

# Trust a large factor in the emotional process of family business succession

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A new study from *Family Process* shows that passing down a family business is an emotional process, and key factors need to be in place in order for the transition to prove successful. The owner needs to trust other family members' involvement in the long-term plan for the business, and nurture a healthy outlook and plan for their own retirement. In the United States alone there are an estimated 10.8 million family businesses. Only 30% of businesses stay in the family from the first to the second generation.

Beyond business-related decisions, such as managing organizational change, there are [human factors](#) at play in the transfer of ownership to an adult heir or family member. This research finds that the family business, in many cases, takes on its own personality, and can be seen almost to be a member of the family.

Ten active family business owners were asked to share their life stories in an effort to explore what constrains successful succession. The interviews were used to allow participants to tell the story of their business, thinking about pivotal chapters in its evolution. Researcher Dr. Alexandra Solomon, co-investigator with an eight member team, "Narratives are critical to understanding the 'letting go' process because they reveal the owners' dreams, challenges, and how they handle both such that they ultimately can or cannot let go. As difficult as it may be to invite especially male family business owners to talk about 'tender stuff,' family therapists and family business consultants need to be willing to explore how and where the business 'lives' within the owner in order to

free him up to pass the business along to the next generation."

Family dynamics and unresolved emotional concerns can impact family business succession. Internal influences, such as trust and worldview, and interpersonal influences, such as [co-worker](#) relationships, [gender roles](#), and marital quality, are powerful factors that can facilitate or constrain family business succession. When family therapists are working with an individual, couple, or family, and there is a family business at stake, family therapists are advised to explore the possible influence of the family business regardless of the nature of the presenting problem.

Solomon, "We want family business consultants to be aware of these findings because they speak to the importance of looking at succession problems through a systemic lens so that they can hypothesize about the facilitating or constraining impact of these key internal and interpersonal influences."

Provided by Wiley

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