

## Emotional intelligence in families



The emotional intelligence of a family can strengthen or destroy long-term business success. The 2007 FBN Global Summit included a session on this important subject, presented by Professors Manfred Kets de Vries and Randel Carlock (INSEAD, France). Read on to discover some of their key points...

You can't control world markets but you can do something about the emotional intelligence of your family. The following are danger signs of low emotional intelligence:

- **Not listening or compromising** – family leaders often need to be strong minded but this can go too far. A strength overdone becomes a weakness.
- **Lack of balance** – family members are so busy developing their 'left brains', which deal with facts and analysis, that they fail to develop their human-to-human abilities.
- **Blind spots** – families lack the perspective to see problems, even though they are clear to people outside the family and their business.
- **Arrogant confidence** – past success can lead to over-confidence and ignoring any warnings. Such 'hubris' can lead to a sudden and unpleasant fall.

“In a family the most infectious 'diseases' are psychological.”

A lack of emotional intelligence in a leading member of a family can cause a chain of related problems. It affects not only other family members but also the family business. In a family the most infectious 'diseases' are usually psychological.

The result of such 'psychological diseases' can be the sudden destruction of wealth that has taken many years and generations to achieve. So the question is how to improve emotional intelligence.

Professors Kets de Vries and Randel Carlock are involved in 'group therapy' which focuses on teams within family businesses. The word 'therapy' often brings to mind the idea of someone lying on a couch and talking to a therapist. The professors' latest book is appropriately called 'Family Business on the Couch: a psychological perspective'.

During the Global Summit the professors used a case study to show some of the issues around emotional intelligence. In one instance, the leader of a family firm discovered that his brother-in-law had been disloyal. Full of anger, he immediately fired the brother-in-law. This was hardly a great piece of emotional intelligence. It caused very bad feelings within the family: it stirred hatred and destroyed trust.

A more emotionally intelligent solution might have been to organise a family meeting before taking such a drastic step. It would be even better if such a family meeting were already a regular event. The success of such a family meeting would rest on foundations that had been long prepared: trust between family members, expertise in resolving conflicts constructively, and everyone feeling committed to the best interests of the firm and the family.

Generally it's better to 'strike when the iron is cold' rather than to act in the heat of the moment. But it takes emotional intelligence to take time and to discuss problems. And emotional intelligence is only developed with effort and investment.

Such an investment makes good business sense. A sustainable competitive advantage is not only based on products or innovation. It's also based on emotionally intelligent people who can resist destructive psychological diseases.

Higher levels of emotional intelligence are shown by:

- **Listening** – this includes seeking out the views of people who may be reluctant to put them forward.
- **Empathy** – this involves putting oneself 'in the shoes' of others, and understanding how life looks to them.
- **Humility** – it's possible to be self-confident yet at the same time to understand that failings are possible, both in oneself and in others.

Do you want your family's dreams to, one day, become your family's legacy? If so, the challenge is to think through the behaviors and attitudes you'll need to build emotional intelligence.

### For more information:

Family Business on the Couch: a psychological perspective is written by Manfred Kets de Vries and Randel Carlock with Elizabeth Florent-Treacy (Wiley, 2007).

### In this issue

**Indian Family Business**  
Discover what it's like for a family business in India.

**The 'family system' against the 'business system'**  
Jon Smith's ideas on how to improve his fourth-generation family business.

**Renewing the family business**  
"Never sell our heritage-never!"

**FBN Philanthropy Horizons: 'Exploring Vietnam'**  
think strategically about giving money to people in need.

“Strike when the iron is cold.”