## FAMILY BUSINESS ON THE COUCH

A Psychological Perspective

Manfred F. R. Kets de Vries and Randel S. Carlock with Elizabeth Florent-Treacy

mHOCHSCHULE
"" LIECHTENSTEIN
Bibliothek



John Wiley & Sons, Ltd

## **CONTENTS**

PREFACE		XIII
ACKNOWLEDGMENTS		XXV
PART I: QUESTIONS AND OBSERVATIONS		1
INTRODUCTION		3
Endnote		7
1 A PSYCHOLOGICAL PERSPECTIVE ON BUSINESS FAMILIES		9
Psychodynamic and family systemic perspectives Key ideas from the psychodynamic approach		10 11
The role of transference and countertransference		12
The family systemic perspective		17
A therapeutic alliance	~	20
A summing-up		21
Endnotes		22

## viii CONTENTS

2	THE CHALLENGES OF LOVE AND WORK	25
	Conflicting goals in the family business	26
	The three-circles model	29
	How conflict can develop	32
	Endnotes .	38
3	FAMILY BUSINESS PRACTICES: ASSESSING	
	STRENGTHS AND WEAKNESSES	39
	The interface of business and family practices	42
	Assessing the health of a family business	60
	Endnotes	62
PAI	RT II: REFLECTION AND LEARNING	63
4	THE LIFE CYCLE AS AN ORGANIZING	
	CONSTRUCT	65
	The multiple life cycles of the family business	66
	Key models of human psychological development	68
	The family life cycle	75
	Carter and McGoldrick's family-based life cycle	
	model	76
	Applying the life cycle in family businesses	78
	Endnotes	81
5	NARCISSISM, ENVY, AND MYTHS	
	IN FAMILY FIRMS	83
	Personality types	83
	Managerial implications of dysfunctional narcissism	90
	The importance of individuation	91
	The family firm as transitional object	92
	The power of envy	95
	Games families play: the role of family myths	- 103
	The impact of family myths on the family business	105
	Summary Endnotes	109 109
	Enunotes	109

	6	THE ENTREPRENEUR: ALONE AT THE TOP	111
		Common' personality characteristics of	
		founder-entrepreneurs	111
		Larry.Ellison and Oracle "	113
		Deciphering the inner theater of the entrepreneur Common defensive structures in	117
		founder—entrepreneurs	128
		Maintaining the balance	130
		Endnotes	131
	7	LEADERSHIP TRANSITION: REPLACING A	
		PARENT AS CEO	133
		Options for tackling the succession problem	133
		The inheritance	135
		Psychological pressures on new leaders	136
		Staying on course . •.: •	144
		Endnotes	146
1	8	A SYSTEMIC VIEW OF THE BUSINESS	
		FAMILY	147
		A two-way relationship	147
		The evolution of systems theory	148
		The development of family systems theory	149
		The family systems proposition	154
		Family scripts and rules	156
		Family scripts in the family business	157
		A practical example of family systems thinking	162
		Endnotes .	163
	9	DIAGNOSING FAMILY ENTANGLEMENTS	165
		The family genogram	166
		The Circumplex Model of marriage and family	
		systems	172
		Differentiation of self from family of origin ""	176
		Two family stories •	178
		Endnotes	185

## **x** CONTENTS

PAI	RT III: INTEGRATION AND ACTION	187
10	ADDRESSING TRANSITIONS AND CHANGE	189
	Lewin's ideas on change	189
	A model of individual change	191
	Major themes in the individual journey toward	
	change	196
	The process of change within organizations	200
	The change process in families	205
	Family focus or organization focus?	212
	Endnotes	213
11	THE VICISSITUDES OF FAMILY BUSINESS	215
	The Steinbergs: A study in self-destruction	215
	The immigrant dream	216
	His mother's son	218
	The entrepreneur's vision •	220
	Sam as a family business leader	220
	The entrepreneur's dilemma: Passing the baton	223
	The next generation	224
	Irving Ludmer: Play it again, Sam	225
	A family systems perspective on the Steinbergs	228
	The effects of Sam Steinberg's inner world on	
	the family business	233
	The inner theater of Sam's daughters	236
	What if?	239
	Endnotes	240
12	PUTTING FAMILY BUSINESS	
	INTERVENTION INTO PRACTICE	241
	The Family Action Research Process	242
	The succession conundrum	243
	The role of the outside adviser	271
	Advice to families seeking help	271
	The benefits of a psychodynamic systems	
	perspective	274

Final words	275		
Endnotes	276		
APPENDIX 1: DEVELOPING A BUSINESS FAMILY GENOGRAM			
Creating the genogram	277		
Therapeutic applications of the genogram	278		
Using the genogram to identify family scripts			
and themes	279		
How genograms improve communication	282		
Endnote	282		
APPENDIX 2: THE CLINICAL RATING SCALES AND THE CIRCUMPLEX MODEL			
How the CRS work	284		
Endnote	287		
INDEX	289		