

Blind Spots

Failure to recognize and overcome self-deception can limit your business.

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The novelist Fyodor Dostoyevsky was known for his psychological insights into the human condition in the context of 19th-century Russian society, expressed in books such as “Crime and Punishment” and “The Brothers Karamazov.” Though our institutions differ from those of his time, our family businesses provide abundant material for rich observations of human behavior.

One of the takeaways from watching family members interact is the degree to which self-deception, or blind spots, get in the way of family business progress.

By blind spots, I mean the ways in which family members do not see how their behavior and beliefs limit the progress of the organization. Certain attitudes, actions and assumptions, sometimes unexpressed or even suppressed, stand in the way of becoming a better family business. Consider how the following examples might relate to your family company.

ENTITLEMENT. One of the most arresting dynamics preventing smooth transitions of family businesses is the belief that one of the heirs or siblings is entitled to certain assets or opportunities. While many farms have been gifted from generation to generation, there’s danger in assuming that because you’re related to someone, you will inevitably receive financial wealth or a place in the business. Equally as dangerous is the assumption that because you alone returned

to the family business (and your siblings didn’t), you will receive the entire farm. Both ideas are founded in the notion that family status implies certain ownership rights or obligations. We’ve all seen family relationships torn apart and family farms destroyed as assets are fought over, split up and sold when the families argue over that perceived right. It’s helpful if the senior generation communicates its thoughts about career opportunities, how wealth will transfer and the financial value of working in the business before assumptions flourish and unrealistic expectations develop.

PERFORMANCE. Another blind spot is the attitude that being an owner automatically makes one a good board member, leader

or supervisor. People confuse capital investment with other skills or qualifications. As an owner, you may have a right to be on the board, but that claim—especially if established through an inheritance—doesn’t necessarily make you effective in dealing with others. Being a good board member requires cultivation of a strategic perspective and persuasion skills. Being a good leader requires vision and communication skills. And being a good supervisor often requires the experience of being supervised, preferably by a non-family member. In short, DNA does not guarantee good performance.

LEADERSHIP. History and tradition are usually positive ingredients in the family business. At times, however, they can lead to more blind spots. For example, in many cases the first child to return is expected to lead the organization, but when that person doesn’t have the required skills, it can spell ruin for the business. Another blind spot is the potential role of women in the often male-dominated agricultural business; many operations could make a significant step forward by considering a daughter or sister in a leadership role. When it comes to leadership, too often “the way we’ve done things” limits access to the talent and ideas brought by key employees, in-laws, millennials and others.

In “Crime and Punishment,” Dostoyevsky wrote: “Taking a new step, uttering a new word, is what people fear most.” Have the courage to overcome that fear in your family business by taking new steps to assess and overcome your blind spots. ●

“Lying to ourselves is more deeply ingrained than lying to others.”

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