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Boundaries and Boundary Issues in the Family Business

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When you boil it all down to the essence, where do most family business conflicts really start? A surprisingly large percentage have to do, ultimately, with "boundary issues."

Boundaries set one thing in relationship to another. They are a line between where you end and I begin. They separate our thoughts from our feelings from our impulses from our fantasies. And they structure relationships between people. While they are essentially mental structures, they are as real as a fence or a border. If we ignore them, we're in danger of being enmeshed and swallowed, or so disconnected that no real relationship can exist.

It can be very tricky to establish and maintain boundaries in family business. Everyone plays multiple roles as a family member and as part of the business, thus opening many opportunities for boundary confusion, trespass, and conflict, particularly when outdated roles and unresolved conflicts from one domain seep into the other. The boundary between the past and present is always with us. We were assigned certain roles: the tattletale, the peacemaker, the screw-up. They often color the way other family members - parents, siblings, and even long-time employees - see us today, through a lens that's been obsolete for years.

Another boundary that's often ignored in the family business is the one between fairness and equality. Although we want to treat our children equally, in the business a standard of fairness should apply; giving all who want one the opportunity to work, to have their talents and skills evaluated, to get honest feedback, and reap the rewards of their hard work.

Fair is also knowing when it's time to turn in the keys, and doing so – letting the generation that's expected to take over the business do it while they're still young and motivated. Founders who are reluctant to turn over power lose the moment when their kids were optimally able to take over; their children are so tired of waiting for authority, control, and power, and the opportunity to make their mark,



that by the time it happens, they've moved on. They may stay in the business, but their energy has been drained out of them.

One of the most crucial boundaries for a family business is the line between family and business. The needs of both entities are different, and so are most of the rules, spoken and unspoken, that guide behavior in each realm. So a strong, well-defined boundary between them is the single biggest determinant of how they will transition into the second and third and fourth generations. In fact, a written, codified boundary statement is as important to a family business as a mission statement; while the latter sets a standard for what the company believes in and stands for, the former establishes one for the family as well.

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