

Family Loyalty Can Lead To Business Turmoil



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LANCE WOODBURY

expectations or to make plans based on an assumption, and if the parents later deviate at all from this statement, family conflict ensues.

“WE HAVE TO WORK TOGETHER, WE’RE FAMILY.”

Using family loyalty to attempt the management of conflict between siblings in the business seldom works. Sometimes, the disparities between family members are too great. Trying to work together amidst different styles, different goals or different ethical or performance standards creates so much friction that the business suffers. In several instances, I’ve seen family relationships improve once siblings got out of business together and had time apart.

“OUR FAMILY HAS ALWAYS DONE IT THIS WAY.” Loyalty and tradition are called upon to defend against any major change in the business. Selling land, changing crops or tillage practices, contemplating employee ownership or partnering or merging with a neighbor are just a few of the ideas that get shot down out of loyalty to the ways “our ancestors” did business.

Agriculture, however, is always changing. Crop prices, labor challenges, weather patterns, supplier consolidation, rent and equipment prices are dynamics that require the best businesses to innovate and adapt. Instead of staying loyal to specific business strategies, consider staying loyal to enduring business values like honesty and integrity.

“WE LOVE YOU ALL EQUALLY.” In estate planning, loyalty becomes synonymous with equal gifts to family members. But, unless everything is turned to cash and divided equally to the penny, the emotional significance family members place on certain assets (like the homeplace) often means that no

one ever sees a distribution as exactly equal. And, multiple siblings owning equal but undivided interests in land sets the stage for decision-making conflicts and a potential sale of the land to finance buyouts. Instead of aiming for exact equality, consider how your gifts to the next generation might complement their individual efforts, goals and needs, and communicate sooner rather than later.

Loyalty is one of the best attributes of family; you can count on one another. But, when carried too far in the business, expectations of loyalty can cause unhappiness, perpetuate conflict, create feelings of guilt or endanger the business, thwarting your transition goals. Fully glean the advantages of your family business by carefully watching how your expectations of family mesh with the reality of business. ●

“Am I my brother’s keeper?” Genesis 4:9

What does family mean to you? For many, family means unconditional love and support, an enduring set of relationships that carry you through the ups and downs of life. Family provides an emotional safe haven, where we can share our deepest hopes, joys, concerns and frustrations.

Family also brings expectations of loyalty. We expect family to look out for one another, to watch over and care for each other. We even find such expectations rooted in the earliest chapters of the Bible, from the story of Cain and Abel to the dynamics between Joseph and his brothers.

But, when you mix family culture with the shared ownership or management of land or a business, family expectations of loyalty can create a set of emotional handcuffs, chaining family members to unproductive communication patterns and unrealistic business outcomes. Here are a few ways your appeals to loyalty can, in fact, become emotional handcuffs in agricultural family businesses.

“SOMEDAY THIS ALL WILL BE YOURS.” Parents often invoke this statement when encouraging their sons or daughters to be loyal and return to—or stay in—the business. In many cases, it’s used to justify a low current wage in return for future wealth. Sometimes, it’s used as an excuse by parents to avoid more specific planning or to sidestep sharing their specific intentions. Unfortunately, it causes the next generation to develop

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Write Lance Woodbury at Family Business Matters, 2204 Lakeshore Dr., Suite 415, Birmingham, AL 35209, or email lance@agprogress.com.