

Learning to communicate across the generation gap

Succession in family business can be fraught with difficulties, with one generation often blaming the other for any problems encountered. Tom Davidow explains that to ensure a smooth transition, an open dialogue and an open mind are essential for all parties

My previous two articles on retirement and succession put the burden of responsibility for initiating the process onto the senior generation. Once the senior member initiates the discussion, however, the second generation must take equal responsibility for a successful transition. As in any productive relationship, both parties must commit to making it work. When both generations discuss succession, they must understand that their respective life experiences, which have molded them, created their frames of reference, and colored the lenses through which they see the world, will heavily influence their dialogue.

Many factors contribute to the differences of experience between the senior and next generations. The senior generation is not only at a different stage of life from his or her children and therefore has different needs; s/he has also, by virtue of age, survived more experiences. The son or daughter thinks differently from his or her parent, not just because s/he is less experienced with business or life than his or her parent, but also, due to an ever changing world, s/he has grown up in a different time and place. Without an awareness of the inclination for both generations to communicate from their separate realities, the gap in years and the corresponding differences in life experiences can become a chasm dividing parents and children.

SIMILAR BUT DIFFERENT

In one family business with which I worked, the senior generation had built a successful business from nothing. He was so cost conscious in the early years, that he kept count of the paper clips. Although he cared deeply about his adult children, he was an extremely tough man, difficult to work with, inflexible, uninterested in others opinions and positive that he was always right.

The younger of his two sons worked with him in the business. (The older son had gone on to medical school). The younger son was bright and capable for his age, but was also hot tempered and impatient. Whenever he and his father disagreed about significant issues, the son would become angry and quit his job. The father, upset by his sons departure, would concede to him

on whatever issue had triggered the outburst, and beg the son to return to the business.

When I began working with this family, I pointed out to the father and son that the contrasting ways in which they grew up exacerbated their inability to communicate. The father was the son of a poor man. His two sons, including the one in the business, were the offspring of a rich man who attempted to give his sons the life he had never had growing up. Their worlds could not have been more different. Lacking common points of reference, they looked at business situations from such different perspectives that they could not communicate.

One day the father turned to me and said, I get it. My son never grew up understanding the advantage of disadvantage. The next time the son walked out of the business, the father wished him well, but did not pursue him. Three weeks later, the son asked the father to take him back!

“Without that reciprocal appreciation for their struggles, the senior generation’s empathy can extend only so far to their children”

COMMITMENT AND COOPERATION

In order for the succession process to move forward, senior members of a family business must have confidence in the next generation. How do they develop that confidence if they have trouble communicating with them because of different life experiences and their different stages of life? The gap can be closed only when each generation learns to appreciate the issues with which the other generation is dealing. While the senior generation can understand the younger generation easily because s/he has been there, and has struggled with the same issues, it is very difficult for the younger generation to appreciate and understand the issues that the senior generation has to struggle with. Without that reciprocal appreciation for their struggles, the

senior generations empathy can extend only so far to their children.

The source of the younger generations inability to understand his or her parents is psychological in nature. In the same way that the senior generation has had to deal with issues that planning for succession triggers, such as mortality, control, and self-esteem, members of the younger generation have to wrestle with their own psychological challenges. They have to start seeing their parents as human beings with needs. They have to begin the journey from childhood through adulthood to caretaker, not only of the business, but possibly of their parents as well. That is a huge, scary shift, but it must be made.

The younger generation must also communicate in a way that is both respectful and supportive. Whether the personality of the senior member is difficult, as in the previous example, or delightful, once the parent initiates a dialogue about succession, the burden of positive communication lies with the second generation. If the child is unable to accept that burden/responsibility, and commit to working through their own psychological issues, it is unlikely that he will have the maturity to run the business.

COMMITMENT AND COOPERATION

However, giving a child responsibility prematurely is sentencing him or her to failure. According to a study on failures in family businesses, *Attributions for Family Business Failure: The Heirs Perspective* (*Family Business Review* 9(2), by Karen Maru File and Russ Alan Prince, members of the senior generation blamed their heirs for lacking the necessary skills to run the business, while the younger generation claimed that they hadn't been sufficiently trained. One thing is obvious from these conflicting opinions: The two generations did not communicate. Both parties have to commit to the training necessary for the next generation to inherit the responsibility towards all of the employees, and towards all of the people who will depend on him or her to make sure that the business continues to thrive and succeed.

While it's usually the senior member who makes the business decision concerning if and when the next generation is ready to take over the business, the other spouse often has some influence as well. Parents need to agree on certain criteria in order to determine whether a younger generation member is mature enough to gain control of the business, particularly the ability to behave responsibly, and to understand and empathize with others' needs.

Once the senior generation has initiated a dialog about succession, it is up to the second generation to prove that they are mature enough for the transition. While the senior generation has to listen with his/her head, the younger generation has to listen with his/her heart.

The second generation also has to be mature enough to deal wisely with authority. It's called managing up, and it's not a complicated thing to do. If you are a member of the second generation, try treating your parent like a boss, not a parent. Listen, find out what s/he wants, while remaining aware of how his or her responses affect you. Then move the dialogue forward from the

perspective that you are going to work on a project together. When you take that kind of co-operative stance, your relationship will grow, improve, and benefit the family and the business in ways you cannot imagine.

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The decision to take a cooperative stance is simple, but the execution is not. While conversations about succession must be formal and structured with respect to content, they should be intimate in style. Here are a few tips:

- Relax, be available and engaged.
- Practice reflective listening.
- Speak in the first person.
- Avoid finger pointing.
- Show respect.
- Be empathic.
- Avoid making assumptions.
- Reserve the right to sleep on it.
- Be self-reflective.
- Learn from others.

Although both generations will expect to be met half way, issues will arise which demand that one or another generation member go further than that. Yes, this is a difficult process, but do not get discouraged. If your family has begun a discussion about transition, that fact by itself says a lot of good things. If you hit a road block, consider calling a professional advisor. You are doing this for the first time. The professionals do it every day. They can help you get you over the hump and can send you on your way.

TIME WELL SPENT

Almost all families have the skills to have a productive dialogue about succession. The time you invest in discussion will significantly affect the amount of time it will take you to achieve a successful and smooth transition. The final outcome will be successful, however, only if everyone—the senior generation, his or her spouse, and the second generation—understands that inheriting the family business is not an entitlement. It needs to be earned. The younger generation must demonstrate competence, in terms of maturity and skills, because the family business does not only take care of the family. It also has a responsibility to its employees, its customers and its suppliers. ●

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