

Money and Meaning

By David Lansky

Which Hat Are You Wearing?

Frank, a man in his late 60s was convinced that it was time to exit his company.

Frank was considering our firm to assist in his planning for succession. I sat with him in his office, where the walls were plastered with certificates and letters of appreciation attesting to his community involvement and philanthropic spirit. We sat at a large rectangular conference table with his four sons who were all active in the business. The “boys” (as he called them) eyed me suspiciously but appeared to eye each other even more suspiciously. Frank had just finished an emotion-laden dissertation on the vast personal benefits of remaining family-owned and family-controlled. I could not shake off the impression that he was pleading with his sons to remain together. Before the eldest son could finish *his* equally emotional discourse on why he would be named the future family business leader, I understood why Frank needed our help: He knew that *none* of his sons could succeed on his own outside the business and that *all* of them couldn’t succeed together inside the business.

Frank had decided that the best thing for his family would be for his children to remain working in the family business. In this way, he thought, his children could feel secure about future employment, they could all enjoy the benefits of working in their own business, and Frank could escape his wife’s constant anxiety that the children might not all feel equally loved if some worked in the business and some did not.

Frank’s decision about the family’s involvement in the business may have been best for his family, but it was not the best thing for his business. Frank made a business decision (who should manage my business?) wearing his family hat (how shall I take care of my children?). Frank’s dilemma illustrates the impact that *role conflict* can have on decision making.



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Most of us fill multiple social and vocational roles throughout our lives. We may act as parents, spouses, siblings, business owners, little league coaches, clients, students and so on. Each role that we play is associated with a particular behavioral domain (e.g., business, family, sports) and a set of expectations, guiding principles, behavioral cues and decision-making strategies. Occasionally, these roles impose conflicting demands upon us. This experience is called *role conflict*. Role conflict creates anxiety and tension in the person who is embedded in the incompatible roles. Furthermore, we tend to overestimate our ability to make good decisions when faced with the conflicting demands of our various roles. Thus, a father who coaches his daughter's little league team may experience anxiety and tension; he may vacillate between treating his daughter the way he treats every other team player on some occasions, while treating her as his special child on other occasions; and he may overestimate his ability to manage well the conflict that he is experiencing in these two different domains.

Darlene, a divorced mother in her 50s, owned an accounting firm that employed three other professionals.

Darlene's oldest daughter was bright, talented and was the anointed successor to Darlene. Darlene's middle son was a well-to-do attorney, entirely self-sufficient. But her youngest son had dropped out of college and had little interest or ability to work in the accounting firm or in any other business, for that matter. What was she to do? Well, Darlene was a businesswoman through and through, so she did what came naturally—she gave her son an accounting firm paycheck!

Darlene experienced a conflict between her role as a mother and her role as a businessperson. Like Frank, she attempted to solve a problem in one domain (a family problem: "what to do about my son?") wearing a hat that belonged to another domain (business).

Both Frank and Darlene experienced anxiety that accompanies the competing demands of role conflict and were motivated by that anxiety to act.

Both Frank and Darlene made decisions that they were later to regret—role conflict often results in decisions that are short-term and intended to relieve anxiety rather than focused on long-term strategy.

While it may be difficult to sort things out when you are in the middle of competing domains, it is much easier to understand the dynamics involved when you read descriptions of people such as Frank and Darlene.

In our consulting engagements, we use a two-step process for assisting people who are experiencing the conflicting demands of role conflict. In Step 1, we help clients establish the primary role prevailing in a given situation: What are your priorities? Which domain is most important in this situation? *Which hat are you wearing?* (e.g., "Is this a business problem or a family problem?"). In Frank's case, he was encouraged to "put on his business hat" to develop a strategy for the future of his business; Darlene was encouraged to "put on her family hat" in order to help her son become more self-reliant.

In Step 2, we reinforce the priority that has been established and then encourage problem solving in that particular domain (e.g., "Since you are wearing your business hat, what is best for the business? Or, because you are wearing your family hat, what is best for your son?"). In our experience, these questions need to be asked over and over because the temptation to wear the wrong hat is always there.

This process helps people to reduce the emotion in their decision making because they establish priorities and feel more in control of their circumstances. They then focus on developing strategies in the primary domain and "assign to the parking lot" (i.e., temporarily set aside) concerns in the other domain. When applied well and consistently, this strategy is a remarkably effective tool for individuals and families to remind themselves of their priorities and to focus their decision making productively in areas of primary concern to them.

