A Career in the Family Business: Duty or Choice?

By Morten Bennedsen, INSEAD; Claire Harbour, Capies Ltd; and Antoine Tirard, NexTalent Consulting

Would-be joiners of family businesses can have their cake and eat it - if they get the ingredients right.

The career choices made by members of a family enterprise tend to be fraught with tension. Most experience unspoken pressure to join the family business, which becomes a problem when dreams and family expectations are at odds with each other. How do they decide whether to work in their family enterprise? And when they do dive in, are there winning strategies or paths that lead to leadership roles in a family business?

We spoke to five members of family enterprises: Katherine (Gabbie) Diaz and Marco Limcaoco from the Philippines, Shiraz Akbarally from Sri Lanka, Emilie Mellerio from France, and Andreas* from Argentina. During these conversations, we were struck by the emergence of common themes that recur in family-business careers: family identity, values and culture, emotions, attitude to change and communication.

1. Identity of family vs. self
The family “name” – in the form of family figures, mentors and aggressors, as well as the intangible but ever-present sense of belonging and parental pressure – impacts members both externally and internally.

For Andreas, both his father and grandfather had a strong doctrine about what it meant to be part of a family business empire, frequently repeating the adage that it was both an honour and a duty to be included. When Andreas joined his family’s construction business, he was initially motivated by the need to carve out a name for himself – to work hard, learn more and prove himself. But he eventually left his family business for an MBA at INSEAD followed by a consulting role in BCG. That distance allowed him to create healthier relationships and boundaries with his relatives and “reconnect” to his true, inner self.

Yet, it is not impossible to preserve the identity of the family and the self or even develop them together. In Marco’s family, the assumed path was to “do your time, succeed in big corporations, climb the ladder, and prove yourself first”. When Marco eventually joined the family business, he injected energy to bring people together across the family group via best business practices and to push the organisation into new areas. He developed a long-term vision of many new ventures that are more aligned with his interests, while maintaining the fundamentals of the business.

2. Values and culture

The right values and culture can provide one with a deep sense of meaning at work. But when the values and culture of a family member diverge from those of the family business, it can cause tension.

When Emilie’s efforts to convince her family of better management initiatives were pushed back systematically, she resigned. She was disappointed and frustrated by the fact that she would not see the fruits of her labour. “Nobody ever actually said that I could not stay, but I could not accept holding a role without being aligned with their values. I always wanted to put the general good first, and avoid an environment of conflict,” she said.

For Shiraz, he loved learning by doing and treasured the freedom to make the odd mistake. When he joined his family’s tea export business in Sri Lanka, his family was very open to his learning style. “They are happy to support you, but they do believe that you have to do your own learning and
take your own risks,” he said. He took the opportunity to exercise his entrepreneurial instincts by creating an innovative tea extract company three or four years into his role.

3. Keep emotions in check

Emotions tend to be heightened in family-business environments, mostly stemming from the tension between freedom of choice and the sense of honour and duty. Moreover, interpersonal dynamics make it tough to separate rationality and emotions. Whether the family member is in the family business, will be joining or has already left, the sense that “you never really leave” is universal.

Gabbie was fortunate to enjoy the freedom to pursue a 14-year-long career outside of her family empire, although keenly aware of the expectation that she would, at some time, become part of it. In a light-hearted way, there is a running family “joke” that Gabbie’s corporate career is “just a kind of entertainment” of which she will inevitably tire one day.

For Emilie, her experience was more intense. To her, family business is an environment where “it is impossible to remove the emotional aspect”. Having experienced the tensions in her family business, she has learnt that nothing matters, strategically, if conflicts are not ironed out along the way, and that there is no value in logic if no one is listening. She believes the most common challenge to overcome is the lack of self-confidence, which needs a positive approach with the intention to “put the wind beneath the wings of each and every member”.

4. Be ready for change

As younger generations bring new ideas and desires, change is inevitable. Family members who acquire knowledge and experience from outside the family business often become champions for change – although the value they bring is perceived differently across the different generations.

Andreas gained new insights about his family’s construction-materials business when he left it to pursue an MBA at INSEAD, followed by a role in BCG. “When you have always been in a family business, you don’t see some things that need to be seen, so getting out has taught me so much,” he reflected. Recognising that the script the family had been following did not work anymore, he said, “We need to create new assumptions, to avoid
missing out on new opportunities – and I want to shape that in a new way.”

When a part of the family’s tea company was sold, Shiraz knew change was needed. He aspired to go beyond Sri Lanka and learn from the world. Therefore, he pursued an MBA to learn how to inject professionalism and quality into the business. After a period of distance and reflection, Shiraz returned with increased confidence, abilities and energy to instigate change, with the goal of expanding the business into new markets across the world.

5. Communicate, communicate, communicate

In communication, the “unspoken” prevails and encompasses many aspects. These include assumptions about joining or staying in the business, alongside the associated notion of duty and honour.

In Andreas’ experience, his challenge was in sharing ways to improve the family business without appearing arrogant, as well as learning from family members. He reflected that “respecting each other’s journey requires a lot of humility, transparency and communication, which most families don’t have”. He is aware that his narrative is not “right” and the only way to make divergent narratives meet is through conscious and radical communication.

In instituting change, it is critical to communicate clearly. As Shiraz’s family enterprise has experienced considerable growth, new members from the younger part of his generation continue to join the business. Shiraz is careful to communicate a clear talent strategy they are working on regarding how family members may and may not engage, to ensure that the company will be around in generations to come. He made clear that the family values of “honesty, integrity and fair dealing” must be maintained at all costs.
Dos and don’ts for your career in a family business

Dos

1. Understand the stakes and smartly play with the tribal codes, traditions and spoken or unspoken rules, while being willing to challenge using the “right” language.
2. Distinguish the value and values that each generation brings or has brought, and play on the strengths of each, while recognising the need to evolve.
3. Communicate to clarify the unspoken and build alignment and trust with all family stakeholders.
4. Understand that there is no absolute correlation between being a family member and being able to make a sound contribution to the business, but look for where you can make one.
5. Recognise that time outside the business will be valuable for experience, perspective and innovation.
6. Consider your tie and contribution to the family both within and outside the “business” aspects.

Don’ts

1. Assume that your belief about “how things happen around here” (i.e. culture) is the only or correct one. Consider the perspectives of other family stakeholders.
2. Make moves that are not inclusive. Expectations will differ, and feeling seen, heard and listened to is crucial for all family stakeholders.
3. Assume that your ideas about the longevity and sustainability of the company are widely held. What motivated your grandmother may not be motivating your father or aunt now.
4. Associate value for the company with blood ties.
5. Leave for a period without establishing the value of so doing and what your eventual return will look like.
6. Leave rifts and misunderstandings undealt with, no matter how painful.

Keeping the spark alive
Recognising these themes and seeing them objectively can bring clarity to family members and help non-family members navigate their entry into a family business. In other words, they can help make family enterprises more viable for the people working in them.

Peugeot, Kikkoman, Tata Group and Ford Motor Company have shown that it is possible for family-owned businesses to survive hundreds of years – some more than a thousand years. Today, family-owned businesses continue to play an important role in the economy. If the people working in them are allowed to thrive and sufficient efforts are invested into succession strategy and planning, family businesses will continue to be an engine for growth in many economies.

*Name has been changed.

Read an extended version of this post.

Find article at
https://knowledge.insead.edu/family-business/career-family-business-duty-or-choice

About the author(s)

**Morten Bennedsen** is the André and Rosalie Hoffmann Chaired Professor of Family Enterprise at INSEAD and the Academic Director of the Wendel International Centre for Family Enterprise. He is also a Niels Bohr Professor at the University of Copenhagen.

**Claire Harbour** is a global talent expert, focused on coaching and consulting across borders, and stirring up disruption.

**Antoine Tirard** is an international talent management consultant, trainer and coach to large global organisations.