

How to work across generations to have an incredible emotional and professional journey

Due to the nature of my economic activity, I monitor, assist and am affected by the big generational wealth transfer that is about to occur in Poland. Specifically, there was a group of people in the country who benefitted from the system transformation in the 1990s by setting up enterprises with different financial results. Some of these turned out to be quite a few successful medical clinics, legal advisors, trading businesses and IT companies set up by the founders who are now reaching the retirement age over the next decade. The international companies already start acquiring the firms to seize the opportunity of consolidation and tapping into the valuable Polish market. At the same time, numerous founders who I have had the pleasure of meeting and working with, would love to pass their possessions and enterprise to the next generation. They find it tricky, however, due to the generational differences in cultural behaviour and business acumen. The younger generation would love to get involved and be recognised by their parents, but unfortunately, they feel not experienced and strong enough to take on the responsibility. Also, some openly say they don't want to take over the ownership as it is too stressful or demanding.

Now let's imagine a different world, full of productive possibilities. In this dimension, parents (and sometimes even grandparents) build wealth and companies that can be passed on as their legacy. It secures the financial stability of the families and continues the value creation they started in the economic world. The younger generations are excited for the increased responsibilities and take pride in continuing their parents work to grow it further. In the process, their bonds tighten, and they start acting like partners and not as a parent and a child. They feel prepared and competent to do so. This is not a fantasy, this is the reality for many families, who handle the succession process well and in a planned manner.

In this work, my goal is to share guidance on making those difficult relationships work, which can be the most beautiful and emotional journey for both sides. These are not silver bullet steps to achieve success. Instead, this paper offers a summary of my thoughts based on experience of working and observing 50+ families passing over the wealth across the world, mainly in Western Europe, Poland and India.

1. Commitment to the relationship: Personally, and relating to many of my friends, younger generation experiences fear or discomfort discussing various topics with their parents or grandparents. Nonetheless, I have seen many transformations of such relationships in the past to establish productive and supportive environment for growth. This is enabled by increased trust and partner terms in the relationship. How to build environment for such relationship? One side has to open up and lead the difficult emotional conversations. These should be held without judgment, while stating best intentions of advice and actively listening to the other person. This can be initiated by whichever generation, and they should explain why it is important to them. The outcome should be a transition from parent – child relationship into partnership with ability to challenge and discuss concerns together. It will be very emotional and painful at times, but trust me, it will provide you with one of the most rewarding feelings in your life (whichever generation is reading this letter). It takes a lot of courage to take these steps, and the following questions may guide you through the process. 1) Do I respect the achievements of the other person? 2) Do I want to regret not having a chance to work together and learn from the other person? 3) How much time left do I have with the other person that I love unconditionally? 4) How can I challenge their past actions that (potentially) harmed me to come to peace and forgive the other person? 5) Do I want to pass something over that will be greater than my life? How can I do it in the most supportive way?

2. Independent younger generation: My first advice is directed towards the younger generation. I cannot recommend enough for the young people to get outside of the comfort zone and get initial business experience independently. For some, it will be a very hard adjustment to different reality (particularly if they come from a wealthy family background) but the benefits are exponential. In every case I have seen, spending 20s and sometimes 30s building their own career, built their identities, resilience and external perspective. This perspective is an addition to the values and mindset they already got at home which helps them establish confidence, respect and add extra value to the family business. Most crucially, they will leverage their learnings to allow the company to adopt to the changing times and gain respect of other employees. I also recommend at the beginning of the involvement in the business (depending on its size and the scope of role) that the younger generation starts part-time by supporting and helping with operations, while having their own stream of income and career. This is to protect their independence and allow them to make the final decision about transitioning into a full time Director in the company and/or taking over the leadership position.

3. Humble younger generation: I often see the younger generation in the process of taking over of a family business a little bit entitled and superior to their parents. It is possible to skip months or years of arguments and realisation by realising three truths I have seen in almost any case: 1) younger generation is likely to behave, act, and think in a very similar fashion to their parents, whether they like it or not, 2) the sole reason they are in a position to take over or inherit an enterprise should give them a reason to respect the elderly and their accomplishment, and 3) there's so much to learn in their lives that it's best to stay humble and learn through the process than start making decisions immediately. I have seen people struggling with acknowledging these facts and I have not arrived at a conclusion what's causing them to be true but observed to be proved correct every time. Young adults realise that their parents acted like them in the past and altered their behaviour to become who they currently are, making them reflect if they can learn from their mistakes instead of repeating them. It might also be related to genes as inclination to react in a certain way to the external environment, values, and upbringing. Probably a mix of all these variables. The latter two advice focus on being humble enough to realise they are still at the early career stage, even if they had a senior title in big corporations. They are very well equipped to provide great recommendation and external insights to the business, but they have to remain open-minded to learn the nuances of the new environment to adapt their knowledge in the most suitable manner.

4. The new role of an older generation: The transition time is also very tricky for the older generation. For one, they have to face the aging process and start thinking about the process of handing over the control and reign over the enterprise (whatever the size) to the next generation. It can be a difficult endeavour full of mixed emotions – gratitude and fulfilment, accompanied by fear and insecurity. It also shifts the mindset of the person in charge from making the decisions and calling the shots to more of an advisory and mentoring role. Some founders I have met had doubts and questioned themselves what they had left to add to the world. Some acted defensively. Ultimately, most of them felt a sense of relief, gratitude and pride in the younger generation. How to get that stage? They realise the value of their experience, enjoy the mentoring process and their knowledge being transferred to others, accept the cycle of life, business, and relationships. They take pride in growing the next leaders and a sense of relaxation and relief with less pressure and responsibility on themselves. Different people reach that state at different age. Based on my observations, the age range is between 65 and 80 years old.

5. Grateful and recognising older generation: Depending on a local culture, the difficulty to share appreciation directly varies greatly between the Western economies and more conservative nations like Poland or India. The fact that older generations might be more hesitant to praise directly also adds a nuance to the situation. But trust me, the honest praise and recognition from the founders and existing leaders of the business to the younger generation is a fuel for them. Also, they should acknowledge what they can learn from their (grand)children and their additional perspective. This is the moment of learning from them and rewarding their experience to-date. I do not intend to support co-dependency and insecurities whereby the apprentices' self-worth is dependent on the validation. What I argue for is honest feedback and recognition when it's due to support and motivate their efforts on the difficult transition in their career. Such actions strengthen the relationship, improve transparency and trust and I have never seen it to be de-motivating or making people lazy. The older generation might sometimes confuse weakness with kindness; however, numerous business research proves it to be incorrect. I have seen it being difficult for some leaders, mainly due to fear of losing respect, authority and de-motivating others, but trust me it's worth to pay a compliment and recognise the younger generation. It feels good for both sides.

I hope this short essay sparks a reflection and enables a reflection about future trajectory of your family business. Having an honest conversation about the plans between the generations may start a greatly fulfilling journey for everyone involved, rich in learning, mentorship and achieving success. This work focused solely on the relationship aspect in the family business, and I am going to write a follow-up essay about the practical business tips for introducing a younger generation in the business. This will include advice on their initial responsibilities, building authority and taking over leadership in the organisation.

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