

Can We Talk?

How Adult
Development
Impacts Family
Dynamics



Introduction

Glenn Hoddle (not his real name) is a highly successful first generation entrepreneur who has spent his whole adult life building Greaves, Inc., a highly successful family business. Glenn has always held the dream that his oldest son Harry, might one day take over the family business. After Harry returned home from college, Glenn assigned Harry around different divisions of Greaves, Inc., to grow Harry's understanding of the business and groom him for the future day when Harry might replace him. Of late, Glenn has gotten cold feet, and recently confided in me:

"Harry just does not leave me with the impression that he looks like a CEO. I worry that he doesn't see the big picture and he is not aware of how people see him. I love him and am proud of him, but he is always trying to please others and is not yet his own man."

When family members are not on the same page it can lead to dysfunctional management. One generation may look at an issue differently than the next generation that may be harmful to the family business. A generational relationship may be perceived by either the parent or the offspring (or indeed others) to be that of a controlling boss/subordinate employee or a parent/adolescent child. These dynamics can create significant conflict as the parent ages and the next generation enters into their prime executive years with many holding lingering doubts that the other will ever change.

The good news is that we can change as we are wired to develop, grow, transform and exceed one another's expectations. However, family members often do not allow the "other" to grow or develop in their eyes. This short sightedness can lead to disappointment and conflict.

One helpful lens is adult development theory to shed more light on these potentially explosive relationships. When family dynamics are not harmonious and conflict brews, a management team, which includes family members, can become fractured.

Adult Development Theory

Our biological changes influence our psychological, interpersonal and social developmental changes and are often described by stage theories. These focus on "age appropriate" developmental tasks to be achieved at each stage. Psychologists such as Erik Erikson, Carl Jung, Robert Kegan, Michel Common and Daniel Levinson have each proposed stage theories of human development that encompass the entire life span and

"Behind the success of every small business, there is a family!"

Tammy Fry Kelly

importantly emphasize the potential for positive change very late in life.

Kegan's theory can be used to frame and understand parents and their offspring, who are in different stages of their adult development, may have differing ways of communicating, or possess divergent expectations, opinions or values.

While our physical growth as adults has ceased, our internal growth continues, i.e. our mental and intellectual growth. Adult development theory involves adults developing an independent sense of self and gaining traits associated with wisdom and social maturity while we also become more self-aware and increasingly capable of managing relationships and social situations.

Dr Kegan postulated 5 stages of adult development. As these are outlined below, note that about 65% of the general population never makes it past stage 3. In each stage, an adult can mature within a stage (lateral development) or mature into a higher stage (vertical development). These 5 stages are based upon 2 key concepts in adult development, which are *transformation* and *subject-object shift*.

Transformation can be thought of as how we view our world. What you may see as a child or as an adult looks completely different as we develop. Examples may be how we react to the same movies we may have seen first as a young adult versus as an older adult, or how we view and use our own time line, or what is really important to us, e.g. health versus material assets. Only through transformation do we transition to higher stages of development. This is why a personal tragedy, e.g. a life event, can be such a catalyst for our growth.

Subject-object shift involves knowing what we know from subject (where it is controlling us) to object (where we can control it). The more we consider as object; the more clearly we see ourselves; the people around us, and the world. Think of subject as "I am" and object as "I have". Subject (I am) is a self-concept we are attached to and thus we have no objectivity about. Object (I have) is when we are detached and we look at, reflect upon, engage in, exert control over or connect to something else.

The Five Stages of Adult Development

Dr. Kegan's 5 stages of adult development are:

Stage 1- an impulse mind (early childhood)

Stage 2- an imperial mind (adolescence - about 6% of the adult population)

Stage 3- a socialized mind (58% of the adult population)

Stage 4- a self-authoring mind (35% of the adult population)

Stage 5- a self-transforming mind (1% of the adult population)

People with ADHD or those whose internal development was somehow blocked may fall into Stage 1

Stage 2 is akin to being an adolescent where the world surrounds you and is about meeting your own needs, interests and agenda. Relationships are transactional, which are a way of achieving your own needs. Perceptions are important such as how others view you and the consequences that flow from their perceptions of you.

Stage 3 is where most of us live. We are focused on interpersonal relationships, seeking mutuality of interest and external sources shape our self and our sense of the world. While in Stage 2 the most important things are our personal needs and interests, in Stage 3 ideas, norms and beliefs of people and systems around us are most important.

In reaching Stage 4, we are focused on self-authorship, identity and ideology. We define ourselves by who we are and are not defined by other people or the environment. We can distinguish the thoughts and opinion of others and form our own. This stage is defined by being consumed with "who I am and what I stand for," with a developed sense of direction and the capacity to create and follow our own course.

Stage 5 is represented by only 1% of the general population but represents a stage as an adult when we are exploring our own identities and roles. It represents the ever-changing self by interacting with others. We are not only questioning authority but also questioning ourselves and are no longer held prisoner by our own identity, as we can hold multiple thoughts and ideologies at once.

In my earlier example, son Harry has not yet reached Stage 3 and may still be in Stage 2. Technically competent, Harry may not have developed, or socialized to the point of developing the level of independent thought and judgment that his father expects. His father Glenn is expecting Harry to be demonstrating attributes of Stages 3 or 4, and thus unmet expectations causes Glenn, the dad, to question the readiness of Harry to step into his shoes as CEO of Greaves, Inc. In turn this erodes trust between them and can result in diminished expectations.

So how does all of this relate to members of high net worth families and their family businesses?

Addressing parent/adult child conflicts in a family business

Moving through these stages of adult development is not linear. It is complex, as this theory is really a road map to how adults develop. So how can we interpret this theory of adult development and apply it to understand the friction between parents and adult children in a family business?

Here is another example. Danny (not his real name) is a parent that has built the family owned business Chivers Refrigeration, had a thorough “life” education after leaving school early in his late teens and has enjoyed financial rewards through hard work, determination and a tight control over the business. Likely the business is a reflection of Danny’s identity. Danny could be an adult in Stage 2. Pattie, his daughter, who also works in the family business has however received the best academic education including an MBA, and has grown by the time of her thirties into Stage 3. In fact, her frequent travels around the world have permitted her to extensively experience many cultures and she may even be at Stage 4. Contrast this with her father Danny, who didn’t travel until much later in his life, had started working while in his late teens and thus likely has a different outlook on life.

Danny and Pattie may have differing approaches to the family business as well as different perspectives, values and priorities of life itself. Danny may see the world revolving around him, while Pattie is more detached in her outlook and likely has a greater sense of self. While sitting around the family dining table the family dynamics may produce spirited conversation about politics, religion and social issues with divergent views. However, this may translate and be interpreted within the family business as though the management or ownership team is not on the same page, displaying a lack of harmony and a lack of collaborative teaming. As Danny has not matured in his growth to Stage 3 or beyond, he may find it hard to detach his relationship with Pattie and view the relationship objectively. He may see her still as his child not as an executive, while Pattie sees herself at Chivers Refrigeration as an executive. The result is that potential conflict can ensue.

Being able to objectively look at a relationship, issue or scenario in a detached manner could, perhaps help a parent see their offspring as a skilled and growing executive and treat them as such, with greater empowerment, responsibility, accountability and trust. Unfortunately, this sometimes does not occur. Offspring want to be treated as executives but are, in their mind, still treated as children. This breeds friction.

Life, as we know, cannot be neatly packaged. However, adult development theory can explain why people at different stages of growth are not aligned. The good news is that we are never too old to learn how to change our behaviors and thoughts. The science of neuroplasticity and all adult development theories have shown that we can train our brain. So, the capacity to grow and move to a higher Stage is possible by cultivating curiosity, critical reflection and openness. To grow one also need to answer important questions such “what do I want” or “what motivates me?” Thinking through in a detached manner the answers to these question is important in order to gain clarity.

Concluding thoughts

At SLG we are steeped in resolving conflicts having worked with hundreds of families, executives and closely held businesses.

Often, resolving interpersonal conflict is more about trying to understand, versus trying to change. Understanding adult development theory can assist in finding solutions to improving communications, rebuilding trust, reducing negative feelings of judgment and enhancing understanding and acceptance of differences. It is a way of framing why the conflicts exist and illustrates how getting the family to the table to sit and talk about the elephants in the room is likely a win-win for all.

This is where we excel at SLG, as third parties who objectively and clearly see the family dynamics because we are not embroiled in them. Consequently, we can suggest constructive ways through strategic interventions that honor the contributions of all family members, at whatever stage of adult development.

The role of a trusted third-party is one that we have been playing with our clients for almost thirty years at the Spencer Legacy Group.

Allow us to help your family overcome the issues that might sabotage your success. When it's time to talk about the elephant in the room, give us a call at 1-800-694-0059, or find us online at www.spencerlegacygroup.com.

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