Family Unity: What is it, why it’s vital, and how to achieve it

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Few would dispute that family unity is important to sustain a family enterprise over generations. There are too many examples of family conflict helping to bring a family down to dispute its importance. We would go further: we believe family unity is vital for the long-term success of a family or its enterprise. It’s true that some families that are fractured and unaligned are kept orderly—for a time—through hefty dividends, strong handed leadership, or emotional appeals to tradition. But when big decisions come up or dividends run out, the serious fractures and disputes within the family become visible and these divisions hobble and sometimes scuttle the family’s enterprise.

The effects of disunity are many. It can cause abrasive friction and slowness in group decisions and in day to day activities. Sometimes, because of disunity, a family group decides to just stand still to try to keep a peace that doesn’t really exist. Disunity generally leads to mistrust and guardedness (because the other faction doesn’t want what we want), the blocking of even simple actions that need to be taken, political maneuvering to seek advantages for one’s side, and if prolonged, to decline for the entire group. Even mild disunity can fester and grow into a serious problem and should be addressed.

Unity for any group has to do with members’ authentic agreement about what the group exists to do (its mission or purpose) and how the group will do this work and treat its stakeholders (its approach). For a family,
such alignment creates a solid foundation for effective work by the family, whether in its operating business, investments, philanthropy or other activities.

Unity in a family on mission and approach doesn’t mean that family members are in lockstep on all issues or necessarily chummy. A united family can have disagreements on tactics and strategies—should we discard one management practice in favor of another, is now the right time to exit a certain line of business, etc. Some debate and challenging on strategy and tactics is actually essential to being effective as a group. Strong unity accepts that members of a group will disagree somewhat on some issues and debate strongly on others, and that some members won’t like each other. But unity means that members of the group are committed to the same fundamental ends and means. This builds trust, reduces defensiveness, and unleashes a lot of positive energy.

Agreement by members of a group on where they are going, why they are going there, and how they are supposed to do their work and treat each other (which often goes by the labels of mission, vision and values), enables decisiveness, innovation, boldness, and persistence in group efforts. Unity also motivates caring and support for one another in the group because “this individual wants the same things as I do.” A united enterprising family can better grow the assets it needs to finance its enterprise and the family. Such alignment also clarifies the kinds of family and non-family talent the family enterprise needs in order to stay successful. Growth, talent and unity are, we have found, the main ingredients of long-term sustainability for a family and its enterprise. One must conclude that family unity deserves to be celebrated and protected.

Unfortunately, unity is not the natural order of groups, including families. Without active counter measures, over time, entropy or disunity within families usually prevails. As families age and grow over time, they become diverse in many ways, and family complexity needs to be both embraced and managed. Failure to manage family complexity usually leads to fracturing of the family into smaller, more naturally coherent units. In addition, conflicts among group members can occur for many reasons and these can breed resentments and create lasting wounds that spread like a virus to involve large numbers of members. Families are particularly gifted at transmitting conflicts down through generations. Conflicts among members need to be healed or at least managed, and leadership and governance needs to be nurtured and adapted to current family circumstances. Without these and other measures, families grow apart and divide into smaller groups.

Unity around mission and approach is vital to maintain but mission and approach, themselves, need to evolve. Over time and certainly over generations, a family’s mission and approach needs to adapt to the changing interests, talents, resources and circumstances of a family. The same is
true of the mission and approach of a family organization. Mission and approach needn’t change much over time for a group to stay effective, but they probably need to change some. Periodically (and more often than in previous generations), a family needs to reflect on and renew its “vows”—what do we stand for and want to achieve, and how will we do our work together and treat our stakeholders. By evolving a family’s mission and approach to be compelling to current members, the family can better maintain the focus, energy and discipline needed to work through its many challenges and sustain its success.

Building Family Unity

We have found that family unity is built through several mutually supportive ingredients:

1. A compelling and achievable family mission, vision and values

2. An engaging family enterprise organization that encourages broad family involvement and contributions

3. Family enterprise organizations and activities (family company, family investments, family philanthropy, etc.) that perform well (including representing the family well), and maintain positive momentum toward key family goals

4. Pride in one’s family and its contributions to its organizations and key activities (we have been and currently are capable, creative, decisive, brave, responsible, etc.)

5. Strong levels of trust within the family achieved through: strong family and organization performance, trustworthy leadership and governance, adequate transparency and inclusion in key discussions, fair and respectful treatment of members, and demonstrated caring for family members and key stakeholders

6. Managed expectations of owners and family members

7. Affordable rewards and earned opportunities going to family owners and family members

8. Timely conflict management

9. The ability to change the ownership group to maintain unity.

It is possible to have adequate family unity without being good at all of these ingredients, but these items are a helpful checklist to understand where a system can improve. While most of the ingredients to building unity listed above speak for themselves, some (particularly 2-4 and 9) need some elaboration.

As much as commitment to an organization inspires an individual’s contribution to it, the inverse also seems true: the more a person contributes to an organization, the greater
his or her commitment to the organization grows. This principle is central to building unity in any group. If you want someone to feel committed to what a family is doing, its mission and approach, give the person opportunities to contribute to the family and the family’s enterprise.

To achieve a family’s mission, the family needs organized efforts as well as funds to support these efforts. If a family’s mission were simply to support its family company, raise good children to be responsible well-educated adults, and have family members get along well, the family would need a family company, useful parenting and family activities, perhaps an education fund, and definitely some useful mechanisms (perhaps grandparents, maybe a family council) to keep the family aligned. Some families could have the above mission plus want to contribute to society beyond having a socially responsible business, need a way to manage the family’s financial assets, and have a desire to maintain the family’s religious faith. These families would need to add organizations or activities to support their mission, such as a philanthropic foundation, perhaps a family office, etc.

The point is that families need to have appropriate organizations to help support their interests and pursue their missions. Having a well-designed family enterprise organization is critical to effectively pursue the family’s mission. The right family enterprise organization also helps to build unity in a family.

Most family members want to contribute to their family and to be regarded as adding value to the family’s efforts. An important reason why some family members disengage from the family is that they feel that their contributions are not valued in their family and that the family has little commitment to their interests. The family enterprise organization needs to reflect the family’s important interests and give family members an opportunity to help the family pursue its mission. As a family grows, becomes more diverse and develops a broader set of interests, the mission of the family and the family enterprise organization should reflect the key common interests. In fact, it is rare for families to stay very united when there is only a family company to support, where only a minority of family members can contribute to the family’s mission.

Of course, family unity is strengthened when the family is proud of its organizations and activities, and even further when the family can point to its members’ contributions for this good performance. This requires that family talent is developed to be able to contribute strongly to the family enterprise.

Building family unity often requires some corrective actions in family relationships. When we see strains and fragmentation in a family, we address it, trying to move family members beyond past misunderstandings, hurts and differences, and when important, reuniting the family around a compelling mission and approach that can bind them. But we recognize that family unity can’t
always be maintained with the current family members. Most family enterprises do better when the assets of the family and the talent of the family are pooled, engaged and aligned. However, when parts of an enterprising family resists reunification and it is seriously undermining the sustainability of the family, the family must consider the radical options of either dividing their assets and activities, or buying out members that are no longer aligned — Family unity is that important for the success of a family and its enterprise. A family is more assured of success if it has a smaller asset base and a more united family, than with the converse situation. This pathway is desirable only after serious efforts at unity have been pursued.

Questions for Further Reflection

1. What is the difference between consensus and unanimity; why is consensus the key to family unity, not unanimity?

2. How can the family and the family enterprise system change over time in order to adapt to the changing factors that affect family unity?

3. How can you help your family understand that conflict is inevitable, that it is impossible to eliminate it, that accepting some conflict, managing it, taking advantage of it, and functioning despite conflict is the goal?

4. What would a family conflict resolution policy look like?

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About Cambridge Family Enterprise Group

Cambridge Family Enterprise Group (CFEG) is a global advisory, education, and research organization that serves family enterprises with growth aspirations—enabling them to flourish across generations. As a go-to trusted partner for the world’s enterprising families, CFEG offers a wide range of services to navigate changing times, build pathways for continued growth, and achieve lasting success. Its pioneering thought leadership, strategies, and programs are used by families, family businesses, and family offices worldwide. Since its founding in 1989 by Professor John Davis, CFEG has advised and educated thousands of families from more than 70 countries.