

The Power of the Chief Emotional Officer

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RECENTLY I was invited to participate in the annual shareholders' meeting of a large, third-generation European company. The high point of the meeting was the appearance of the founder's wife, a remarkably clear-headed, charismatic woman of 95. From her wheelchair, she addressed the group of 36 descendants and their spouses in one of the most moving talks I have ever heard.

The matriarch spoke eloquently of the importance of family and of the innumerable sacrifices made by previous generations. She recalled her husband's efforts to treat suppliers and customers with fairness and respect. She described his insistence on repaying all his debts, even in the most dire circumstances, including two devastating world wars. She urged the younger generation to preserve the family's good name, reminding them of the founder's dying message to his sons: "I do not leave you much money, but do leave you a reputable name—use it wisely."

She exhorted the family members to continue to treat the business as a business, but also to remember that "your most important assets go home to their families every night." Finally, she warned her loved ones against displaying their wealth ostentatiously, which would "only stir up envy and resentment." When she was through, the whole group burst into applause and stood up in tribute.

Later, I wondered how this powerful business family would be able to survive this woman's eventual loss. How would they continue to nurture the family spirit of which she was the

embodiment? Without her mediating influence, how would they manage the competitiveness that lay just beneath the surface of relations among the various branches of the extended family? Would someone else ultimately emerge to take her place as what some of my colleagues call the family's CEO—"chief emotional officer."

In discussions of continuity in family companies, the focus often falls exclusively on leadership succession in the business. And yet, as my colleague John Ward of Loyola Chicago University has also observed, it is often the mother's death, rather than the father's, that leads to the eventual collapse of some business dynasties.

There are many reasons for this. In most traditional families, it is the mother who sets the tone for family relationships. The best matriarchs are powerful, behind-the-scenes promoters of equality, cooperation, and empathy among members of the next generation. They lay a foundation upon which a sibling team can function. Their influence remains strong even when the children are grown and working in the business. When that influence is lost, destructive rivalries may be unleashed that can destroy the business.

Although nowadays young moms may have their own careers and be business leaders themselves, the traditional division of labor persists in most families that are facing succession transitions in the next 10 years. In these families, mothers still have more of a formative influence on children than fathers. As

primary care-givers, they are often the chief architects of a family's dynastic dreams. They instill in their children, from a tender age, the fundamental values and career aspirations that will guide their offspring's life choices. They shape the children's lifestyle expectations and basic attitudes towards work and wealth.

Of course, a mother's influence can have negative as well as positive effects. If she conveys to her children that working in the family business is their birthright, rather than an earned privilege, she may foster a sense of entitlement that may block their development and hurt the business.

I recently encountered a mother who prevented her favorite son from achieving the emotional maturity he needed by insisting that he go into the family business right after college. The woman feared that her aging husband was planning to turn the business over to a nonfamily executive. Unless the son went into the business upon graduation, he might lose his rightful claim as the successor. The mother persuaded the young man to forego opportunities to work elsewhere that might have enriched his experience and, in the long run, better prepared him for leadership.

As male business owners age, they typically become more dependent on their wives. The mother's voice becomes increasingly important as the husband's powers gradually decline. As the time for transition approaches, mothers often play a critical role in determining the structure and operation of the business in the next generation. By encouraging—or discouraging—their husband's retirement plans, they can accelerate, or retard, the rate at which he turns over leadership. Many actually become allies of their husbands in resisting planning for an orderly succession.

Though mothers may have no formal company role, they can powerfully shape perceptions of their children's competence—so much so that they can alter the relative standing of the potential successors. In one engineering firm, a very capable daughter was in line to succeed her father. But the mother, who had a traditional view of women's roles, could not bring herself to support her daughter's efforts to "make it in the world of men." The mother fre-

quently complained that because of her work, the daughter was neglecting her husband and children. In the end, the daughter left the company, feeling that she would never be able to convince her parents—especially her mother—that she could be both a good parent and an effective business leader.

All schools of thought seem to agree on what is required for healthy functioning in a family. Husband and wife must lead the family jointly, as a team. This is especially true of parents who would like to see their children take over the family company.

To nurture the commitment that is needed, parents must openly discuss their aspirations for the business, with each other and, as their children grow up, with them. The parents' dreams must be explicit, and in sync, because if they are contradictory, conflicts over what they want for the future of the business may be inevitable.

In designing educational programs for family business owners, I still encounter resistance when I recommend that mothers not active in the company be invited to participate. "She plays absolutely no part in the business," I have been told. "Why spend even more money on a program about business issues that are of no concern to her?"

This kind of comment ignores the fact that, statistically, wives tend to survive their husbands. Often they become the controlling shareholders in the business and, in an emergency, are called on to make crucial decisions regarding its future.

It is a serious mistake to conclude that because a mother is not active in the business, she does not need to be well versed in the requirements of the business. When it comes to continuity planning, the involvement of wives and mothers is not just desirable, it is essential. Like the matriarch in the wheelchair, they are the very heart of the family enterprise. ■

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