

# INTRODUCTION TO BOUNDARIES PILLAR

▶ [Introduction to Boundaries Video](#)

The BOUNDARIES PILLAR addresses the critical need for, and functions of, boundaries. So far there have been lessons about learning effective Communications and then bringing the family into Alignment. Now it's time to learn about the efficacy of setting Boundaries within the family business arena. Who should do this? How does one know how to set boundaries and why they are set as they are? What happens when a family business does not have proper boundaries? Boundaries should evolve naturally after learning the critical lesson of family alignment. Boundaries support and serve the family business development, and will help to determine the clarity of process, the structure of authority, and role definitions. In this Pillar, we get into the exercises of how to evaluate yourself and the members of your family team. We teach you how to understand each family member based on their specific place and time in the larger family unit.



Boundaries appear to be a paradox. They separate, yet the adjacencies are also a connection. Within boundaries, there can be specific responsibilities, actions, and goals—all supporting and enhancing the whole of the family business platform. Boundaries are defining, and definition within the family business can help to keep territorial squabbles short, and recriminations at a minimum.

Too often in family businesses, a lack of clear boundaries within company roles and responsibilities can open the door to the collapse of the proverbial organization chart. Number One Son, for example, may feel he could do his job and his younger sister's job faster than if he had to wait for her to produce her part of a project. If job boundaries are in place and are upheld by the

parent(s) or by the board of directors, then the younger child's value to the company is reinforced, as is the importance of her contributions to the family business. If the boundaries are not upheld, an atmosphere of distrust and resentment can follow. Any weak link in a family business structure will lead to lesser productivity and progress.

I am passionate about boundary structures within a family business because they promote the trust and fairness that are critical to ongoing company success. This Pillar explains how to learn to evaluate each member of your family team, and then how boundaries can be set to allow them to expand to their full potential without stepping on other team members.

# LESSON ONE: BOUNDARIES IN THE *IMMEDIATE* FAMILY, DEFINITIONS AND GUIDELINES

American poet Robert Frost said, “Good fences make good neighbors.” I’ve never heard anyone argue against this adage. And here’s the thing about fences: they set a boundary, but they also indicate the adjacency, and in a family, the adjacencies represent a deep, emotional, familial bond. This concept is critical for a successful family business.

First, let’s agree on some definitions.

## **Nuclear family**

- Each adult child who lives independently from his/her parents
- A father, mother, and their children
- A father and his children
- A mother and her children
- Two partners, may or may not be of the same gender, may or may not have children

## **Extended family**

A family that includes others beyond the nuclear family, including grandparents, aunts, uncles, and other relatives who may or may not be involved in the business.

## **Here are some basic principles for the nuclear family when members are in business together:**

- What happens within a nuclear family is private. Issues in that family are not to be discussed outside the unit (that’s a boundary.)
- What the family member did in private is not a topic for open discussion (another boundary.)
- Siblings will have one relationship during their formative years. If they work together as grownups, they will need to devote time, energy, and thought to developing viable adult-to-adult relationships. Failure to address this is an endorsement to behave just as they did as children or

adolescents or both. They will not have boundaries relevant to running a business together.

- It is commonplace for people to discuss what happened at work today. When it is a family business and a disturbing event of the day was a dispute or disagreement with a family member, there is likely to be a desire to “vent” about what happened. When this happens, spouses often add fuel to the fire. Perhaps a good idea is to agree to keep disputes within the boundary of “it’s a work issue.”
- Spouses and children need to learn that disputes in business are normal and to be expected. Disputes are not personalized in such a way that any family member is painted in a negative light. Disputes need to focus on the business issue and not the family member. This is another boundary, that can save many harsh words and misrepresented emotions over the years.

And think about this: the best place for children to learn to handle confidential information is in their family of origin. That will carry over into their adult lives.

## **And here’s maybe the largest overall conceptual business boundary:**

*The family business must not become a metaphor for family.*

Below are two examples that help illustrate the principles listed above.

Four brothers had purchased a very successful wholesale distributorship from their parents. At the time of this story, the brothers were age 40, 38, 33 and 28. The nature of the business and the sports orientation of the brothers were well known. When they were all physically present in the business, it was very much like being in a locker room after a winning sports event, in language, tone, topic, and slang. This situation was well before “political correctness” came into being.

On arrival in the office, it wasn’t unusual for one brother to call out to another, “How did you make out last night?” or some version of that question. The implied topic was not about fixing his car. Often what was said was not polite, proper or appropriate for that setting, in those times, and certainly would not be tolerated today, as it was then.

Here were four men, fully formed adults, each married and head of their own nuclear family, still behaving like late adolescents. The brothers knew

everything about one another's finances, business dealings, and personal lives. They had no sense of boundaries nor propriety. Their impropriety was a source of gossip and discomfort among employees.

Fast forward. After much work on establishing and managing boundaries, the brothers, their wives and I were having dinner when the following transaction occurred:

Brother #4 said to brother #3, "Hey, I heard you sold your condo at Telluride."

Brother #3 replied, "Yes, I did."

Brother #4 asked, "How much did you get for it?"

Brother #3 replied with a smile, a wink in my direction, and a wry grin for Brother #4, "I appreciate your curiosity. Thanks for asking but that is a private matter."

Clearly, he had learned at least some parts of the lesson of what was private. We had spent a great deal of time developing an understanding of what was private and what was public (appropriate) information to share.

And look at this example of the importance of boundaries that also addresses the key factor of trust.

Brother John runs a division of the family business and believes he needs to purchase a piece of equipment to do his job. His sister, Marie, wants to expand in her area of the business at the same time. They both want funding, and they know that resources in the company are not unlimited. It becomes a question of which expenditure Dad will approve. Both John and Marie independently begin lobbying Mom, the real "force" in the family, so she will convince Dad to favor one or the other.

Now we have a real mess, all because the procedures and boundaries were not clear; and thus, neither child could forecast what the outcome of their competition for funds might be.

The ensuing conflict is bound to escalate because this family does not have properly defined boundaries that everyone can trust. There is fear that the decision will be made based on personality. The real issue is a failure of the parents to define roles within the company, including the roles of their adult children, and to insist that as a condition of their continued employment, their

children must establish an amicable way of working together. As to the parents, it seems they have not created a business environment in which all family members are focused on the greater good of the company. The lack of such clarity permits, even encourages, the adversarial dynamic described between John and Marie, and it undermines familial trust.

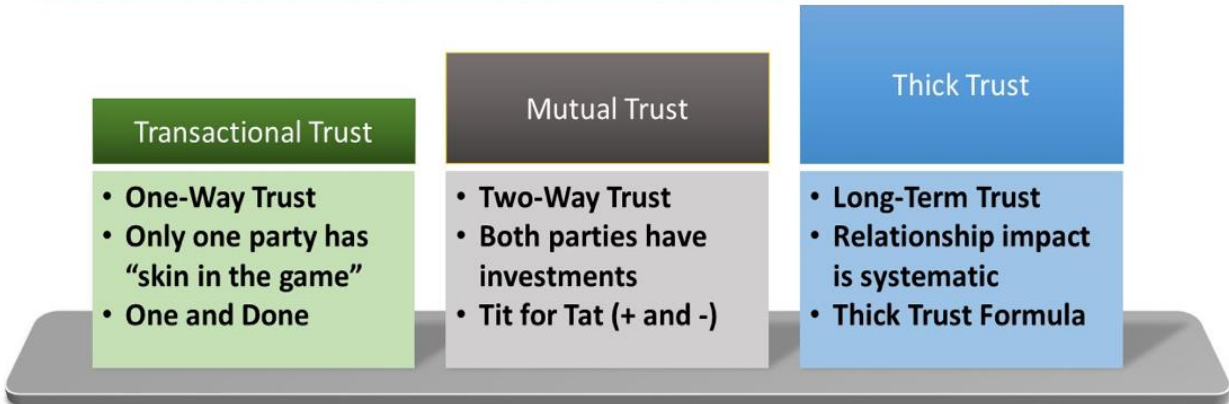
## Thick Trust

Because trust is such an important issue in Family Business, I encourage you to download and print an article written by my good friend Dr. Edgell Pyles and his son Tom. I show the graphic of "Thick Trust" below, but be sure to download Dr. Pyles' article [Thick Trust](#), read it carefully. Dr. Pyles' equation to calculate who to trust, and how much you should trust them, will change what you believe about trust in family business relationships.

### Levels of Relationship Trust

"Thick Trust is required in family-business relationship and in affluent families where there are long-term psychological and financial dynamics. It is based on the concept that familial relationships are experienced in complex settings. Trust relationships at this level have the highest potential for quick and secure decisions, with the lowest cost and highest profit."

Edgell Franklin Pyles, PhD Thomas Edward Pyles, MA, **MAPS for Men**(2016)



For a deeper understanding of "thick trust" see Russell Hardin, *Trust and Trustworthiness*, (2002)  
For a deeper understanding of "skin in the game" see Nassim Nicholas Taleb, *Skin in the Game* (2018)

In the wholesale distribution case, the four brothers vignette above, there are many implied family matters and boundary matters that merit examination. As adolescents, they had played sports together like skiing, boating, going to the beach, and trips with their family. One by one, they married women of their choice. These women brought different preferences, opinions, values and ways of doing things to their marriages. Those differences played themselves out as each family had children.

The brothers grew apart, to the point where the bulk of their interaction centered almost exclusively on the business. They had a very high profile in their community. Through the business, they supported many admirable causes and would often be recognized for their contributions. Frequently this meant all four brothers and their wives were seated at the same table for some gala or fundraising event. All were attractive people who, for all appearances, had achieved the American Dream of money, power, and influence. Sadly, the brother-to-brother relationship was neglected, and their business interaction became the metaphor for the family. Pure brother-to-brother time was almost non-existent.

Something was missing. After careful examination of what keeps a family together, they took steps to rekindle and nurture their relationships. Their overall level of satisfaction with the business and their interactions increased. The inter-family relationships took on new meaning and relationships among their children, the 3rd generation, were enriched.

Family visits to the beach had been the family vacation when they were young. As their parents aged, they reinstated those visits. Father was the first to pass. The brothers rallied around their mother who had been the “rock” in both the family and the business. Soon thereafter she evidenced symptoms of early-stage Alzheimer’s disease. It wasn’t long before she no longer resembled the woman she had been. Collectively they managed her care until the end. The celebration of her life was an extraordinary event planned by all. It precipitated a healing within the family that could not have happened if the brothers had not paid attention to their relationships.

- Traditions are the glue that holds a family together. Sometimes it is a renewal of old traditions, sometimes it is the introduction of new ones.
- Activities can maintain relationships. Every relationship has a “relationship bank.” Taking time to have fun together is like “putting money into your relationship bank.” Those deposits help family members sustain their relationships when their opinions differ.
- Genuine caring is essential to the continuity of relationships. This means giving family members your undivided attention. All it might take is time for a cup of coffee, a phone call, or a postcard.
- Mutual respect is at the core of all sustained relationships. That respect is built on the trust you have when you know you can depend on members of your family.
- Assistance and support of family members are crucial, especially at times of grief, loss, pain, and shame. Even if you don’t like what a family

member has done, you can support them. Families that run from a family member who's having trouble don't stay together.

- Integrity and hard work set the standard for family behavior.

The 10 Keys to Success in Family Business can be downloaded [HERE](#)

Read them carefully. Complete Ten Keys to Success Alignment Scale and rate your family on each of the scales. From your own assessment, identify three or more steps you can take to improve the rating you have given your family. [Ten Keys to Success Alignment Scale](#). This is a fill-in form. Please open with Adobe Acrobat Reader to have access to this automation. You may save the completed form to your computer for personal reference.

## The Importance of Sibling Position—Information that always seems to help



The effect of birth position on personality and behavior is a frequently debated topic in family systems theory. I believe the reason for the debate is grounded in the imprecision of the subject. It is not an empirical science. I see it as more of an art form, something that should be cause for “wondering, and speculation” rather than formulation of a definitive position. What I do is gather the relevant birth position information, then examine the behavior patterns of the individual. If it does not reflect behaviors suggested for that birth position according to Toman's theory, I pause and ask, “Hmmm. Wonder why the behavior of this individual is different?” When I probe deeply into the family history, there is always a very plausible explanation for the variance.

Something significant happened that caused the difference from the behavior one might predict based on the birth position. Walter Toman, (1920 – 2003) “Family Constellation,” © 1st edition 1961, 4th edition 1993. Toman, a clinical psychologist, did extensive research on birth order or rank, the sex mix of the siblings, and the equivalent data about a person's same-sex, role-model parent. From his findings, Toman suggested patterns of behavior that people

develop in families. Toman began with the premise that the family is the most influential context in a person's life, and that it exerts its influence in a regular, exclusive way early on. He confirmed Murray Bowen's view that a person's position in the family structure strongly influences the expectations that person brings to situations through life.

In particular, Toman examined the roles of the oldest child, the youngest child, the middle child, and the only child in the family structure. He also observed that the spacing of births influences how birth order or rank is applied. When there is an age difference of six or more years between successive siblings, the two tend to influence each other less than siblings who are closer in age. When six or more years separate siblings, there is effectively a new family structure, with younger sibling becoming another oldest child.

Consider a family with three children. The first two are aged 6 and 8. Then another child is born. The 6 and 8-year olds have little in common with the infant. When the older children are 14 and 16, the younger is 8 years old. There is little common ground between the older children and the younger child. If no more children are born to this family, it would function as two children two years apart and one "functional" only child. Another way to say it is that this is functionally two families, a pair that differ in age by two years and an only child. When child #2 is twenty, that child will have little in common with the youngest family member who is then 14. When the difference is greater than 6 years the gap is even greater.

**The oldest child.** In "The Matriarch," G.B. Stern writes: "I'm the oldest of the oldest of the oldest . . . And so, I shall always do just as I like, and knock down everybody, and everybody will love me best, because I'm the oldest of the oldest of the oldest."

So it is with the first-born child. This child arrives on the scene as very special. His parents have been waiting to be parents. They have experienced nothing like it before, so the child receives a great deal of attention. Because he is first, the child is expected to take on responsibilities for younger siblings; thus, he is pushed into a leadership role and is expected to be in charge. Oldest children tend to care for, guide and protect the siblings that follow. Because of their age supremacy, they expect to be in charge and control.

**The youngest child.** Like the first-born child, the youngest child is special because he marks the end of a process. Youngest children expect to be in the company of other people because from the beginning, they were never alone.

Youngest children seek to be understood by others. This inward focus is in marked contrast to the outward focus of the older child, who seeks to understand the world about him. Sometimes youngest children are carefree, even to the point of irresponsibility, because an older sibling took responsibility for them. Younger children tend to consult with an older person. Typically, they are competitive but willing to acquiesce since they always had siblings who were older, more knowledgeable, and physically more powerful.

**The middle child.** There is not much special about middle children. They are not first or last. Even though they were the youngest at one point, it was only a temporary position. As a result, middle children have difficulty getting recognition. Eleanor Estes said it very well in *The Middle Moffat*:

When Mama introduced Sylvie, she always said, "This is Sylvie, my oldest child."

When Mama introduced Rufus, she always said, "This is Rufus, the baby in the family."

When Mama introduced Joey to people, she would say "This is Joey, my oldest son."

When Mama introduced Jane, she just said, "This is Jane." Because Mama had not figured out that Jane was the middle Moffat. Nobody had figured this out, but Jane.

Since they tend not to get special recognition within the family, middle children either look outside the family structure for recognition or exert extraordinary pressure for recognition within the family. The middle child combines some of the roles of the older and the younger. Relative to his older siblings, he is younger and thus has some of the qualities of the younger child, such as taking direction. With respect to his younger siblings, he is older and thus has some of the qualities of the older child, such as taking the lead. Many middle children become very effective negotiators as adults simply because they had to negotiate for the resources in their sibling structure. Some psychologists say middle children tend to be better adjusted than those in other birth positions.

**The only child.** Only children have a sense of their specialness because they carry all the hopes, dreams and aspirations of their parents. From the beginning, they must interact with adults, so it is not surprising that only children often seek the attention of authority figures. When only children enter their first structured learning situation, they may well stand aside and watch in amazement as their peers play with one another. After an adjustment period, they join in with the others and gradually learn effective interactive behaviors.

They simply are not as well prepared for contact with peers as children who grew up with siblings. Only children learn to play by themselves and thus may seem as somewhat aloof. They view the world as quite complete without other people. They don't need them.

## The Sex Mix of Siblings

Toman also concluded that the sex mix of siblings can have a great impact on future family, and non-family, relationships. People growing up in a family with children of both sexes learn to interact and live with members of the opposite sex. This is not about sexual intimacy but about daily life with the opposite sex. People who grow up in a single-sex sibling structure have not shared a life at home with a peer of the opposite sex and are generally not as skilled at relating to the opposite sex.

In his analysis of over 3,000 marriages, Toman defined three types of relationships:

- complementary,
- non-complementary,
- doubly non-complementary.

The complementary relationship. In a complementary relationship, there is no conflict over rank and each partner had an opposite-sex sibling. Thus, if one partner in a marriage is an oldest child and had younger siblings of the opposite sex and one partner is the youngest child and had older siblings of the opposite sex, little conflict will predictably occur between them in terms of control and natural interaction. In their family structure, they have learned to deal effectively with the opposite sex. In Toman's sample, there were no divorces among couples having complementary relationships

The non-complementary relationship. In a non-complementary relationship, there is conflict over either rank or sex. If the conflict is over rank, there will be problems of control. For example, when two oldest children marry, they will both want to be in charge. If the conflict is over sex, the partners have trouble relating to the opposite sex because neither had an opposite-sex sibling. Conflict over sex does not refer to disagreement regarding sexual intimacy but rather to difficulties in sharing day-to-day life with a member of the opposite sex. For example, girls from an all-female sibling structure often learn, on a cold night, that boys leave the toilet seat up.

The doubly non-complementary relationship. In a doubly non-complementary relationship, there is conflict over both rank and sex. An example is a marriage between an oldest brother of brothers and an oldest sister of sisters. These partners would probably always vie for control, since they are both the oldest and accustomed to being in charge. Since neither had a sibling of the opposite sex in the family, they would be at a further disadvantage in sharing a life.

In Toman's study, the divorce rate in doubly non-complementary relationships was twice that of the entire sample. These partners brought into their marriage some family systems messages that ultimately undermined it. Each wanted, and in fact, expected control and couldn't learn to share it. In addition, neither was really prepared to deal with intimate day-to-day life with the other. It is said that "marriages are made in heaven." Maybe, but the reality is that those marriages, wherever they are made, are lived here on earth. When we marry, we carry all that we are into the union. That includes communication patterns, expectations from our birth position and sibling structure, behaviors we have learned from our same sex, role model parent and a whole lot more. Any wonder that marriages are complex?

And remember: a boy watches his father and from him, learns how a man is expected to act. A girl watches her mother, who serves as a model for how a woman is expected to act. The death or illness of a sibling, the work patterns of parents, adoptions, the death of a parent, divorce, and the intermixing of children from previous marriages, all can also influence personality development. The age at which these events occur and one's place in the family determine the extent of the influence.

All the studies and research in the world will not change the fact that, in some families the position of birth and the sex mix of siblings can affect the personality development of children. It has much to do with how those positions are perceived by the parents, and the correlating expectations and responsibilities assigned to them.

Throughout my years working with families in business, I have seen consistently the positive, progressive results of having the will and the courage to set boundaries within the immediate family first, then within the family business. **Look at each family member carefully** and give each his/her full space to interact as individuals and to perform their work according to their skills and talent, but—also to have a firm and visible boundary as to where their efforts can stop so that others may do likewise.

# LESSON TWO: HOW TO EVALUATE YOUR TEAM, RECOGNIZE CHARACTERISTICS

My goal in this discussion is to take the best from the study of other systems and apply the relevant ideas to managing boundaries in the family business. It is probably becoming clear that proper boundaries are contingent upon your ability to understand the dynamics taking place in relationships. Early in our discussions, we have suggested that “families can be messy.” We are about to launch into a messy category, messy because it doesn’t cleanly fit in a simple category yet seems to permeate everything. Family business relationships are messy largely because boundaries are not known or are not clearly established and respected.

## Where Is Everybody, Right Now, In Their Development?

You don’t have to have a degree in psychology to understand that people change, grow and evolve. It’s a constant in the workplace, but being able to map where your family team members may be right now in their journey can be key in setting, and then re-setting family work boundaries. Review the linked pdf: [Predictable Stages of Adult Development](#). Open this in a new tab and keep it on hand for reference through this section.

While the research suggests harmony with aging, my personal and professional experience does not seem to support that view. I am of the opinion that as one ages, one grows more and more like their essential self. If you are an affable, easy-going person in your younger years, you are likely to grow into a very accommodating older person. If, on the other hand, you are difficult and demanding as a younger person, you may “mellow out,” but there is a good chance you will morph into a crotchety, difficult older person.

I have found the Predictable Stages of Adult Development matrix to be very useful in understanding where family members are in their growth and evolution. Like Toman’s theories, stages of adult development can be somewhat imprecise because the rate at which individuals move through their stages varies. One person might move through a stage swiftly while another person might get stuck in that stage and remain there beyond the average years others spent there. What follows is the synthesis that I use to apply this paradigm to individuals in a family business.

First, understand that the age ranges indicated are approximate. They may be longer or shorter for any one individual. The degree to which an individual has completed each stage is an indicator of their readiness to move to the next stage. If they have not completed all of the tasks of a stage, then in my view, they have unfinished developmental business, and that stage will drag out for them.

You will note that some stages are fully compatible with others. That is not always so. Consider the case of a son in the latter half of his 30's who had demonstrated his ability to lead. He was right on schedule, champing at the bit to run something. His father was in his late 50's and nowhere close to transferring control. Father was not "moving forward" in his own development. The son pushed and pushed and still there was no movement of the father's position. It got nasty, with each side threatening punitive actions that would have been quite damaging to their relationship, to the business, and to the entire family. Only when the father understood that this was not about his son being rude and ungrateful, that the son's behavior was congruent with the tasks in his evolution through stages of predictable adult development, was he able to accept the changes in his son's behavior. In this case, the father was behind in his own evolution, and he needed to put major responsibility in the hands of his son. He did that, and he shifted his focus from control to the transfer of control, and to nurturing his son. He also cultivated his own avocational interests. Not surprisingly, the father/son relationship did improve.

In another example, a mother was her daughter's mentor. They had a very close relationship. In fact, this mother had overinvested in the daughter being competent in business matters. When the daughter hit her mid-30's, she felt she knew many things and she did. As a result, she began to drift away from her mother, having fewer and fewer tête-à-tête conversations with her. While it was normal behavior for the daughter, it infuriated the mother to the point where at one point she shouted, "After everything I have done for you and you don't come and talk with me?" It was a very heated exchange between them. I helped the mother see that the daughter was doing exactly what she should be doing in terms of her evolution. In fact, the mother apologized to the daughter and commended her for her successful development.

These are two examples of how a solid understanding of adult development helped defuse difficult situations. In each case, matters had escalated to the point of significant polarization and accusation. It was not grounded in anything that either of the individuals had done, even though each of them highly personalized their ire toward the other. It was a matter of the individuals

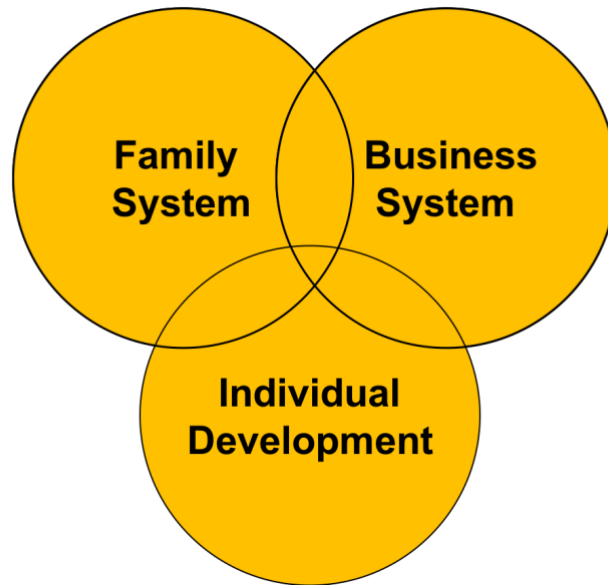
moving through their natural development, in which the tasks of their respective stages were in conflict.

Many businesses struggle with exactly how to bring a family member into the business. Understanding the importance of individuation is a major benefit. It is not easy to individuate/differentiate under the scrutiny of one's parents. I always say, "It is hard to find a place in the sun, in the shade of the family tree." It is our parents who shape so much of who we are. In our families, we are told we are handsome, beautiful, intelligent, skillful, talented and unique. Some of this may be true, but some of it might be wishful thinking on the part of our parents. By working in another business, away from the parents, one can discover who one really is, clearly identify talents, and develop abilities. Often family members starting in a business receive totally positive feedback about their performance from parents and non-family employees. Everything one does is outstanding, or so they say. In other cases, the feedback is inordinately harsh, with employees saying the boss's son/daughter is a loser, a doofus, and never does anything right. Neither type of feedback is fair to the individual. What everyone needs is honest, accurate, constructive feedback about their performance, so they can modify their behavior as indicated.

When a family member works outside the family enterprise, they have a better chance of developing a solid sense of who they are as an employee. They are given a job by their supervisor. When it is completed, the supervisor either commends them or says, "not the way we do it here. THIS is the way it is to be done." If the individual doesn't get it right, then in the next performance review, the supervisor may very well say, "Bob, I think you are going to be a lot happier working somewhere else." Family employment policies are for the benefit of the family member; time working elsewhere plays a huge role in their individuation/differentiation. There will be complete examination of Family Employment Policies in Pillar 4 of this course.

## **Working With My Own Comprehensive View of Family Business and Predictable Stages of Adult Development**

## The Bork Comprehensive View of Family Business



*"The keys to family relationship solutions and implementation are locked up in family functioning and individual development. If you fail to unlock them, there is little real progress." David Bork*

Now we are integrating what we have learned about family systems and the predictable stages of adult development. In doing so, we are building a more complete picture of each individual in the system. Above is the visual for how I will learn to view every member of the families I work with. I call this trefoil The Bork Comprehensive View of Family Business. It's the way I do it as a consultant, but you can use it too, working as a family member. One must look at everything--and I mean **everything** that has brought each relevant family member to this point. Don't miss a detail. While learning about family members and their relationships, you need to pay attention to:

- What people say, how they say it, and to whom they say it.
- What they don't say and how they don't say it.
- Watch the nonverbal cues they give and their facial expressions when speaking about matters.
- Watch what they tell you they have done or are going to do and then observe what they really do or didn't do.
- Everything!

Picture a family member as being at the center of the above trefoil. You see they are at the very center of the three overlapping influences of Family

Systems, Individual Development, and Business Systems. Let's name this individual "Charlie", and then properly gather the information to know how all influences join and overlap. Our information-gathering system is not tricky. When we meet Charlie we can gather a great deal of information about him just by asking questions about his life, his family, his work, outside interests, education, his passions, and his dreams for the future. We will try to get to know him as a friend, and to know him as a person and a professional. Then by using the information learned earlier about birth order, family structure, and progress in predictable adult development, we can create the following profile about "Charlie."

- 29-year-old male, first born, has three sibs, two sisters and a brother, all 2 years apart.
- Sibs alternate from top, boy, girl, boy, girl.
- Charlie competes in cyclo-cross, a steeplechase on bikes.
- He has finished two Ironman races, now training for another in 4 months.
- Worked 7 years in another business that has offered him a significant position.
- Clear evidence of competence; had 3 promotions in 7 years, each with more responsibility.
- Completed executive MBA while on the job.
- Engaged to girl he met running.
- Negotiating with father about joining the business; looking for guarantees.
- Father, is a first born of 4 brothers, ages 60, 56, 53, 51. Founded the business, has no written plan for retirement or transfer of control, has no hobbies and has been known to overindulge in substances.

What can we reasonably predict from this profile:

- Charlie is probably reasonably well-differentiated.
- He likely has proven leadership capacity. (Need to probe further.)
- He may be a competitive sibling, yet a caring brother. (There will be stories.)
- Has always "looked after" his sisters and brother.
- He brings a positive attitude about the future.
- His sports orientation is focused on individual performance, doing one's best. This view probably carries over into his work. (Need to explore teamwork views as his sports are solitary.)
- Dealing with father suggests he has or may have resolved his authority figure issues.

This is a great deal of information, and it is only the first cut. Suppose you

research the same level of information from the other players in the family business? Soon you will have a very comprehensive matrix of data. Then, knowing what you know about your family members, you can map a path forward through the current challenges in your business. The point is that by considering the overlapping influences as shown on the trefoil and applying the concepts discussed here (birth order, adult development stage, etc.), you are likely to produce a lot of helpful and usable data. For your needs, more data is definitely better.

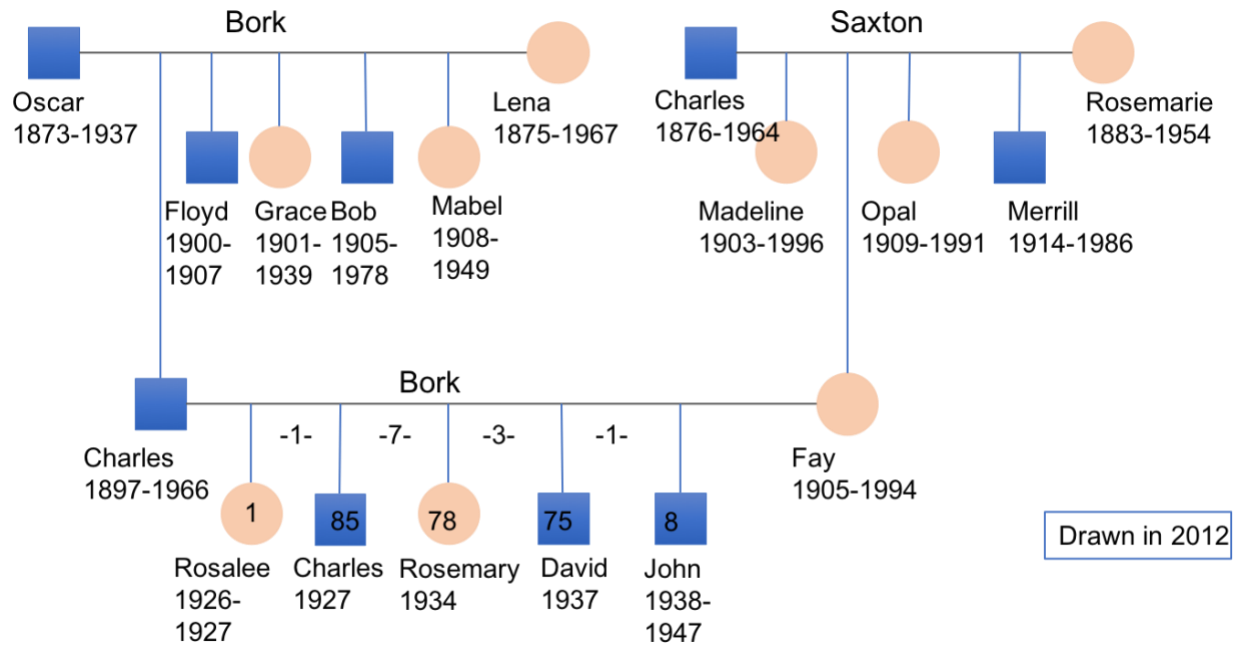
Download, print, and read both the [Genogram Symbols](#) and the article on [Bowen Family Systems Theory](#)

## Learning To Be A Family Detective



Whether you are looking from the outside in, the way I would see things as a credible family business consultant, or from the inside out as a family member, you need a wide array of skills in multiple disciplines. One of those disciplines is being a good detective. You must have solid, credible data before making decisions. You need parallel and consistent categories of facts to be successful when balancing the talents and foibles of all your family members. I think for the most part, if you listen with interest, people will tell you everything you hope to know. Seldom is information intentionally withheld, it is just that not everything is always thought of, or it is thought to be unimportant.

- As depicted in the Family Genogram Graphic, **draw a family tree**, going back two or more generations, if possible. Identify various known health issues of people. Look for patterns that appear, diseases repeated, known alcohol or drug abuse, extended hospitalizations or chronic illness. Identify people who were in the “caretaker” role. Reflect on the “stories” you have heard about ancestors or relatives and put notes about them on the family tree.



Let's take a quick walk through what a genogram can tell you. I am the 4<sup>th</sup> born of five children, and the older one of a same gender pair with some extenuating circumstances. My brother, John, was one year younger and had a congenital heart defect. The family message I received was, "Take care of John." My father was the oldest of five children, and his father the oldest of four. So, my same gender, role model parent had the oldest male qualities of taking charge. I adapted aspects of the "taking charge" pattern of my father. The strong message to "take care of John" was reinforced by me being the older of a same gender pair, in which the younger had a physical defect. John died at age 8, after an unsuccessful surgical effort to repair the heart defect. The "caregiving" message had been very strong, and even though I was just a boy, I felt I had failed to do what was expected of me. That fact, coupled with my same gender, role model parent being very responsible, led me to grow up also as a very responsible caretaker. As a mature adult, I am the "go-to" person for both my brother, who is 10 years older, and my sister, who is 3 years older. In my family, I got the strong message to be "the responsible one." That message, and a long career executing on it, has been a powerful force in shaping my life.

Now go through this exercise using your own family tree.

- Look at your gender, birth position, and the same information about your same sex, role model parent. Keep in mind that your behavior is influenced by a combination of your actual birth position, the sex mix of

the siblings, and tempered by the same data about your same sex, role model parent. What generalizations can you make from this information?

- Find yourself on the chart of Predictable Stages of Adult Development. What are the challenges and strengths of your present stage? Is your stage in concert with or in conflict with the tasks of other people in your family? To what extent have you moved through and completed the succession of tasks? Are you “roughly” on schedule in the sequence, or do you have some leftover work to do?
- How would you assess your skill in managing boundaries with family members? Are you a fully independent person? Are you your own person or is there a parent or sibling that still “pulls your strings” or “pushes your buttons?”
- If you are a parent, how does your developmental stage fit with those of your children? If you are a child, how do you see your development either meshing with your parent, or perhaps causing conflict?
- Look at your career development and make a candid assessment of how you have moved forward. Have you effectively moved forward with increasingly responsible positions and had genuine success? Is there evidence that you have and can take charge, and move tasks to successful completion? Are you seen, and do you see yourself, as a responsible person with high self-esteem. Can you function independently in this world?

Through practice in applying principles learned in these Lessons, you will find that you are a product of a matrix of forces that shape who you are as a person and as a professional. It is essential that you first learn to see and understand yourself before trying to apply these processes to others.

**The Older Ones Know.** Go to the most senior family members and tell them you are interested in knowing more about the family history. Listen for what they say. Take notes. Compare what they say with other things you know. Make more notes. Express appreciation for the person sharing the information. If the dialogue goes easily, ask, “Were there any unusual things that happened over the generations?” There will be stories you never heard OR the storyline will “run dry,” and it will seem like you have run into a brick wall. When this happens, there is probably something that amounts to a family secret. That is the time to start over and speak with a different elder. Be careful to never “carry a story” from one elder to another. Just ask the questions and see where it leads you.

**Look for the leaders** in every generation. Identify those relatives who seemed to make a difference in the lives of others. Find the “creatives,” the ones who seemed to march to a different drummer. Keep in mind, this is about being a good detective. All you seek is data and information. When you have amassed the information, reflect on the systemic messages that appear. It will be a very revealing exercise.

**Learn to “wonder.”** You have gathered a good bit of information. Some of it may be strictly opinion, while some of it is fact. Gather all your notes, sit at the kitchen table with your parents. You can say in your own words, “I have been talking with \_\_\_\_\_, and I am wondering about the information that I am gathering; or, wondering what you might know, or, wondering about the patterns that seem to be in the family.” The point is simply this: you are on a fishing trip. You know there are fish in the pond, but you don’t know what you might catch. Keep fishing and you may catch a whopper of a species never seen before.

# LESSON THREE: BOUNDARIES, CO-DEPENDENCE & DEFINITION OF 'SELF'

At this point in the course, it is probably becoming clear that proper boundaries are contingent upon your ability to understand the dynamics taking place in relationships. Early in our discussions we have suggested that “families can be messy.” We are about to launch into a messy category, messy because it doesn’t cleanly fit in a simple category, yet seems to permeate everything. Family business relationships are messy largely because boundaries are not known or are not clearly established and respected.

Here is a working definition of co-dependence:

**"Sacrificing one's personal needs in order to try to meet the needs of others."**

- When someone else is pinched and you say “Ouch!”, ***You may be co-dependent.***
- When you take responsibility for another person’s happiness, and you can’t be happy until you do everything in your power to assure that the other person is happy, ***You may be co-dependent.***
- When you allow others to step on your boundaries and allow them to manipulate you with their destructive behavior patterns, ***You may be co-dependent.***
- When you allow someone else to tell you who you are or who you “should” be, ***You may be co-dependent.***



**"Don't let anyone 'Should' on You."**

Co-dependents often assume the role of caretakers. No one is born with healthy boundaries, they are developed and taught to children by their parents. You also learn unhealthy boundaries in your family. If you leave your family and strike out into the world on your own, your family history on boundaries will not likely be the focus for anyone except yourself. However, if and when you join your family in the family business, immediately there is a concentration of family members who evidence all the family behaviors – good, bad, and indifferent.

**Whatever the family behaviors are around boundaries, they will be played out in the small, well-proscribed domain of the family business.** This is the central reason why family businesses have the reputation of being difficult places to work. Family members can bring with them, into the family business, all the dynamics present in the family. If the family has not learned to manage interpersonal boundaries, their deficiencies in managing them will be played out in the process of operating the enterprise. Is it any wonder why family business is messy?

The boundaries referenced are:

- Personal – your personal space
- Emotional – your emotional space
- Mental – your mental well-being
- Material – use of your property
- Physical – violation of your physical person
- Spiritual – your freedom to believe as you wish

We don't get very far into this topic before the term "dysfunctional family" surfaces. Although this term is used casually in popular culture, **health care professionals define dysfunctional family as one where the relationships among family members are not conducive to emotional health, physical health, and general well-being.** Sexual or physical abuse, alcohol and drug addictions, delinquency and behavior problems, eating disorders, and extreme aggression are some conditions commonly associated with dysfunctional family relationships.

The concept of the dysfunctional family is based on a systems approach to mental health diagnosis and treatment, where the individual's symptoms are seen in the context of relationships with other individuals and groups, rather than as problems unique to the individual. There is no strict definition of a dysfunctional family, and especially in popular usage, the term tends to be a catchall for many different relational disorders that take place within the family system and its subsystems (parents, children). Mental health care providers and institutions increasingly recognize family and couples therapy as effective methods of treating diverse mental health disorders, especially where children are involved.

The history of emotional entanglements, like codependency and definition of self, certainly have been written about and discussed through the ages. If you are not familiar with the film (or the play,) *The Lion in Winter* (James Goldman, 1966), it's a good one to watch as a family in business together. Keep, in your

understanding of how to get along, that there are significant factors that may be underneath a current family business dilemma. Keep an open mind about how to get past them.

Some of the best work on boundaries in families comes from Adult Children of Alcoholics. ACoA and related groups have studied the impact of alcoholic parents on their children and how children can best survive within alcoholic systems. Closely related is a large body of work around co-dependency and it is all intertwined with a comprehensive view of family functioning.

The impetus driving the evolution of this topic is that it is very difficult for a child to live in a family in which a parent is an alcoholic. Such families have no well-articulated boundaries and these children grow up with constant uncertainty.

Children of alcoholics do not know what “normal” is. Their environment is totally unpredictable. Confusion over love, fear, security, play, responsibility and personal safety are rampant. The alcoholic parent may be kind, gentle and loving when sober, only to become an undependable, raging tyrant when drinking. Children living in such an environment are required to be ever-vigilant, constantly looking for signals that the environment is going to momentarily change when the mood of the alcoholic parent changes. This body of knowledge evolved because it was required for survival. In fact, managing boundaries within the alcoholic family system becomes a core issue for everyone in the system.

To be clear, I am not suggesting that alcoholism is present in family business any more than it might be present in the general population. I am simply advocating that **there is much to be learned from examining what ACoA has learned about boundaries, some of which is totally relevant to family business.**

(BONUS MATERIAL: *Family Business, Risky Business* by David Bork. [Read Chapter 8, on Substance Abuse](#) in family Business.)

## **This Next Section Is About Each Person's Context and Related Boundaries**

In the early 1980s I was on a panel with Dr. Murray Bowen, who could be a little crusty, and obtuse. I asked him, “Is your concept of differentiation the same as Jung’s individuation?” He was reluctant to respond, but I pressed

him, and he very begrudgingly said, “Well, I suppose so.” On another occasion, we were on still another panel at Georgetown. After I fielded a question from the audience, he leaned over to me and said, “Wish to hell I had said that.” That was as close as I ever got to any validation from Dr. Bowen for applying his theories in a non-therapeutic setting.

***“An idea does not care who has it. It has no opinion on it's inventor nor the bearer thereof.” The Little Red Book of Family Business***

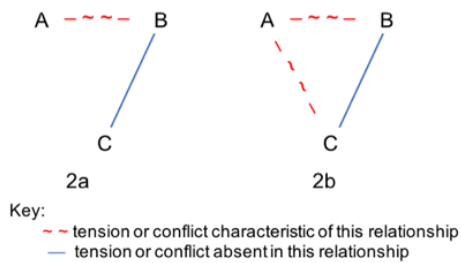
Differentiation allows people to enter into intense relationships without a fusion of “selves.” There must always be a space between “selves.” When this space narrows, people suffer loss of self. They become vulnerable to stress by heavily investing themselves in the continuous borrowing and lending of self in order to maintain self. Differentiation allows one to think and behave in a rational manner.

The differentiated person is one who:

1. Has an openness about self.
2. Has the ability to listen to others.
3. Has the ability to laugh at the self.
4. Has a willingness and enthusiasm for taking risks.
5. Focuses on solutions and options
6. Concentrates on living in the here and now.
7. Has the ability to enter into intense relationships without loss of self.
8. Cultivates high expectations of self.
9. Enjoys close physical contact with others.
10. Organizes questions into self-statements.
11. Seeks unrestricted awareness and acceptance of all parts of the self.
12. Depersonalizes stress through taking an overview.
13. Avoids efforts to change others for any reason.

Differentiation of self is what allows one to think and behave rationally. A person who is poorly or less well-differentiated is more likely to evidence emotion-grounded behavior that originates in their limbic system rather than behavior that is driven by rational thought which originates in the pre-frontal cortex, the thinking/rational thought part of the brain. (Think back to Pillar One, Communication, and our discussions of both the limbic system and the pre-frontal cortex.)

### The Concept of Differentiation



When anxiety builds up in people or organizations, it pours over into other relationships. Two people can manage only so much anxiety between them. Enter a third person to whom the anxiety can be shifted. This does not resolve issues, but it does slough off anxiety by involving another person in the issue. With involvement of the third person, the system is temporarily

stabilized. If they are in the same family, there is a good chance some of them will revert to the same emotionally grounded behavior, creating a “stuckness” between them. One consequence is that the pre-frontal cortex, where rational thinking and impulse control reside, shuts down under stress and the dynamics between the individuals that are party to the transaction go into a downward spiral. One could say that under these circumstances, going into the limbic/emotional section of one’s brain is equivalent to going into a dangerous neighborhood where you are likely to get mugged.

Bowen calls this predictable emotional pattern between three people triangling. As the smallest stable emotional unit, the triangle is considered the molecule of emotional systems. Triangling is particularly visible during times of high anxiety, but it is in operation all the time. When triangling is the case, all the efforts for coming together with the other person is likely to be futile.

A key factor that affects the level of stress in a triangle, and thus in a relationship, is the level of differentiation of each member. The less well-differentiated people are, the more likely they are to become very upset and to have their emotions flood their thoughts and impair their ability to think clearly through situations.

Families often try to resolve difficulties in the midst of a system full of triangles. Rather than dealing directly with the conflict, the person goes to a third party in the system for support or reassurance. Only when the triangles are eliminated can two people resolve their conflict with each other. The unfortunate fact, however, is that many people are unwilling to accept their responsibility in the conflict, and when that is the case, resolution with the other person can be almost impossible.

The relationship between A and B will tolerate only so much tension. In this example, B will attempt to drain off some pressure to C. If C is well-differentiated, she will say, “I understand what you are saying and am sorry

you and A are having these differences, but you need to take this to A.” (See Figure 2a). If C is not well-differentiated, he will absorb the A-B tension and return it to A (see Figure 2b) by saying to A, “B told me @#\$% and I think that you are &\*^% for doing that to B.” Now all three of them, A, B, C are in a mess. In Figure 2a, C is well-differentiated; in Figure 2 b, C is poorly differentiated. The family emotional system is also governed by the degree of emotional cutoff with families of origin, for example, the cutoff related to unresolved emotional attachment to parents. Bowen believes that this attachment is much stronger than people would like to believe. The most typical way to handle this is to create a partial cutoff by living away from the family of origin and maintaining minimal contact with the parents. When people create a complete break and think they are destroying the attachment, the denied emotional attachment to the family repeats itself in the families such people create. Over time, the problem becomes manifest as an emotional distance between spouses, as physical illness, emotional illness or social illness, or as projection of the problem to one or more children.

## The Family Projection Process

The family projection process is similar to the triangling process, except that it operates specifically between parents and children. Parents focus their anxiety on their children rather than dealing with the anxiety in their own relationship. The problem is not the person or the issue. It is the degree of anxiety and the emotionally reactive ways of dealing with it.

Anxiety is the response to stress, not stress itself. It is the anxiety reaction to stress that produces problems and symptoms. People can be terribly stressed and not too anxious. People in relationship systems are different when they are anxious than when they are calm. Anxiety can inundate the brain and keep it from working efficiently, biasing one’s observations of self and others. It is infectious. As a person picks up another person’s anxiety, he quickly responds and feeds anxiety back through the system, so that it permeates through all the members.

Parents sometimes diffuse anxiety by focusing on a child. In this way, they project part of their immaturity on the child. That child, in turn, becomes increasingly attached to the parent or parents doing the projecting and grows up less differentiated.

Examples of children who are likely to be objects of parent's projection are:

1. The child who is emotionally special to the mother or who is perceived by the mother to be emotionally special to the father.
2. The only girl among brothers or the only boy among sisters.
3. The child who follows the death of a child or who is born after a miscarriage of another child.
4. The first child.
5. The only child.
6. The child who was conceived or born during a period of stress for the mother.
7. The child with a handicap.
8. Twins.

Over generations, members of a family emerge with higher, equal, or lower levels of differentiation. People tend to marry and establish intimate relationships with people who have similar levels of differentiation. When a person with a low level of differentiation marries another person with low level of differentiation, they generally raise children with even lower levels of differentiation. Over time and generations, that family produces children with lower and lower levels of differentiation, until severe emotional problems result. The multigenerational process can be stopped and reversed, but only when people recognize their levels of differentiation and work to raise them. This begins with a heightened awareness of what constitutes high level differentiation, and a conscious effort to embrace and evidence behaviors characterized by the 13-point list above.

# LESSON FOUR: BOUNDARIES ARE UNIVERSAL

Through my decades of serving family enterprises, there have been many reporters looking for one of those juicy stories that sometimes characterize family business. Just on principle, I don't tell them the "juicy stories", as I do not wish to cast family business in a negative or pernicious light. I acknowledge there are problems, but I don't want to feed the reporter's appetite for family drama and trauma.

Failing to get that kind of story, invariably they ask:

***“What is the one piece of advice you would give to family business owners?”***

My answer:

**The single most important issue in family business, above all the other important ones, is boundaries. Failure to establish and adhere to proper boundaries is the cause of more disruption than any other issue in family business.**

In some families, the patriarch/matriarch is very “mechanistic” in their approach. Sometimes they try to control through creation of written rules and procedures. That works for a while, but ultimately it becomes a putative system, fraught with blame and judgement. Rules become the focus rather than developing relationships in which matters are discussed and judgement is developed.

It is easy to draw an organizational chart of who reports to whom, who is accountable for what, and how each person will be evaluated. However, it's a mistake to make the chart and think that it will work because it is on paper. What needs to happen is an educational process within the family, so the various roles and boundaries between those roles are well understood, respected, and honored.

Once again - it's all about relationships, and functional relationships require clear and respected boundaries. Arguably, the most important boundary you can establish is between yourself and other people.

## Conflict and Change

Many people have the mistaken idea that the measure of the successful, healthy, resilient family is the lack of conflict. It is ***a family's ability to manage and resolve conflict that determines its maturity and emotional health.*** That, of course, is also the true measure of an individual's maturity and emotional health. In fact, conflict is often a catalyst for change, which in turn is a healthy, normal, even necessary function of living. The foundation of all family communication is deeply embedded within the context of the family patterns discussed thus far.

Leaving the family, breaking away in any mode, does not always translate into resolving the conflicts that are part of the fabric of family ties. Neither is it the same as "growing up." It is a great tragedy to think that family conflicts are escaped by leaving them, rather they carry over, unresolved, into the next generation. The very same conflicts and problems that caused people the most pain as children, and continue to cause them great pain as adults, are passed on to their own children. Further, these matters can spill over into the family business with disastrous repercussions.

In the presence of severe family problems, efforts ordinarily spent in planning ahead are diverted into maintaining the status quo, however stressful. Families then resist change, because they are preoccupied with balancing the present, which often takes the form of attempting to remove symptoms in one person or one relationship.

Change in families is difficult because it demands that people look at themselves and adjust beliefs that have been developed over a lifetime. This can be within the current family structure or during previous generations. But for change to occur, inherited beliefs and values must be questioned. Family patterns that are deeply embedded in the way family members interact must be examined and their efficacy questioned. Values are the core of the family structure. To examine values, then families themselves must be examined for those values. They are the property of the family system first, and of individual members afterward.

There are benefits in looking at family systems. For example, the individual discovers:

- Discrete patterns of behavior that help or hinder relationships, whether those relationships are in the family business or elsewhere.

- Family messages that explain attitudes, feelings and actions.
- The way the family handles communications and resolves or denies conflicts.
- Alternatives for solving problems more efficiently and effectively, free of polarization or rancor.

The greatest family dysfunction is caused by rules that are either hidden or rigid. To minimize the effect these rules have on the family business, it is necessary to bring hidden rules to the surface and to loosen rigid rules so that the patterns that create pain and keep family members from establishing themselves as individuals can be eliminated. Families can then be flexible as they move from one stage to another.

The goal of applying the family systems theory in business is to identify family patterns that impair operations or impede progress. Once the impact of those patterns is minimized, the family enterprise can grow, prosper, and maximize profit. The family willing to do this will derive the greatest possible level of satisfaction from the family business.

## Managing Boundaries

I have a long history of finding simple, straightforward methods to describe complex matters. In view of this, I will share with you a simple exercise I use in workshops to demonstrate boundaries and how to manage them.

- I ask for a volunteer to come forward.
- I then instruct the volunteer, "Please stand on that side of the room." (Usually 10' – 15' away from me.)
- Then I say, "I am going to walk over to you. When I am as close to you as you can tolerate, say, "Stop!"
- With the clear intent of getting into that person's face, I begin moving toward them. I pause occasionally and ask, "Is this OK?" They usually say, "Yes."
- Finally, the person says, "**Stop!**" Clearly, I had reached their boundary.

If they had not called an end to the experiment, I would have been nose-to-nose with them, but they speak when they have had enough. They have managed their boundary. This is the way to establish one's boundary. It works based on how you feel. "This is close enough."

The principle of "Close Enough!" works for managing all types of *your* space: personal, emotional, mental, material, physical and spiritual. All it requires is

being fully in touch with your gut feelings and the freedom to speak up. If your gut is telling you “Enough!”, then it is time to speak up. Speaking up is not always so easy. If you open your mouth and nothing comes out, you are in danger of one or more of your boundaries being violated.

It would be irresponsible to not discuss sexual predation and inappropriateness in the workplace while we are looking so closely at the key topic of boundaries. The sheer number of women who responded to the **"#MeToo"** movement against sexual harassment and assault gives us an idea of the difficulty people have with establishing and maintaining their boundaries. Remembering from earlier in this Pillar how children grow up watching their parents, and imitating their parents' behavior, any adult family discussions about boundaries have to include company statements or policies on women's rights, and a thorough agreement on whether or not “No means No.”

And considering the rise of lawsuits related to “hostility in the workplace”, family companies should implement policies regarding the claims of in-office bullying and/or malicious intimidation. If any of this should come up right this minute in your family business, are you prepared to calmly deal with it? Can you pull up written corporate statement or policies that will show legal authorities your company is prepared to investigate and respond in a timely matter?

Family business is but a reflection of what happens in the larger world. Violations of boundaries take place everywhere and, especially now through the power of social media, can be reported everywhere. Consider the recent boundaries scandals brought to light involving Hollywood producers, then major film and TV industry stars. To once-venerated news media figures and to the entertainment media's highest-level executives. And at, it seems, all levels of trust in one of the oldest Christian church systems.

Whether you think it can happen in your family business or not, you must be ready in case it does. Talk about it with the same common sense you would fire, flood, or any other natural disaster. These forms of boundary violations have been around forever, but now the race is on to see that none of it is tolerated or goes unreported and without recompense.

Boundaries are universal, and they exist on a deeply personal level that recognizes the inherent dignity of human life.