

# FACING FAMILY DYNAMICS FOUR WAYS FAMILIES GET INTO TROUBLE

Working with family, even on philanthropy, has its challenges. Even the most successful families experience misunderstandings, disagreements, and power struggles. Whenever a family must make decisions together about money—whether it's making money, keeping money, or giving it away—it can get tricky. Emotions run high, and family members may react or revert back to long-established roles and patterns of behaviour.

Family dynamics are something that all families face, particular families of wealth. If not kept in check, these dynamics can, at best, hinder good decision-making, and at worst, cause rifts that leave families in a state of disrepair.

Here are four family dynamics and quick tips to mitigate them.

1. Family roles and generational differences hinder family members from seeing and treating each other as individuals.

Parents may always think of their adult children as “children,” and maintain that position of authority well into their elder years. Children may feel their parents are living in a different world and will never understand them, or that they don't have a voice. Siblings can rival from an early age and are especially sensitive to unequal treatment, real or perceived. The roles family members play and the rivalry acted out can continue into adulthood and may create long-standing rifts between entire family branches.

What can family offices do? While there may not be much you can do as a member of staff to change deeply embedded dynamics (nor would you want to involve yourself in that way), you can help the family discover and understand what is important to each person, and how and why they communicate the way they do.



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Create a space where everyone has an equal voice, and encourage each person to see things from the other person's perspective. If the family is open to it, bring in an outside professional who specialises in family systems.

2. Troubled family members create friction among the rest of the family.

Debate and disagreement among family can be a healthy way to learn from each other and improve communication. What's not healthy is repeated debate and disagreement caused by a troubled family member. This individual may have personal issues that affect the

way he or she relates to the rest of the family—such as wealth-related issues, personality challenges, mental health disorders, addiction, and more. Examples of troubled behaviour include: spreading misinformation, repeatedly disrupting or manipulating conversation, verbally attacking or giving the silent treatment, and thwarting the family's otherwise normal discussions.

What can family offices do? Family offices should be prepared to address the problems caused by a troublesome family member and create preventative measures. Be sure to have good governance set up including ground rules for meetings, the family's expectations for all members, and policies on term limits and removal from family discussions when needed. Keep in mind: Dealing with a troubled family member is not something to go alone. This can be dangerous territory, and you don't want to get caught in the middle. Hire an outside professional who is skilled in family dynamics who may help.

3. Founders of the family philanthropy have a hard time planning for succession or passing control to the next generation.

In family enterprises, one of the most significant concerns people have is how to pass leadership to the next generation. In spite of the fears, some families choose to delay or avoid preparing the next generation for their future roles. Without a plan in place, a family may make decisions arbitrarily, causing tension, resentment or frustration among family members. For family leaders, passing on the charge to another often younger family member is often about sustaining the values, principles and vision of the founder and family. Older family members may have a hard time letting go of authority (usually called founders' syndrome)—leading other family members to feel they don't have a voice.

What can family offices do? No one sets out to harm the family or the philanthropy, and often, founders who “won't let go” don't realise the adverse effects of their behaviour. Be sure to have a good governance plan in place that addresses succession early and

often, and provides a solid transition plan in the event of an unexpected change. Hire an outside expert who is skilled with family succession-related issues who can coach the founder and the successors before the transition.

4. Family members are in denial (or refuse to talk about) their own death or the pending death of their loved ones.

Some family leaders aren't willing to let go and are determined to remain in control—even from the grave. They worked hard to build what they have, and they want their wishes to be adhered to. They perhaps are in denial about their mortality and want to ensure their legacy lives on.

What can family offices do? Until an individual or family member is ready to accept the reality of death or talk about it openly, there's not much family office staff can (or should) do to convince them otherwise. What you can do is ask them questions, give them space to talk about it (if they choose), present different scenarios, and what those situations will result in (e.g., the tax or leadership implications).

If you have a reluctant family leader who doesn't want to talk about death, you might approach succession differently by asking: “how do you want the next chair to be leading the family?” This can give the founder a feeling of control in spite of the sensitive topic.

Whether your family office is facing these family dynamics or others, know that help is out there. Consider an outside facilitator that can help the family navigate unproductive dynamics in a skilful way.

Suzanne Hammer of Hammer & Associates helps philanthropic individuals and families pair their passion with proven strategies. To learn more, download her EngagedPhilanthropy™ toolkit Family Dynamics: A Family Office Guide to Meaningful Giving at [SuzanneHammer.com](http://SuzanneHammer.com) or contact 303-319-3029. Follow @philanthrpsolut.