd, maintained that cohesion (in the sense of harmony that we shared above) is needed and must be tended to ensure the survival of any group, and that includes families. Cohesion is threatened by other groups seeking to pull members away, like an in-law’s family. This can only be countered by being overly inclusive and doing all that you can to build family cohesion. The long term reward is certainly worth the effort!

## Learn More

[Will Your In-Laws Help or Hurt Your Family Business?](https://familybusiness.org/content/will-your-in-laws-help-or-hurt-your-family-business) (https://familybusiness.org/content/will-your-in-laws-help-or-hurt-your-family-business)