

# FAMILY BUSINESS SOLUTIONS

WOMEN IN FAMILY ENTERPRISES: A ROUND TABLE DISCUSSION



FBS

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Our thanks go out to each of the following participants for their contribution.

### **Kaye Adams**

Kaye is a well-known journalist and broadcaster. She grew up in a family business and has chaired family business events for the Scottish Family Business Association.

### **Alison Lambie**

Alison and her brother are directors of Sims Automatics Limited, a second-generation business that was started by their parents. The Company supplies gaming machines to the licensed trade.

### **Jane Wylie-Roberts**

Jane is the owner and managing director of Stafffinders, a second-generation family business that she took over from her father. Stafffinders handles recruitment for an impressive list of public and private, UK and International companies

### **Susan Hoyle**

Susan is a consultant with FBS. Her background is in tax planning, which helps ensure that the work of FBS never strays from what is ultimately possible in terms of tax legislation.

### **Marion Brown**

Marion's family business interests have spanned shipping and farming in South Africa and Scotland. She is also a trained mediator and helps business families to address and manage conflict.

### **Fiona Scott Thomson**

Fiona is managing director of Scoitoilers Limited. The company designs and manufactures innovative systems for lubricating and cleaning chains on motorcycles.

# WOMEN IN FAMILY ENTERPRISES: A ROUND TABLE DISCUSSION

One of the aims of Family Business Solutions (FBS) is to spread ideas and information of practical use to families who are in business together, or whose lives are connected through the shared ownership and enjoyment of other types of assets and activities.

By ensuring that our work is based on reliable knowledge, research and experience we can provide effective help with the real questions, problems and issues that families face.

As part of this approach, we invited five women from enterprising families to meet FBS and discuss issues relating to the role of Women in Family Enterprises; a topic that is relevant to all, given that we don't know of any enterprising family made up entirely of men!

Preparation for the meeting involved the Panel reviewing questions devised from our practical experience. Shortly after our meeting, *Family Business Review*<sup>1</sup>, the leading international journal on family business research and education, helpfully presented a summary of findings from 48 research papers on Women in Family Enterprises published since 1985. This gave us the opportunity to compare the latest international research with the first hand

experiences of our Panel.

Our discussion covered a lot of ground and, time and again, the Panel concluded there was no innate gender bias that determines the roles of men and women in a family enterprise. The exception was in relation to leadership, where there was felt to be a marked difference of approach between the sexes. This led to some interesting speculation about how, depending on a firm's overall strategic objectives, gender might influence the choice of leader.

Based on their experiences, the Panel felt that a family enterprise offers many opportunities for women and men, provided they have the necessary talent, drive and ambition. These attributes were felt to be far more important than gender when sorting out who does what in the family enterprise.

The Panel had many suggestions about the importance of creating clear pathways

to the family enterprise, and the type of experiences that can help the next generation decide if a role in the family enterprise will help to fulfil their own life aspirations.

There was a pragmatic approach to the reality of conflict. The Panel's views should be read carefully by those who believe that conflict is a greater menace in family enterprises than in other businesses.

The consensus on issues of general importance to family enterprises was interesting given the different individual backgrounds of the Panel. We hope that their diverse experiences will be useful to other families and to their advisers. We are very grateful to the Panel for participating in the discussion and agreeing to share their views through this publication.

**Susan Hoyle**  
**Family Business Solutions Limited**

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1. *Family Business Review* is the journal of the Family Firm Institute (FFI). FFI is an international professional membership organisation that provides inter-disciplinary education and networking opportunities for family enterprise advisers, educators and researchers. The reference for this paper is "Martin Jimenez (2009). Research on Women in Family Firms: Current Status and Future Directions. *Family Business Review*, 22, 53-64."

# 1. ARE WOMEN INVISIBLE?

“The cultural tradition that puts women and men in different social positions – with definitions of their responsibilities in work and home based on gender – plays an important part in keeping women in the family firm invisible.”<sup>2</sup>

Much research on women in family enterprises has drawn attention to their roles frequently being in the background. As a result their contributions, often unpaid, to the health and wealth of a family enterprise are easily overlooked and undervalued. How did the Panel feel about this issue of invisibility?

*“Mum and Dad started the business together and they were very much a team. Each could do the ironing or deal with customers and suppliers.”* Kaye Adams

*“Mum was the homemaker but she also provided capital to start the business. Dad ran the business but they both worked hard for the good of the family and the business.”* Marion Brown

*“Dad started the business and Mum helped run the office. Mum was more involved in bringing up the family but their roles were equally important. They were very much a team and after Dad died in an accident Mum took over running the whole thing.”* Alison Lambie

Kaye Adams and Alison Lambie are from family enterprises where women had a prominent role in founding and running the business and it would be ludicrous to suggest these women were to any degree “invisible”.

Academic research, however, is more focused on the many contributions made by women whose positions are less prominent but, even so, the Panel still strongly disagreed with the proposition, “women’s roles in a family enterprise are invisible”.

How can we explain this apparent conflict between the Panel and the research, in which “invisibility” is a major theme? Perhaps the difference has something to do with whether your perspective is from outside or inside a family enterprise.

## The outsider’s perspective

Outsiders, like researchers and advisers, are initially inclined to approach a family enterprise with their business head firmly in place. The business-first approach focuses on the many challenges faced by family members in the business, like leadership, finance, ownership, management and succession. As a result, the wider family, who have financial and emotional stakes in the enterprise, are marginalised. Their interests are either deemed not to matter or, at best, to matter less. From the business-first point of view they are “invisible”.

The research should be credited for drawing attention to these “invisible interests”. The reality is, however, that a family enterprise is always about both a business and a family, and substantial influence for good and ill, is often wielded by family members who are not actively involved in the business; for example, non-working owners, parents, grandparents, spouses and the next generation. Not all of them are female, but if women make up the majority of these interests then the conclusion, from an outsider’s business-first perspective, is that women’s roles in a family enterprise are often invisible.

## Inside the family enterprise

Those inside a family enterprise see the world differently. They often describe their experiences as being like wearing many different hats. They are hyper-aware of the need to juggle the competing responsibilities that go with different roles; business leader, owner, family member, employee, parent, spouse, and so on.

The Panel’s view was that all these roles are important to the overall health, wealth and happiness of the family and their enterprise.



They did not like the way “invisibility” implied that some roles were more important than others.

This view was summed up by Marion Brown’s comment, “*Mum was the homemaker but she also provided capital to start the business. Dad ran the business...*” When asked who had greater overall power in the family enterprise, the answer, without hesitation was “Mum”.

Mum “ran” the business of the family, looking after its emotional capital as well as providing the financial capital for the business. However, outsiders who dealt with the business probably saw Dad as being in charge and, from their business-first perspective, Mum was “invisible”.

The Panel’s views are helpful to advisers who want to do their best for enterprising families. It is essential for advisers to be aware of the important roles and responsibilities performed by all family members with a stake in a family enterprise as they all wield some power and influence.

## 2. PATHWAYS TO THE FAMILY ENTERPRISE

Each Panel member had a unique story behind their decision whether or not to join the family enterprise, when that decision was taken and, in some cases, reviewed.

### Early experiences

All young people reach an age when important choices need to be made, including whether or not to pursue a career in the family business. Several of the Panel spoke about the importance of early influences on their career choices.

*"I can remember wanting to join the business from a young age. The earliest conversation I can remember was when I was about 8. Dad and I used to talk about cash flow and debtors when he took me to school. There was a huge expectation that I'd take over, but I didn't feel pressurised because that's what I wanted to do."*

Jane Wylie Roberts

These discussions – some more formal than others – instilled in Jane a strong desire to join the family business.

When the opportunity arose, however, it was not exactly great timing. Jane was still at university and the trigger for the "call" was to help her father manage a financial crisis that had befallen the business. It would have been understandable if her response had been "thanks for asking, but not now", but instead Jane embraced the opportunity to join as it was *"what I'd always wanted to do. The fact that the business was going through a hard time just made it seem more right as the time to join"*.

Other Panel members acknowledged that their early experiences had a significant influence on their decision whether or not to join the family business.

*"I loved going to the business with my Dad and felt privileged to have the opportunity to be involved. We were always encouraged to take an interest in what was going on."*

Marion Brown

*"There were lots of conversations about business over the dinner table; we were always surrounded by family business talk."*

Fiona Scott-Thomson

Parents busy trying to balance the competing demands of family and business could be excused for not being aware of just how important this phase of parenting can be to their children, and to the longer-term continuity of the family enterprise.

The Panel, however, would also advise parents to bear in mind that early experiences can be a turn off; for example, if "business talk" overwhelms the family and the next generation feels that there is limited scope to discuss issues of importance to them. Also, some early experiences of the business may be boring for youngsters at their age and stage, and the view that "it won't do you any harm in the long run" is not necessarily the best way to nurture a positive feeling towards the family enterprise.

### Next generation drift

This led on to a discussion about what came to be described as "next generation drift". While some young people make choices about their future with relative ease, including whether or not to join the family enterprise, others may be less sure.

They will spend more time scanning the environment for options and experimenting with different opportunities. This can test the patience of parents who, driven by a sense of urgency that is likely to be linked to a "need to know what's happening", may describe the next generation as "drifting".

The genuine desire to be helpful, and bring an end to this drifting, might result in parents suggesting that the next generation work in the family business until they make up their mind what they want to do.

However, the Panel's advice would be to the contrary. Instead of drifting into the family enterprise it would be far better to do something else, gain other experiences and, later, make a conscious decision to join the family enterprise. When there is uncertainty about what to do, the next generation should be encouraged to try "outside" jobs and experiences, no matter how alluring or relatively easy it might be for them to work "temporarily" in the family business.

Another response to drifting could be to put the next generation under a bit of pressure to make a decision, for example in the form of an ultimatum that “you’ve got to make your mind up by...” The Panel felt strongly that this approach was unwise because a forced decision was likely to be very risky for the individual and the wider family:

- The individual might become resentful that their own life aspirations have been prematurely thwarted by having to join the family enterprise before they felt ready.
- In any case, does the business want a reluctant recruit?
- If the reaction to the pressure to make a decision was not to join, the family enterprise might be denied a valuable talent that could be useful in the future.
- In most cases there is the imminent risk of family relationships being damaged by the tension created by forcing a decision to be made.

As Kaye put it, *“harmony is not necessarily achieved by forcing young people to choose between the collective good of the family and their individual aspirations”*.

### **It’s not a once in a lifetime decision**

The focus on young people deciding whether or not to join the family enterprise tends to distract attention from the fact that the decision is not a one off and it can arise later in life.

Alison’s early experiences of the business did not tempt her to join the business in the way that had occurred with Jane.

*“I grew up feeling I didn’t want anything to do with the business. I worked in the office during summer but really had no interest in administration and paper work when I was that age. I certainly felt no obligation to come into the business.”* Alison Lambie

But what if you change your mind? Everyone has times when their choices about career and other parts of their life are reappraised and either these choices are confirmed or changes are made. When this happens the possibility of a career in the family enterprise, which initially might have been less appealing than other options, could appear more attractive. The important question then is whether or not the door into the family business is still open or has been firmly shut?

In Alison’s case the door remained open and the decision to join the family enterprise was right at the time.

*“With hindsight, if I had gone into the business earlier I think I would have regretted missing out on other experiences. After I knew where I was going to live and was getting married, I started to think about working in the family business.”*

Kaye, who has never taken an active role in her family business, agreed with the view that whether or not to join is a decision that is better taken *“later in life. As you grow up and have more experiences, your ideas and aspirations change.”*

Marion, too, came to take an active role in the family enterprise later in life. From a young age she enjoyed accompanying her father to the docks in South Africa when the family’s ships were in port.

When she was appointed as a director at 21, she willingly took an interest in the family business, then encompassing shipping and farming enterprises, the latter in South Africa and Scotland. The role that her father envisaged was fairly passive and, despite being a director, Marion did not expect, or anticipate, building a career in the family business.

That changed when her father died suddenly at age 60. By then Marion was 34, married with 2 children and living in Scotland. In the intervening period the business had undergone significant changes and was now mainly concentrated on farming. Based on her early experiences Marion felt a strong, inherent responsibility to continue the family business interests, and being geographically closest she took over the Scottish farms while her brother committed to the South African farming enterprise. She remains involved to this day.

*(Continued overleaf)*

## 2. PATHWAYS TO THE FAMILY ENTERPRISE – Continued

### Falling into the family business

Fiona described her experience as “*falling into the business*” and her story has several elements.

- Started with a short-term part-time job and carved out a role in IT that suited her interests and talents and was important for the business.
- The short-term job became permanent.
- Got married, had a family and worked part-time in the business.
- Returned full time in response to a business crisis and later assumed leadership responsibilities.

*“I don’t remember making a conscious decision to join. It came about as a result of many things that happened to the business and the family and, when the business had needs that I was in a position to help with, I did what I think many would do and helped out and things developed from there.”* Fiona Scott-Thomson

Fiona’s story highlights the extent to which pragmatism is often a feature of how family businesses operate.

There is a similarity with Jane’s story in that the decision to return to work full-time in the business was triggered by a crisis – in fact, the type of crisis that could have non-family employees heading for the exits.

This type of commitment and devotion can be very difficult to hire in the external marketplace. Like Alison and Marion, Fiona returned to work in the family business later in life, with the type of life experience that Kaye referred to.

Based on all their experiences, what advice would the Panel offer enterprising families wanting to create a career pathway for the next generation?

- Families absorb information “around the dinner table” and “in the car”. This type of informal discussion can be very influential on the next generation, so involve them and don’t keep the business a secret or make it sound mysterious.
- Beware the risk of these discussions having a negative influence; for example where discussions become arguments, or there being no time for the next generation to discuss their aspirations since business is “all we talk about”.

- Hands-on-experience is especially good if it is relevant and exciting for young people.
- They are less likely to be positive if the experience is felt to be boring. This feeling is unlikely to be alleviated by it being described by parents as ‘good for you’ or in the category of ‘it didn’t do me any harm’.
- If family members make an initial choice to join the family enterprise, it is important that their career is managed carefully and they are given the same opportunities as would be offered to the most highly prized external recruit.
- It’s very good to gain other experiences before joining the family enterprise. This is not just about relevant work experience or obtaining academic qualifications. It’s also about the next generation gaining a strong sense of personal identity and self-esteem and “*earning respect that is based on personal achievement rather than parental affection*”.  
Fiona Scott Thomson



## 3. GENDER AND JOINING THE FAMILY ENTERPRISE

Two aspects of gender were discussed: the gender of the business and role gender.

### **The gender of the business**

The Panel acknowledged that there are businesses that, conventionally, would be described as “male” or as having “macho” elements. It would be easy to assume that women were less likely to be involved in these businesses than in others which had characteristics more regularly associated with the female gender. The Panel described these assumptions as “lazy and wrong”.

Some Panel members are actively involved in businesses that could be described as “male” and others are not. Several other examples of women’s involvement in so-called “male” businesses were mentioned and, as a result, business gender was rejected as a general indicator of whether or not women would choose to join the family business or attain a leadership role in this type of business.

### **“Role” gender**

Some research<sup>3</sup> suggests that women tend to be more involved in accounting and administrative work while men take on jobs involving contract negotiations, sales and the like. A Panel member confirmed it was a reasonable description of the separation of duties amongst those of her family who are involved in their business. This sparked a debate about the extent to which allocation of responsibilities in a family enterprise was based on gender rather than other attributes, like being good at the relevant job.

The Panel strongly agreed that when deciding whether or not any family member should join the family business, the considerations that mattered most – for both men and women – were (a) “do you like the business?” and (b) “can you do the job that needs to be done?”

The notion that roles in a family business were allocated based on some sort of innate gender bias had no support.

The view that women naturally take on roles that are seen as involving interpersonal skills, like HR, was to say the least, outdated.

The decision about who did what depended on many variables such as talent, interest and personality. The task for each enterprising family is how to allocate roles and responsibilities to the overall best effect. A family who tried to force someone into a role based primarily on gender was not acting in the best interests of their family or their enterprise.

The possibility was raised that people – mainly men above a “certain age” – would perhaps be more in favour of some type of “role gender” than younger people. This argument was swiftly dismantled by the examples of the Panel (and many others whom they knew of) where a daughter had taken over from her father, including cases where there was the alternative of a male sibling.



## 4. OPPORTUNITIES, GLASS CEILINGS AND OTHER CHALLENGES

There was a refreshing sense of optimism throughout the Panel discussion. The feeling was that ‘life is what you make it’. This was reflected in the view that it was better to spend valuable time looking at the opportunities for women in family enterprises than focusing on the obstacles they may face.

### Opportunities for women in family enterprises

Working in a family business brings with it expectations and obligations that do not feature so strongly in other types of business. For example, the behaviour and time commitment of a family member working in the business is always under close scrutiny. If the family’s name is also a brand name, there is the additional dimension that inappropriate behaviour could affect the goodwill of the brand as well as the reputation of the family.

The family business owner also bears the financial risks of ownership, often with relatively low income returns when compared to market yields, and a limited opportunity to sell their investment. In businesses that have existed for more than one generation there can be a sense of responsibility for preserving and extending a legacy of family ownership and, in turn, passing this on to the next generation.

But this section is meant to be about “opportunities”. What do family members get in return for accepting these duties and responsibilities?

The main advantages agreed among the Panel were:

- The opportunity to be in charge.
- Job security.
- More scope for personal growth and career development than would likely be possible in a corporate environment.
- Flexible schedules.

These advantages are not unique for women in family enterprises. However, flexibility was acknowledged as particularly helpful when combining professional responsibilities and childcare<sup>4</sup>.

*“When you are responsible to yourself, you can take a couple of hours off to go to a soft play area.”*

### Is there a glass ceiling?

The comments about the opportunity to be in charge, and the scope for personal growth and career development, led on to the question about whether there is a “glass ceiling” in family enterprises.

This is an emotive and controversial subject. There is a lot of empirical evidence that women suffer from casual, and not so casual, discrimination which sets artificial boundaries to their career progression.

However, the Panel’s consensus was that there is definitely less of a glass ceiling in a family business than in other types of business. If family members have the necessary “talent”, “drive” and “ambition” – words that were used many times in the Panel discussion – then most families have the good sense to make appointments and promotions based on these factors rather than the gender of the candidates.

But the Panel was equally clear that there are other considerations that can influence career progression in a family business, and which are as complex as the mixture of formal and informal practices that create a “glass ceiling”.

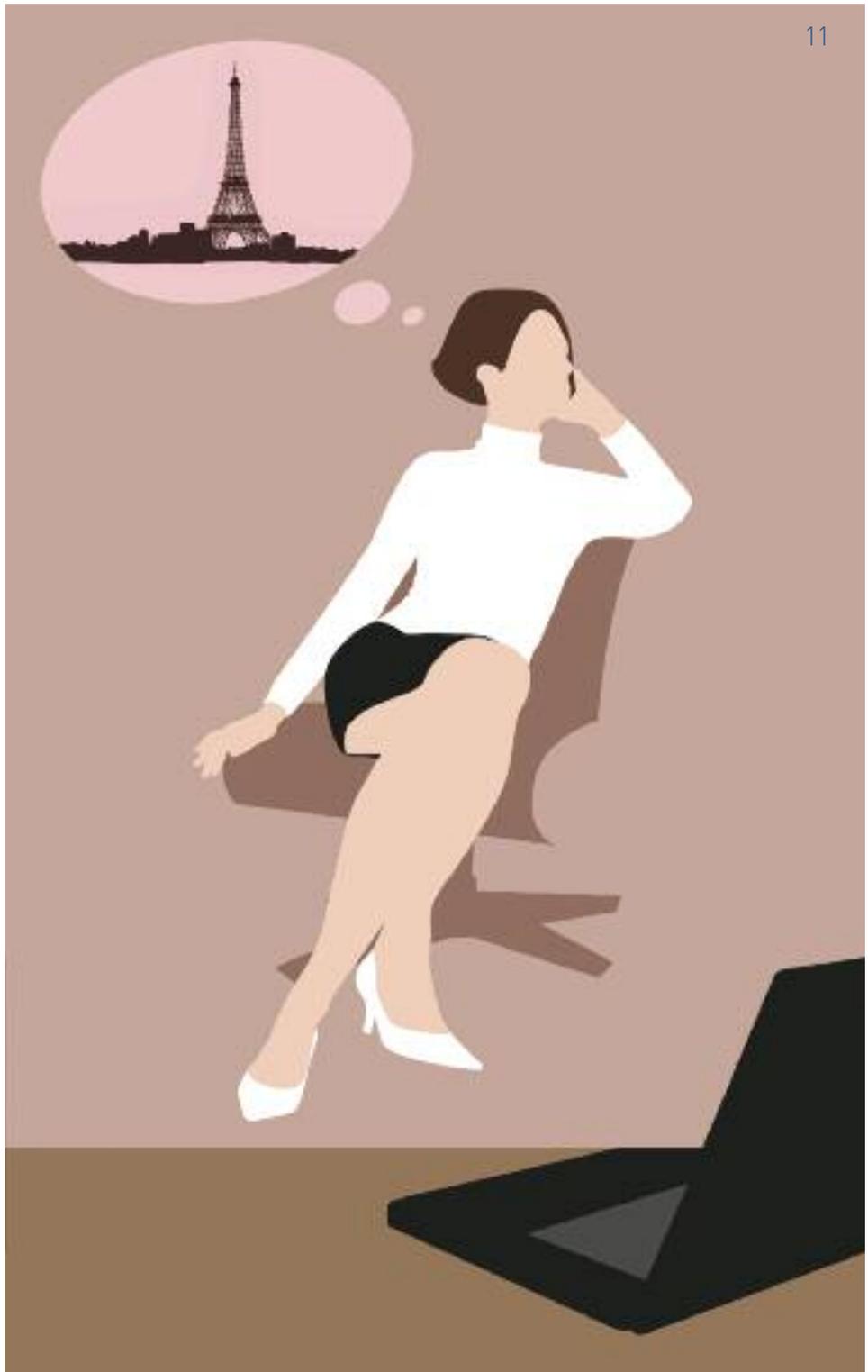
4. These views accord with the review of research; Martin Jimenez (2009). 58.

## Trade-offs

Many decisions in family enterprises involve trade-offs between individual aspirations, the needs of the business, and family harmony. For example, in the interests of family harmony, a family member may agree to return to lead the business even at the expense of a feeling that this has, in some ways, thwarted his or her career and life aspirations. Or the family agree to employ a family member who is less well qualified and experienced than other candidates because it serves the wider interests and welfare of the family, even if it results in reduced business performance. Or the family chooses an outsider to run the business, even if this results in significant disappointment for a family member who has coveted the role.

Trade-offs like this are part of the reality of life in a family enterprise. Each family has to decide how to balance competing interests and cope with the human forces that drive decision-making. Ignoring this reality creates the risk of more damage being caused to the family and their enterprise than could ever result from the obstacle of a "glass ceiling".

Advisers could help by identifying trade-offs, making their clients aware that this is what is happening and then tailoring their advice to achieve the best possible outcome for a particular family in all circumstances. This is more practical than approaching the client with preset views that the interests of the family, or the business, should be accorded priority in making what are often very important and delicate decisions.



## 5. LEADERSHIP IN A FAMILY ENTERPRISE

Given the vast quantity of literature on leadership, it might be thought surprising that “...researchers have, as yet, said little about how women run their family firms (and what their style of leadership is”).<sup>5</sup>

There is, however, some literature on this topic which Margaret Heffernan referred to in a presentation she gave at the 2008 Family Firm Institute World Conference<sup>6</sup>. Through her own research on women-led businesses, Heffernan reached the following conclusions:

1. There is a neurological difference between male and female brains. Women pick up peripheral data and notice things that are ancillary to the task in hand whereas men tend to focus on the task in hand. This matters because an important aspect of business leadership in a fast changing world is the ability to see patterns, which means being able to gather and assimilate a lot of data.
2. Values matter. Women do not see a distinction between business values and personal values. This is a source of competitive advantage in a world that increasingly demands values driven business activity.
3. Women are focused on profit rather than on turnover.

4. Women treat the business as a living organism and not a machine, so their success is based on health and sustainability rather than just churning out units of production.
5. Women who take over family businesses tend to be, on average, 5 years older than men in the same position, meaning they have more experience and are more mature.
6. Family businesses taken over by daughters are twice as productive. This is a consequence of daughters generally having to wait longer for the opportunity to lead and run their own business.
7. Women are “allergic” to leverage so growth tends to be solid and focused on stretching people to become more productive, rather than taking on significant amounts of debt to gear up their business.
8. Women are strong on empathy, which can translate into what Heffernan called “customer love” and a profound commitment to long-term customer relationships.

9. The leadership style of women tends to be nurturing regardless of whether or not they have children.

These fascinating insights were not distributed to the Panel before the meeting. We can now compare the Panel’s opinions with Heffernan’s views.

*“Some men are less tuned in to what’s going on emotionally in the business and how folk feel and will react to certain news.”*

*“Women are more likely to want to nurture the business; treat it like part of the family, even like a child.”*

*“Business for men often seems to be about their ego.”*

*“Men seem to be looking for the status that comes from doing a deal that will get them in the press, and as a result the business is driven by their need for recognition rather than longevity and continuity after they’re gone.”*

*“Women have more things going on in their lives and don’t need that type of gratification.”*

5. Martin Jimenez (2009). 60.

6. Margaret Heffernan referred to the following works. “The Naked Truth: A Working Woman’s Manifesto on Business and What Really Matters” (Jossey-Bass). “How she does it: How Female Entrepreneurs are Changing the Rules for Business Success.”

As far as the Panel is concerned, Heffernan is spot on with her observations. This led to some interesting speculation (in the absence of grounded research) about what type of leadership – and even which gender of leader – would be best suited to achieving the following objectives:

1. A family's overriding wish to preserve and extend a legacy of ownership and create sustainable multi-generational wealth in the interests of a growing family.
2. A family's overriding wish to maximise short-term return on investment and sell the business.

Can we speculate that business 1 would be better off with a female leader and, if 2 were the goal, there would be sense in appointing a male to lead the charge to the exit? These points might be a stretch, but this speculation does highlight a very important point.

**The type of leadership that best suits a family enterprise depends on what they are striving to achieve.**

That might be a statement of the obvious, but the amount of literature and media coverage which equates success with maximising short-term returns and the exit value when a business is sold, totally ignores all those enterprising families who are committed to building multi-generational wealth by preserving and extending a legacy of family ownership.

There are plenty of family business owners who consider themselves to be custodians or stewards of their family's wealth, and who see their responsibility as being to nurture and grow this carefully to pass to the next generation.

The message is that families in business together must have a clear sense of "why are we doing this?" so that they can measure their version of success. The answer to "why?" might direct them towards male or female leadership, if they have a choice, but for the moment this is an assertion that requires further research.



## 6. CONFLICT

This section is deliberately not called “conflict resolution” because the Panel’s very practical view was that it is impossible to resolve every dispute that arises in a family enterprise. In fact, accepting that this is the case can be a massive relief.

*“Conflict in family enterprises is much more personal than in other types of business. Conflicts with your family threaten your own sense of identity and your relationships with your relatives. There is so much at stake and you can’t just hand in your notice and leave.”* Marion Brown

*“Sometimes there is not a solution and recognising this can be a massive relief. It’s more practical to live with it than try to beat it.”* Kaye Adams

The acceptance that conflict in a family enterprise is inevitable and unremarkable contrasts sharply with media coverage that could give the impression that conflict is what business families are good at. There can be many reasons why enterprising families end up in conflict but the following apply to every enterprising family.

### Trade-offs

Trade-offs have already been mentioned as part of the reality of being in a family enterprise. There are many family members and groups (like family branches) making demands for resources that are, inevitably, limited in some respects. There is only so much opportunity, love, time and money to go around. This means there will be competition for these resources among different interests, and trade-offs will have to be negotiated.

For example, the hard work needed to build up wealth in the family enterprise accounts for the lack of time for non-work

activities such as family and hobbies. This type of trade-off can lead to conflict, which is expressed in terms like “you work too hard” or “you don’t spend enough time with the kids”.

Competition and trade-offs lead to anxiety in different areas, and at different levels, across the family enterprise and this anxiety leads to conflict. It can help to reduce this risk of conflict, if families think more clearly about the trade-offs they are making and discuss the challenges these pose. Whatever the outcome there is then more chance of the trade-off being accepted as the best that can possibly be achieved in the circumstances.

### Consensus

The other insight offered by the Panel was about not being able to walk away when conflict arises in a family enterprise because of relationships and other ties that bind family members together; “...*you can’t just hand in your notice and leave*”. This poses a problem for traditional dispute resolution techniques; even those that seek a win-win outcome assume that the parties can accept a compromise because afterwards they can each “walk away”.

An alternative approach is to seek consensus, but what does this mean? It would be nice if conflict could be resolved on the basis that everyone agrees enthusiastically with the outcome, but this rarely happens.

The more realistic definition of consensus is “I don’t necessarily agree with this outcome but I don’t disagree strongly enough to want to sabotage it”. Working towards this type of consensus is sometimes as good as it can get, and as long as everyone is sincere about buying into this consensus, it can form a good enough platform for the family enterprise to continue.

### Do families always want to resolve conflict?

Another problem in dealing with conflict in family enterprises raised by the Panel was the assumption that the parties want a resolution. Sometimes a family sustains apparent “disputes” as a means of avoiding or delaying other discussions that could be more painful.

For example, the conflict caused by not taking a decision over which sibling will be the next business leader may be preferable to the risk of fall-out if such a decision is made. Hence some conflict persists because those who currently have power feel it is more practical and, overall, less costly than pushing for resolution.

It’s worth highlighting the very frank and straightforward manner in which the Panel approached this subject which is sometimes treated as a taboo. In fact, the Panel would be suspicious of an apparent lack of any conflict in a family enterprise. A bit like the lone cowboy walking around the fort might say, “I don’t like this. Something’s wrong. It’s far too quiet around here”.



## 6. CONFLICT – Continued

### Chief Emotional Officer (CEO)

Another dimension of this topic is whether women have a natural role in binding a family enterprise together and are better at dealing with emotions. Women have been described as the Chief Emotional Officers in family enterprises and it has been suggested that this role is as important to the overall well-being of a family enterprise as the job performed in the business by the chief executive officer.

As in other areas where gender is promoted as a distinguishing factor, the Panel rejected this notion. 2 CEOs may be necessary but it shouldn't be assumed that women are more suited to one role than the other.

*"One of the benefits of growing up in a family business is that you lose the classic sense of what women and men should do in their respective roles."* Kaye Adams

*"When it comes to resolving disputes, personality is much more important than gender."* Alison Lambie

### The importance of a Shared Purpose

There is no doubt that the greatest strength in a family enterprise is a clear and strong sense of what can be called a Shared Purpose. This is the "glue" that binds the family to each other and their shared investment in the family enterprise. It's what makes it worthwhile being involved at all.

Without a clear Shared Purpose, as time unfolds there will just not be enough "glue" to bond the family and their enterprise together, and in the absence of "glue", things tend to fall apart. Passionate debate among those with a Shared Purpose is replaced by conflict among relatives who do not have a good enough reason to be in business together.

It is a very tough decision to agree that a Shared Purpose is no longer strong enough for the family to remain connected through their family enterprise.

This decision can generate a sense of failure and worries about the family breaking up since they no longer have the family enterprise as a common point of reference.

In such circumstances trying to negotiate an elegant disengagement that is fair to the family, and the enterprise, is likely to result in a far better outcome than trying to tie the family together through the family enterprise. If family members are bound into the family enterprise against their will, the inevitable feelings of reluctance, disappointment and even coercion will eventually leak out, usually with troublesome consequences.

*"You must have an agreed goal. If your agreed goal for the family business goes out of focus, conflict will tear it apart."*  
Marion Brown

*"When Dad retired it was helpful to explore the importance of me and my siblings having a common goal. When we realised that this wasn't there, our planning turned to far more creative ideas about how to separate interests in a way that was, as far as possible, fair to the business and the individual family members."*  
Jane Wylie Roberts

Everyone who participated in this discussion agreed that there were far too few opportunities for family business folk to gather and speak candidly about the issues and challenges they face. As a result this paper has covered a very broad canvas.

We'll try to promote other similar gatherings, so please contact us if you would like to participate in such an event.

Most of us accept that making predictions about the future is often futile but it is irresistible. The Panel had a refreshingly optimistic and pragmatic outlook on many areas of "concern" for enterprising families coupled with a sense that 'life is what you make it'.

We'd be failing them if we didn't offer some predictions about the future of women in family enterprises.

- More women will own and lead family enterprises because they are suited for the role, not because they are female.
- More women will pass businesses and other assets to their families because they are concerned about the sustainability and continuity of the enterprise and the family.
- Women might be better at "letting go" than men, since women equate success with continuity of a business and don't tend to fall into the trap of the heroic leader.

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