The Power of Intersectionality in Family Businesses

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How transparent and connected are your family relational spheres?

Families at the Centre of the (Business) Cosmos

Each member of multigenerational business families wears a wide variety of hats, and as most of their activities are connected to the business and to the family, even the seemingly irrelevant hats result to be either influential or pose certain risks, and responsibilities to the beholder. Therefore, family members constantly condition themselves to think, act, and react to any matter or event depending on the perceived requirements, risks, and opportunities connected to these hats, based on the roles, responsibilities they hold, and how their actions would relate to their family, business, and community.

All these perceptions are based on our own 'mental model of the world'. It is shaped by our values and beliefs, education, life experiences, and different exposures that altered our thoughts and views. Our identity and personality traits, amongst other factors, are experientially programmed and conditioned. They are iterative and reflexive as we go through live. The programming process starts before we are born, through transgenerational epigenetics. We inherit behavioural programmes from previous generations, and this programming process continues throughout our childhood with the quantity and quality of the relationship with our caregiver as well as the socio-cultural and natural environment that surrounds us.

Zones of Contact and the Danger of Single Stories

In each multigenerational business family, the multitude of business as well as other relational spheres, and zones of contact are perceived by family members differently. There are also certain recurring patterns and themes in terms of the value attributes that define family members; the ones that we receive, and the ones with which we label ourselves.

Although within families there is a seemingly solid understanding of any current family and power dynamics, these notions are often misleading, exposing families to misjudge and base decisions on an erroneous situational awareness relating to our family members. Most family members do not feel comfortable with the narratives, we see our stories, connections points, and how these relate to the family and other family members differently from what is being portrayed about overall. Such mishaps around narratives are a result of stories evoked according to someone else's agenda, or even benevolent assumptions, or pleasing mechanisms. A single story is often fictional, hence stories need to be shared and confirmed, especially, by the bearer of the story to help the family depict a relevant picture of us. The more multiple single stories are neglected within a family and become embedded, the more divided the family members will be, and the compounding effects will be detrimental to the longevity of the family.

Social systems evolve within boundaries given through social norms and social-norm perceptions which make us relatively closed and sensitive to initial conditions or "point of departures". Reinforcing feed-back-loops show the immense dynamic such systems can have which are often described by the analogy of the butterfly effect: a butterfly flapping its wings in Beijing can cause a hurricane in New York after one month. Thus, social systems are prone to chaos into which they can collapse and re-emerge after a sometimes-painful phase transition. The various sub-systems influence the super-system, and reflexively, the super-system influences the sub-systems down to the individual in our cognition, emotions, and behaviours, making social systems complex and dynamic.

As large families are highly complex, how each family member experiences their seat in their family matters greatly. Approaching any types of differentiating factors between family members with an analytical lens may help to understand and enable everyone's meaningful integration. Especially, as some differences may group up and become compounding forces that either propel a family member to reach such an elevated status with which they find hard to cope, or the contrary could also happen, in which case, similar tensions may build up and leave certain family members with an enhanced amount of pressure.

Complex vs Complicated Family Matters

The word complex is often used when describing multigenerational families, however, even scenarios that can be identified or assessed as merely complicated tend to receive the "complex" label.
Multi-layered and multi-faceted business family systems hold both complex and complicated elements, the latter can be traced down and solved by close observation and strategy. Complicated situations have easy(ier) solutions than highly complex scenarios in which all parts and vertical and horizontal layers of complexity change rapidly. In this article, we are looking at a couple of complex scenario examples where assessing the differences may lead to balancing these and ease points of tension.

An Informal Micro Case:

- Next Gen A attends private school, border, sporty, wealthy due to family, large social network
- Next Gen B attends local high school, day pupil, no time for sport due to excessive work, small if any social circle due to life commitments
- B feels inferior to A who feels superior to B
- B finds it hard to fit in, keeps quiet, it takes time for B to feel comfortable
- However, B has a broader real-life experience and, as time goes on, they realise to be able to offer a lot to each other, and balance out what kept them apart.

Families are social systems consisting of individuals that are mutually influencing each other, and the family system exhibits behaviour which cannot be explained by the sum of individual behaviours. These patterns of relationships arise from direct and indirect social processes with temporal disconnections in a multi-dimensional space with many re-enforcing and diminishing feed-back loops.

On a macroscopic view, this is the super-system 'business family', on mesoscopic view we can identify sub-systems of families belonging to the business family. On a microscopic view we can see the individuals as systems made of sub-systems like organs, neurons, and cells. Sub-systems can also from systems with other sub-systems creating overlaps.

The Significance of Intersectionality in Family Businesses

Various differentiating factors and identity markers can create interconnected and overlapping layers of inequality that can cause positive or negative discrimination within the family, and beyond,

especially, if these intersecting differences are intensified due to compounding disadvantage or privilege effects.

Intersectionality is a critical framework that provides us with the mindset and language for examining interconnections and interdependencies between social categories and systems.[1]

The term "intersectionality" was first coined in 1989 by Kimberlé Crenshaw to raise awareness on how race, gender, class, and other identity markers overlap or intersect with each other. She aimed at describing the complex discrimination facing black women in the legal system.

To understand the system and intersectionality, we need to understand what makes us bond as individuals.

Our unique mental model is a structure we rely on for fast decision-making and we tend to preserve it as it provides a sense of safety. Often regardless of how useful it may be within the given context. Thus, it can become quite rigid. We look actively for belief-confirming evidence while ignoring or fighting challenging evidence. It's a belief-bubble, describing our subjective, individual mental model of the world.

Person A and person B live in their belief-bubbles. They feel safe and reluctant to venture out from it. However, there is a degree of intersectionality, a slice of common reality in which they create a shared space where they both make sense of the world. The greater the intersectionality, the lower the transaction costs of the social system. Why? Even if they don't entirely share the same perceptions or experiences, they look at their surrounding from a similar angle. The shared angle(s) lower the risk for conflict and the higher the chance of the family to thrive socio-emotionally and financially.

To understand more about the super-system and any sub-systems, and the layers of intersectionality, it is important to start mapping out the individuals involved. How we relate to one another, before we would start shifting and nudging the system for more integration (i.e., increasing intersectionality in terms of quantity and quality) and a more useful trajectory of the system's evolution.

Case Study 1 – The Compounding Family Divide

A family business is owned equally by the second generation of six siblings. One is CEO, two others are directors. The other three have their own careers. The three within the business have been in the business since a young age, learning the craft from their father, and forging a career. This is the only life they know. They had a good relationship with their father but it wasn't a loving human bond, it more of a business relationship. Their interaction with the mother stayed minimal. The other three siblings have lived their life outside of the business. They experienced the world and received love from their mother with whom they have had a close bond. However, their relationship with their father felt as if it were a "chequebook" love; he showed his affection by giving them money. Now that the parents are no longer around, there are two very different groups of individuals that are in business and in the family together. Decisions need to be made. Personalities are clashing, people's perceptions of others and themselves are getting in the way, life experiences are influencing people, those in the business are deciding with their business brain, those outside are making decisions with their heart. How can it work? By engaging and finding out how to bring the opposites together. This will lead us to create invaluable benefits for the individuals, as well as for the whole family.

Mapping the Family & Stakeholder Landscape

1. The family matriarch. The eldest in the family. Has never worked in the business. Was always at home with her mother helping with the smaller children before becoming a nurse and travelling for several years throughout poorer regions of the world helping those less well off.

2. Company CEO. Started work in the business whilst still in school. Has never worked anywhere else. Second child in the family. Main interests outside of work are groups where like-minded individuals discuss business.
3. Director working in the company. Spent two years outside of the family business in a similar environment. Plays five aside football in his down time, the third child.
4. Director working in the company. Fourth child in the family. After work spends time volunteering at her own children's extracurricular activities.
5. Enjoys the world and works as an outdoor activity instructor for young people with learning difficulties who do not fit into normal schools, a difficult and hostile environment.
6. The baby of the family. Still partying. Being the youngest has felt it the most since the passing of the parents. Has been a rebel, spent a period of time outside the family making his own way.

The Analysis

Six very unique individuals with a few key commonalities; their family business and that they are all parents.

- A quick glance at everyone and what they share:
    1. S - Has a big heart, uses it in her decision-making. Driven by empathy for those around her, she is caring. A family leader.
    2. C - A business leader, a networker, one who is extremely knowledgeable about the business.
    3. B - A bit more worldly than other directors as has spent time in a non-family enterprise. A team player, possibly more open to suggestions.
    4. E - A female perspective on the board. Likes to give back, gets young people
    5. D - A very human individual and leader of humans. Understands conflict and has experience in dealing with it. Patient, a listener.
    6. N - Understands the real world. Understands the pain that can come from losing family so will want to preserve what is there.

The Solution - The Anatomy of Family Influencing and Confluencing

You have been briefly introduced to six individuals from one family, and they all are very different. Many would leave the case to make it work due to the lack of commonality. How could the family make it work? Here are the reasons:

Two of the family members, C & E, want to sell, they focus on the money that they would receive. N steps in straight away, feels that it's about family, his parents' legacy. S agrees. She has the empathy and understanding of others feelings. Straight away, we have two against two, we have a conflict. Luckily, D is there, sees this and knows how to manage it safely. Everyone's strengths and personal views have come out and been listened to. They have not agreed whether to sell or keep the business, however, most importantly, they have managed to keep the family together in harmonious terms.

Nothing in this story is easy, it meant hard work for everyone to get to this point. It involved each individual doing the work on themselves with the right facilitators to find out who they are, assessing their strengths and weaknesses, embracing these, and sharing the learning openly with the rest of the family. Once they have gotten it right, they have created a more stable, understanding, happy family with a system to carry on into the future. They managed to bring the family together.

Intersectionality on a Mesoscopic Level

The previous part demonstrated that intersectionality strongly depends on our mental model of the world. In the following section, we will investigate differences on a sub-system level, i.e., where individuals may find common ground due to greater intersections with their mental models of the world versus other sub-systems, where the intersection is rather small. Sometimes, two sub-systems create a new sub-system as the individuals undertake efforts to increase the area intersectionality of mental models of the world in specific contexts.

Case Study 2   The Intersection of 3 Belief-Bubbles

For instance, in a family there are three generational sub-systems with various belief-bubbles and intersectionality. Belief-bubbles can also be seen as being subjects to intersectionality. The third generation has a portion corresponding to a 'tribal organisation', where a single figure leads the pack, act as very dominant with a large portion of 'conformism', a feudal structure where the leading figure is the patriarch with deputies and executioners. The best way to survive in such a benign dictatorship is not only to follow, but to comply, as well as staying grateful, and humble.

There is a strong endowment which is unconditionally mandatory for every family member. Economic realities, such as business performance in relation to the associated risks, are subjugated to this endowment and voicing any concerns is frowned upon by the upper echelons.

Mapping the Family & Stakeholder Landscape

The fourth generation already intersects more with the pluralistic belief bubble, which is conflicting the conformist-belief bubble within the individual, which results in an inner conflict. On the other hand, it meets the resistance of the third generation. Over time, the quantity and quality of the intersectional area with the pluralistic bubble increases, also thanks to the increased experiences from academic education and professional careers.

Moreover, a new belief-bubble emerges and again, the quantity and quality of intersectionality increases over time. The 'economic reality', meritocracy, and the relation between business performance and risk all matter. Key performance indicators are essential and the management and board of the non-executive directors must be challenged as logical consequence of the endowment. Again, this intersection between the belief-bubbles 'pluralistic' and 'economic reality' are in stark contrast to the 'conformist', which is a balancing force in this dynamic intersectionality.

The fifth generation does not have the 'conformist' conditioning and belief-bubble as they already grew up in a 'pluralistic' belief-bubble which they adopted, together with the 'economic reality' belief-bubble. In addition, they created the 'purpose' belief-bubble, i.e., commercial activities must make sense beyond the immediate goal to make money. Non-financial objectives like social impact and fighting climate change are more important. Thus, the belief-bubble of the fifth generation is the intersection of three belief-bubbles: pluralistic, economic reality, and purpose.

The Analysis

The various belief-bubble constructs show well, when the 3 generations go to a museum to look at a picture and share their interpretation of the painting, the '12-year-old Jesus Teaching at the Temple of Anagoria by Mazzolini' based on Luke's gospel 2-41:

No one knew this painting, neither the artist nor the title of the artwork. The representative of the third generation was adamant, that it was Jesus who gracefully extended his hand and all others hailed and worshiped him with eternal gratitude, and without reflection.

Representatives from the fourth and fifth generation perceived the painting differently. They saw multiple wise men discussing, being critical, and reflective of whether who's sitting on the throne is the messiah or not. While others are less critical, accepting that he is whomever he says he is, others are even fully convinced. The representatives of the third generation was shocked at the interpretation of the fourth and fifth generation, judging their critical stand, and deeming discussions as evil and ungrateful, failing to take a different perspective or even being interested how the fourth and fifth generation came to their conclusions. Thus, the representative of the third generation gave evidence of her being trapped in the intersectional belief-bubble consisting of 'tribal' and 'conformist', the representatives of the fourth and fifth generation demonstrated their belief-bubble we called 'pluralistic'. It is conceivable that this belief-bubble disjunction is prone to conflict unless reconciled.

The Solution   Achieving Synchronicity

All these belief-bubbles and their intersections arose from a complex self-organising process and emerged in a socio-temporal space. This process is iterative, reflexive, and dialectic, as internal processes are influenced by the social environment, and the internal processes influence the social environment. Hence, we can say that, we are an 'homo duplex' creating intersectionality that is a dynamic, complex system, and over time, new intersections emerge from fourth and fifth generation with the purpose of changing the trajectory of the evolution regarding business governance and thus, sustainable business performance. This process is influenced by various degrees of disjunction and conjunction with belief-bubbles of the third generation as every generation invests in the integrity of their belief-bubble structures.

New intersections are the result of transitional phases, which can be turbulent and chaotic at times, however, necessary for the evolution of the system. Preserving the status quo is desirable and insinuates safety. It is also illusory, though, as the environment keeps changing. Targeted interventions on intersectionality can increase the flexibility and plasticity of a social system. Actively

and consciously creating intersectionality with greater overlaps and of higher quality would make family systems more resilient and antifragile, meaning the family system is learning and thus becoming stronger with each evolutionary step.

Key Learning Points

In any multigenerational family, the most effective interventions start with synchronising the social system, as this creates a solid foundation to the family members to gravitate towards each other, creating a shared intentionality which opens communication channels to discuss important matters. This fosters system integration on a vertical level and horizontal level across all micro-meso-and macro levels.

In a family, each family member matters, as well as the family as a whole. Whether we speak about skills, capabilities, or capacities, balancing family members' positive and negative characteristics and the respective associations (and observing when positives may turn into negative, and vice versa) is a solid way to bring the family closer and avoid frictions. Try to balance family members' differences to benefit the individuals, and the family. Pair negative associations with positive ones, as if negatives add up, they might bring further weight and might result in feature characteristics e.g., a black sheep of the family. Or in contrary case, accumulative positive associations may lead to entitlement.

The basis for any balancing and synchronicity exercise is paying attention to and understanding each other.

We hope you have enjoyed reading this first in a series of articles on the power of intersectionality in family businesses. To get the next part direct to your inbox please get in touch with one of us.

We look forward to hearing from you.

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1. *https://oxfordre.com/business/view/10.1093/acrefore/9780190224851.001.0001/acrefore-9780190224851-e-48*