When the generational planets are misaligned

The psychological needs of parents in their 40s and of successors-to-be in their 20s are often on a collision course.

By Ivan Lansberg

In their late 30s and early 40s, adults are moving into the turbulent waters of mid-life. Whatever their successes or failures, many adults at this stage of life become more aware of their own mortality and start to question the choices and compromises they have made. For entrepreneurs and CEOs of a family business, this period of introspection can have profound implications for their own careers and for their offspring.

Psychologists who have described the stages of human maturation say that leaders at this age often find the realities of reaching the summit disappointing or threatening. To get where they are, they may have abandoned the powerful dreams of earlier years; they may be dogged by questions about whether the sacrifices have been worth it. Both men and women appear to go through this period of life reassessment, which may be even more acute for women who have had to give up child-bearing for the sake of careers.

This profound self-questioning can shake leaders' confidence in their own judgment at just the time when they become fully responsible for the fortunes of the business. It also coincides with the time when they are called on to manage one of the most important phases of the next leadership transition: the entry of their now-grown children into the family business.

Because the developmental needs of the two generations are far apart at this stage, the two generations may be on a collision course. Young adults 18 to 25 years old are going through the final phases of psychological separation from parents and are striving to establish their autonomy. After completing college, they are eager to experience the myriad opportunities the world has to offer, and many are reluctant to commit themselves to the family business before they have had a chance to explore other career options.

Young people choosing to enter the business need honest feedback on their performance, which other employees are usually hesitant to provide and parents at this stage may not be ready to provide. At first, the parents may be joyful at having their offspring around the office, and happy to think the business will one day be carried on by their flesh and blood—until it dawns on them that the arrival of a successor is the first step in his or her own inevitable removal from power.

This fear is likely to be born the very day a capable young adult arrives at the office brimming with ideas for change. A few years ago, a young successor-to-be, Keith Rogal, reflected on this problem:

“The heir often arrives enthusiastically brandishing new tools and techniques that may expose weaknesses of the top executive. In the daily interchange of ideas, the heir may pass judgment on the parent’s decisions—an uncomfortable position for all but the most secure parents.”

Parents who have not worked through the developmental issues associated with mid-life may be unable to disentangle their own psychological needs from those of the offspring. They often begin to pin their hopes on members of the next generation to compensate for what they see as their own inadequacies, or to accomplish their unfulfilled dreams. One of the leading students of the human life cycle, the late psychologist Daniel Levinson, wrote that parents who seek to realize their dreams through their children—who are unable to differentiate themselves from their children—may be tempted “to play the omnipotent Pygmalion, who, like professor Higgins in Shaw’s play *My Fair Lady*, egocentrically tries to make his Eliza Doolittle (female or male) into an image of his own choosing. In the end Eliza must rebel in order to pursue her or his own development.”

Feeling vulnerable themselves, parents are likely to be critical not only of their own performance but, by extension, that of their offspring. This distorts their judgment and makes it virtually impossible for them to judge the offspring’s performance objectively.

Given the developmental needs of both parent and child, the best solution at this juncture is often the one recommended for many reasons: for the potential successor to work outside the family company for a few years. However, the reality is that many potential successors are not encouraged to do so. Indeed, in a recent telephone survey, CEOs of 236 family firms gave relatively low priority to outside work on a list of developmental tasks. Instead, the respondents emphasized personal, hands-on supervision in developing successors.

But parents wrestling with ambivalence about the entry of their children into the firm may be incapable of providing the mentoring they need. Instead, some family companies enlist a select group of trusted nonfamily managers to assist in managing the entry process. Senior managers—especially those in their 50s who are past the mid-life transition—are in a better position to do the coaching than some parents at mid-life.

For sibling partners in the throes of the mid-life transition, the screening of young family members for jobs poses even more difficult issues. Whatever their life stage, siblings who have been in business together for many years have fundamental sensitivities about having their partners judge their children. By the same token, they also worry about having to evaluate the siblings’ children, because of the potential conflict inherent in the situation. These anxieties often become exaggerated if their self-confidence has been shaken at mid-life.

Some siblings at this stage are for a time simply incapable of making competent assessments of their own children or those of their partners. They often deal with the problem by either closing the door entirely—deciding that none of the cousins will be offered jobs—or by opening the door to all the job-seekers in the hope that the best and brightest will eventually rise to the top and the others will sink to the bottom.

Siblings who have a history of working well together rarely choose either extreme. Instead, they usually try to avoid problems by agreeing on some sort of formal rules for evaluating one another's children, and most important, by enlisting outsiders in the process. They may, for example, develop a formal assessment committee made up of outside board members, two or three trusted advisers, a senior human resources manager, and perhaps an outside career counselor. Such a group can mentor the children, supervise their development, and serve as a resource on career goals even for those who do not wish to enter the family business.

The need for more formal systems for evaluating successors is particularly acute in older companies in which ownership is divided among several family branches and the leaders are under pressure to ensure that each branch has some representation in management.

For business owners in all types of companies, the period of self-reassessment ends when they have clarified their goals and worked out what Levinson called a new "life structure." Now in their 50s and 60s, they are better able to see their offspring as autonomous human beings with their own dreams. The young successors, now approaching 30, are more committed to the business and willing to accept direction.

The generational planets are thus aligned and the hard work of succession planning can begin. As Rogal wrote: "While an independence-seeking 22-year-old may have difficulty getting along with a reputation-building 40-year-old parent, the passage of time is likely to bring the developmental needs of the two in concert."

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