



Embracing the Complexity of Families
A Conversation with Marion McCollom Hampton,
Senior Partner at Banyan Family Business Advisors

By Diane Coutu

Diane Coutu, our former Director of Client Communications and a former senior editor at Harvard Business Review, talks to Dr. Hampton about how her Native American heritage helps her better understand the intricacies of families.

You say in your company bio that you are a member of the Kaw/Kanza tribe of Oklahoma. Why is that important?

Most people never notice that detail. A few do, but they rarely say anything. Sometimes people will actually ask me a question or two and that's fine because my roots are quite connected to my work in this field.

My mother tells me that when I was born, I had a dark, temporary patch across my back—a Mongolian spot, which is characteristic of dark-skinned babies. I don't know if it was because of the birthmark, or something else, but my mother associated me with her Native American heritage, which she inherited from her mother, through her father. Whatever the reason, my mother picked me to be the repository of that side of her experience. My mother looked very Native American; she had dark skin, chiseled features, and a braid running down her back. It's not that she identified herself as Native American—she grew up far away from that world. But she had enough interest in and experience of her native identity to put it into me.

There was a point in my life when I was doing research for my Ph.D. at Yale in organizational behavior, and I was working in racially diverse environments. One day an African American friend said to me, "You say you're Native American of mixed race, but you don't own that identity, and what do you know about it?" So I went back to Oklahoma, where the Kaw/Kanza tribe is, discovered many family connections and realized I was qualified to enroll in the tribe. I enrolled and asked my mother if she wanted to enroll, too, which she did. Thanks to my friend, I understood that I had a choice to make. This was my family, my life, my history. If I didn't talk about it, or didn't acknowledge it as being a part of me, I was participating in the extermination of a group of people. And yet if I did talk about it, I ran the risk of being seen as pretending to be someone I wasn't. I decided that if I had to err on one side or the other, I'd own the complication in my identity, and I believe that this choice has had an impact on my work with families.

Can you elaborate on that a bit?

I don't want to oversimplify it, but I think that my being able to embrace my Native American heritage is in part responsible for my ability to live with people and things not being homogeneous. I am most comfortable in an ambiguous world. I don't try to reduce families to one thing. I don't judge one point of view or the other, make one right or one wrong. I can tolerate complexity in families because I can hold on to the complexity in myself.

You see, families have wonderfully complicated stories and when I work with a family, my hope is always that they can hold on to those complications. That's hard to do. The families we work with—basically all families—want to live up to their ideals, which usually means smoothing out the rough edges. Families blame themselves for having jagged edges. When we work with them, at least in the beginning, most of them have the hope that we will come in and repair their imperfections.

But we're not going to make them perfect—that's not the philosophy of our firm. I'm certainly not trying to polish families into some smooth stone. Families are wonderfully whole and complex and fascinating and healthy just the way they are—with all those jagged edges and unintegrated pieces. The challenge is not to smooth everything out but to figure out how the set of relationships and dynamics of a particular family can fit together. To me, that's the trick of what we do at Banyan.

That sounds as if there are no severely dysfunctional business families out there that need fixing.

Oh, I think it's a big mistake to think that we can go in and fix a family. I strongly believe this. We can't undo history; we can't change people's personalities. What we can do is help people come to the table, sit down, and make decisions. We're working with a wonderful family now in Asia that is simply unable to organize itself (all the stories in this interview are true but disguised). There's a mom and dad and three siblings. The parents built up a billion dollar manufacturing business from nothing, and they now have succession issues that have to be resolved with the adult children. The task of organizing the family meetings has fallen to one of the adult children, who for some personal reason can't manage to bring the family together. Until the family can manage his dysfunction, they can't be together as a group and as a result, they can't make the decisions that are critical to the future of the family business.

So getting family members in the same place at same time in order to be able to make decisions together is core to what we do. We also try to help family members understand what factors are at play in making this or that decision. We communicate what we know from having worked with families around the globe, and we help our clients look carefully at where they are now, so they can project themselves forward into the future. I was fortunate enough to learn early on in my career that our work with families is to help them make decisions about what they want to be and do *in the future*. Despite what many people think, the family's work doesn't entail arguing about current decisions, though that's a piece of it; it isn't obsessing about the past. The work families have to do is primarily about the future: What's the future going to be for their family in business? That's the question we're here to help families with.

You say you don't want to psychoanalyze families or obsess about the past. Yet you collect all sorts of personal information in your family assessments.

Yes, and you could well ask, "To what purpose?" So let me offer a story as an explanation. We recently worked with a family where there were seven siblings between the ages of 51 and 67. They had all spent some time in the beverage and bottling business but only four remained in the business. The sister who was the CEO was being pressured to step down by her siblings. Bitter war broke out. It was the non-family board Chairman who called us in to resolve the tension. Everything was up in the air. After we did the assessment, we stepped back and looked over what had happened to the family over the last ten years, even the last few years, and we could see instantly how this family's world had changed very quickly. The business had grown more than 50% over the last five years. One of the sisters had died of breast cancer; a nephew was killed in a boating accident. Then the grandfather, the patriarch of the

family and the glue that held them together, died, and that's when all hell broke loose between the surviving siblings, particularly those in the business.

When we saw the disruption that had hit the family in just a few years, we weren't at all surprised that there was conflict in the owner group. How could there not be? These are not terrible people trapped in terrible relationships. Their situation was absolutely predictable once we understood what was going on in the system. So, you see, we don't go around collecting information to repair the family but rather to understand the big picture. When you can look at what is happening from a systems perspective, then it's no longer his fault or her fault, or the fault of this or that relationship. Blame goes out of the picture. It is what it is.

We talk a lot about systems in the firm. What do they have to do with the family we've just discussed, for example?

In that example above, the family system suffered a significant loss. And, it couldn't reorganize itself and that's where the conflict came from. Systems thinking is a powerful way of understanding reality and thinking systemically can be very liberating. The basic premise is that as individuals, we don't behave and make decisions based just on ourselves—our personalities—though a lot has been written about that. In fact, in addition to being shaped by our early childhood experiences, we are also always influenced by the groups—or the systems—to which we belong. So systems are important because individuals are part of groups. And, being part of a group, especially a strong one such as a family, defines (at least in part) our thoughts and actions because we're all interdependent.

It's very important to help family members to learn to think systemically because they all tend to think that their family is the most dysfunctional one in the world. A lot of what systems thinking does is to take the family off the hook. It says, don't just think of your father or your sister-in-law or even yourself as a complete jerk; instead, look at what's happening in the system as a whole. Over time, families start to see that they're bound to experience some conflict because conflict is just inherent in the nature of systems. Systems also change over time in predictable ways; the changes in the client family we just discussed above were the result of a natural development process that is set in motion when some who is key dies. Understanding this can bring enormous relief and can help jumpstart the work that the family needs to do together.

What type of family is most difficult for you to work with?

It's very hard to work with a family that's severely dysfunctional, but let me be very clear about this: You can be a wonderful family and still be hugely dysfunctional because there are destabilizing forces acting upon you that make your work together very hard, maybe impossible. I remember a very tragic story from a couple of years ago when we were called in to work with a Canadian family where the founder was in his early 80s. He had just had a heart attack, and there were no plans whatsoever in place for succession. As we started our family assessment, we learned that one son had cut himself off from the family years ago by fleeing to Europe, where he married a German woman and settled in Berlin. There was a daughter with an MBA living in the United States who seemed like she might be a possible successor. But as we worked with the family, it turned out that there had been a third child—a much younger sibling who had died from alcoholism a few years before we had been brought in. The founder and his wife and children had spent most of their adult lives dealing with a child who was an alcoholic. They sent her to rehab, they tried tough love, they tried everything possible, but their child could not stay sober. The parents divorced; the siblings walked away from her. The family became so destabilized

by the dynamics of having dealt with addiction for 30 years that they simply could not sit at the table and do the work that urgently needed to be done.

It's important to underscore here that destabilizing events can happen to even very healthy families. Sometimes for reasons that are nobody's fault, the forces acting on a particular family are so overwhelming that the family is unable to do the necessary work together. The intensity of the destabilizing forces keeps them from sitting down at the table.

Isn't money a big disruptor in business-owning families?

That's one huge misunderstanding, among many, about family companies, and one way to instantly spot a not-so-good advisor is that he or she says families always fight about money. That's not right. Money is a convenient proxy for all the other things families fight about. When families own some things together it's natural for them to pick money or resources as a thing to feel intensely about. But, in fact, most families fight about respect and about what's fair. In most cases, the ongoing tensions we have with each other, whether we're in business together or not, almost always have to do with these two things. Did you get something I didn't get? Is my brother being treated differently than I am? Am I being seen, valued, or noticed for what I do? People typically don't have to be first or the best, but they do have to be appreciated. Helping family members be "seen"—listening to them and trying to be witness to their experiences without passing judgment—is one of the most important things we do in our work with families.

Of course, money can and sometimes does intensify problems, but not in the way most people imagine. The firm had a potential client, a woman with adult children. She was in business with her brother, who also had adult children, and she was advising him to lie to his children about what their ownership was. Past a certain point, it's extremely counterproductive for parents to be secretive about the family's ownership in the business. It makes sense when the children are young—families are afraid of the impact money will have on small children. Then there's a gray area when the next generation is in its 20's. But when the adult children are buying houses and having children, they had better understand what they own. So secrecy and lies about money are red flags to us that we're facing a potentially unstable situation and that it may be hard to get the necessary work done. How can family members make decisions when they don't know whether they can trust the information they're getting?

You've said that you most enjoy working with families at the stage where the second generation is entering the business. Why is that?

Nobody will be surprised to hear me say that I love this stage because it's very complicated and messy. In families, there is a major reevaluation that goes on in two generations at this time—both by the generation that is about to enter the business and by their parents who are rethinking where they are at mid-life. It is particularly satisfying to work with younger generation folks who have gone off to college and then come back and are trying to decide whether or not to go into the company. For every young person—whether in a family business or not—this is a period in life when the foundation of identity is being laid down. During this stage, all young people must navigate their way through wanting to stay connected to their families and needing to separate from them. For young adults who come from business-owning families, this is a time for having to figure out how to deal with the weight of the legacy of the family company, because for most of them it is a weight, and there can be a lot of guilt involved. So this is a wonderful exploratory process, and the choices made at this point have so many implications for the rest of the young person's life that the decisions really must be managed well.

As for the senior generation, the current generation in the business, they're now in mid-life and dealing with their children leaving home, so there's the empty nest syndrome kicking in. Folks are often reevaluating their marriages at this time, and in many cases—both with men and women—people have the sense that they've killed themselves to grow the business, and what do they want to do now? In short, the family is in flux at this time because both generations are in flux. The situation calls for a lot of discipline and self-control to hold the whole process together.

Can you tell us more about the feelings of guilt and the burden the younger generation sometimes feel because of their legacy?

This is a time when young adults feel a sense of duty versus a need to escape. Of course, how they feel about this tension is very different in different parts of the world at different stages of time, but they all end up somewhere along the same spectrum. At one end of it, we had a situation where, for example, a client father insisted that his three sons enter the family business. So in college they all studied business rather than psychology, law, or science. Today all the siblings hold executive positions in the family company, and the CEO is a brilliant man. He wanted to be a physicist (he's truly a rocket scientist), but this unfortunate man has spent his entire life doing what his father set out for him to do. Tragically, as advisors we see this a lot among men—usually it's men—who are now in their 50's and 60's. If you really sit down with them, and listen hard to them, and if they feel comfortable enough with you, a surprising number of these amazingly successful CEOs will admit that they never wanted to go into the family business.

In the Western world this kind of control over the professional choices of children has loosened up over the last one to two generations. But if you talk to people from Southeast Asia or the Middle East, parents are still making these kinds of decisions for their children, although even here we're beginning to see some rebellion against this kind of parental control.

So that's one end of the spectrum. At the other end of the spectrum are the children who are well aware that their parents have worked very hard to build up a business, to make the family money, and who understand that their parents' dearest hope is that the children will come back and work in the company one day. In these cases, the parents try very hard not to pressure their children, but all the same that child feels the burden to enter the family business.

It seems like parents just can't win. Is there a way out?

If you have a mom and pop operation where the family is struggling and it's an economic necessity for the family that the adult child enter the business, then the adult child doesn't have much choice. But best practice is for the parents to support their children in finding a profession they can love. In that case, there are many, many children who have an absolute passion for the business; they are unequivocally sure they want join the family company. They have all the choice in the world, but their dream is to be part of the family enterprise, and so they go off and do everything it takes to qualify for getting into the family company. That's what you want from people in the next generation—folks who have a deep love for, and strong commitment to, the business. And honestly we do see that everyday in our work with families.

You once wrote a provocative article about how trusts can be used by founders to control their children from the grave.

Yes, but we've got to be careful. There are many good reasons why trusts are used to exercise control over the money of the next generation, but to good end—if, for example, the child has a mental or physical disability. Such a situation gives parents good reason to believe that their child or children are not ready or able to manage their money, in which case a trust is a very good tool. For tax purposes, a trust can also be a brilliant way to get assets to the next generation.

So I wouldn't at all paint trusts or the people who use them in a negative light. But there is an important gender component to trusts. Many times it's women who are set up as beneficiaries in trust structures because the assumption is that they want to be passive owners, or should be passive, or there is a desire to get them out of the way because the prevailing opinion is that these women can't be educated to become active owners. So shares are put in trust for the wife, the sister, or the daughter, which in itself is really dangerous because there are more and more women who are coming into their own and who want to control their assets.

For most of your professional career you were the only woman in the room. What was that like?

That's a whole article in itself and, from my vantage point, the truth of it is this: If your experience is solid, and if you are confident in your knowledge, then any doubts go away very quickly. In the overwhelming number of cases, if you listen well, and if you provide people with the sense of connectedness and the caring they expect, then there's absolutely no problem working in systems that are dominated by men. Throughout my career I've been viewed as a peer so I don't spend much time worrying about being literally or metaphorically in the minority as a woman.

Many women now rising up in family businesses find themselves without female role models/mentors. How did you manage?

I had one or two male mentors, but mainly I invented my female mentors. Among them was Jane Goodall, the primatologist and anthropologist, who became a true role model for me. I was about 12 when I discovered her and she absolutely became my hero. There wasn't much written about her, but I read everything I could find—mostly articles in *National Geographic*. Reflecting back, I think I was interested in her because she was a woman, she went out by herself and lived in situations where she studied group behavior—my life's passion. In her case, she studied groups of chimpanzees, and she made monumental discoveries, which I deeply admired. Roll the movie forward, and I was in graduate school and interested in doing my Ph.D. thesis on organizational culture, I read every anthropologist; I read everything and everybody. And Margaret Mead became another mentor. Like Goodall, she was a woman who went off some place where nobody had been before, and she studied group behavior. Now we can argue whether she was right or wrong, but the fact is that she studied groups and wrote about them respectfully. She also worked on the relationship between herself and the people she studied. She was an anthropologist, but hers was a systems approach, and Margaret Mead became my other great hero.

As I said earlier, I've had one or two male intellectual role models, but not in terms of who I wanted to be. I wanted to *be* Jane Goodall; I wanted to *be* Margaret Mead. I ended up, of course, being myself, and ultimately that's what makes my job at Banyan so much fun. I get to work with people as they are, for

who they are, helping them do what they want to do on their own terms. It doesn't get much better than that.