



Successful business families can provide their children a sense of well-being and privilege, but in doing so are they sheltering them from adversity, or denying the next generation a golden opportunity to be challenged?

Parenting, privilege and challenging tomorrow's leaders

By Fredda Herz Brown

RECENTLY JOHN, a fourth generation CEO of a family enterprise, described his sense of his 33 year old son. "He is very bright, has gone to all the best schools, has had excellent opportunities, travelled abroad, loves the business and has a good vision for it. Yet I worry that he won't be able to run the business into the next generation."

Developing capable family leaders is a challenge for private enterprises that want to stay private and even for corporate enterprises that want good leaders. How do parents participate in raising leaders?

We are fascinated by leadership because it imbeds the nature/nurture issue. It is hard to predict who will be a leader or to determine a leader's personality, qualities and characteristics. Leaders have different styles of leadership, and people often confuse leadership with authority and position.

Leaders are able to manage their own anxiety – and that of others – to achieve what is necessary in times of adversity. The ability to answer the call to lead depends in part on whether a person has had the opportunities to manage oneself in periods of anxiety and adversity.

Family enterprise and leadership

Certain qualities of leadership derive from being born into a family that shares some asset(s). Having ownership creates an environment for loyalty, a long-term perspective and rapid decision-making. But I believe that the culture of prosperity of enterprise families often mitigates against developing leaders. Enterprise families provide, at minimum, a context of well-being and, at maximum, one of privilege for their offspring. While this privilege creates educational and experiential opportunities, it often distances young people in prosperous families from others – and from the chance to be challenged. As a result, opportunity tends to become defined as a way to avoid adversity and diversity.



Many families focus on raising responsible young people in the face of opportunity. But unlike prosperous families, those of other socioeconomic status have some degree of struggle and a chance to deal with diversity built into their daily living. Basic psychological theory teaches us that self-esteem and capability derive from a sense of mastery in difficult situations, and developing leaders in family enterprise requires creating meaningful challenges for young people.

Redefining the parental role

So how do parents help children meet challenges when there are few financial concerns and a plethora of opportunity? Raising a younger generation for leadership requires a change in the definition of good parenting. Having happy children has come to mean 'providing for' children and attending to their needs and wants as quickly as possible. However, if someone else provides what is desired, tension dissipates quickly, there is no need to call problem-solving skills into play, and young people never have opportunities to develop their own capabilities.

Turning opportunity into challenge

A definition of good parenting is raising young people who can be responsible. Happiness is the feeling children get when they meet their own goals, overcome challenges or discover that they can deal with the tensions that come from reaching for something. Such children feel accomplished, good about themselves and provides the opportunities that allow accountable leaders to emerge.

Look for experiences in decision-making

At every developmental stage look for ways to allow children to think and act for themselves. Develop critical thinking skills by encouraging them to think through approaches to situations. Let them make mistakes early and incrementally in ways that will not be inappropriate to their ages. School projects provide complex opportunities for children to make decisions, be independent and manage their time. Parents should ask questions that help their children think through approaches to projects and the related consequences. Parents should allow them to make their own decisions, even if they disagree.

Similarly, children should learn to deal with difficult school situations on their own. As parents have increasingly advocated for their children's educational and emotional needs, they have also become active in solving teacher/student and student/student issues. It would be more helpful for children if parents viewed such difficulties as opportunities for learning rather than problems that they need to solve.

Opening their eyes

One way to gain a sense of what privilege provides is to be with others who have less. Learning to interact with people of various social status allows young people to see what counts for others. These are 'levelling' experiences that let one know that we are all human and that money, privilege and status do not define who we are. They also provide children with a sense of how others perceive situations and what motivates their behaviour.

Levelling experiences are most meaningful at adolescence or young adulthood, when differences are more clearly noted and understood. Many families I have worked with require their next-generation family members to spend at least one year in a foreign culture or a disadvantaged area of their own country.

Work for pay early on

Children can learn the value of money through earning and fiscal responsibility. Specific household tasks – washing the car or hauling away dead tree limbs – offer opportunities to pay children. While many families have household help, leaving a few jobs for the children lets them contribute to the good of the whole, and

allow them to view 'helpers' more appreciatively. Although some parents do not believe in working for pay or allowance, it is important to at least provide children with a sense of the finiteness of financial resources. One way to do this is to define and limit the amount of money you give them for their wants. Learning to live on a budget gives young people a sense of how to manage money, understand its value, and be accountable for one's actions.

No one knows your name

Many male next-generation family members have told me that they wished they could be like their sisters and change their names so they could function under the radar screen of the family name. As they saw it, they would have the chance to build credibility and make mistakes without worrying about the impact on their eventual leadership of the family enterprise.

While family enterprises have long known that a diversity of experiences outside the family enterprise is important, few focus on anonymity. Developing one's own name in the psychological sense of identity is difficult to do in a place where people know your family name and have expectations regarding it. While the global nature of our world makes anonymity difficult, it is well worth assisting a child in achieving a sense of identity separate from the family. One way to achieve this is make sure that the young person goes to school in another community or country where the family name is less familiar. In a much broader sense, ensuring that the family name is not used to broker the young adult's life experiences is important.

Leadership development requires a focus on providing opportunities in the form of challenges rather than privilege

Go through the hiring process

Parents might encourage the development of leadership in the business world by permitting young people to find jobs without the assistance or intervention of the family. Young people need experiences where they are chosen for a position based

on their credentials and capability. While this is more difficult to accomplish for a 'visible' family, it is possible for capability to be a young person's major selling point.

Confront business challenges

When young people work in the family enterprise, give them challenging roles that enable them to increase the depth of their capabilities. Offering 'turnaround experiences' permits them to deal with and build from adversity. Being in positions where they are responsible for bottom line functions permits them to experience accomplishment in a real business sense. Next generation leaders need the chance to learn from mistakes in measured form and where the business costs are not prohibitive. It is also important to assign mentors who challenge next-generation leaders and who can resist family influence. By providing confidential, objective ways to assess potential leaders, mentors can become important in developing capability.

Leadership development is a process of developing young people who can manage themselves in difficult situations, keeping the vision of the task at hand and setting an example to others by their own conduct. This requires a focus on providing opportunities in the form of challenges rather than privilege. Building self worth and a realistic sense of one's own capabilities goes a long way towards the evolution of family enterprise. ■

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