



'Chief emotional officer' role involves daunting challenges

More and more family firms have recognized the importance of this role. But few can play it successfully. Here are some tips.

WHO HOLDS the most pivotal position in your family business? Of course, there's your CEO, your CFO and your COO. But who's your CEmO?

In the last year or so, more family firms have recognized the need for a "chief emotional officer." They understand that their company's emotional health is just as important as its financial health. As the family grows and interpersonal issues become more complex, they realize someone should be the point person for providing emotional support and

2. Someone with a healthy ego and self-confidence who does not require ongoing affirmation and external reinforcement.

3. Someone who is trustworthy and maintains boundaries.

4. Someone who respects family traditions and family values.

5. Someone who understands the difference between being in the "middle" of things and being the "center" of things.

6. Someone who will step up and speak out when irregularities occur.

7. Someone who is a skilled and savvy communicator and can deliver

these aspects of a particular family, there is an additional point to keep in mind: Families break their own rules! Furthermore, they are likely to break those rules in new and different ways again and again. For this reason, the skilled CEmO is prepared to both stay the course and adjust technique and strategy as needed. Here are the most perilous pitfalls, and some suggested solutions for the aspiring CEmO:

• Identity confusion: "Who am I today? Family member, interested party or fall guy?" Family members who are interacting with the CEmO informally may slide into discussion of an issue that relates to the business. This is a natural and understandable sequence, but be careful. At what point have you stopped being "family member" or "family friend" and begun speaking in the voice of "CEmO"?

Solution: All stakeholders must recognize the fact that this is a formal role. At the outset, the group should meet to consider and articulate the responsibilities and boundaries of the role. Goal clarification is key.

• Scapegoating: "It's your fault that this is happening." The complexities of relationships in family business carry increased likelihood of tension and conflict. When family members don't feel free to deal with feelings directly, they often rely on a third party as a substitute or outlet for their feelings. When the issues ultimately surface and family members are in direct conflict, they may expect the third party to take their side. Accordingly, the third party

When this role is approached with clear boundaries and guidelines, it can be isolating.

ensuring that family traditions and closeness are preserved.

Is that good news? Certainly, the recognition of the importance of the CEmO role is good. And it's encouraging to see more businesses trying to fill it. But "trying" is the key word here. It can be very dangerous to select the wrong person.

Who's right for the role?

The CEmO is often an informal position filled by a family member or close adviser. But you shouldn't give this title to your Aunt Tillie just because she's a good listener. Here are the character traits you should look for:

1. Someone with a high degree of emotional maturity.

authentic messages in a way that can be understood by the recipients.

8. Someone with excellent listening skills.

9. Someone who has experience in playing a similar role.

10. Someone who can tailor his or her approach to a given situation

What can go wrong?

A CEmO can help a family negotiate tricky family and business issues. But the position can pose some tough interpersonal challenges. **Particularly** when a family member fills the role, the complexity must be appreciated and understood. Families have their own distinct personalities, cultures, value systems and unwritten rules. Even when one is familiar with all of

can be left "holding the bag" and can become a focal point for the anger.

Solution: The CEmO would be well advised to educate the family about group dynamics and the tendency to "shoot the messenger" in times of frustration. This can go a long way in terms of helping to sensitize them to some of the feelings they are likely to experience.

• **Favoritism: "If you agree with me, you're right. If not, you're playing favorites."** The CEmO should serve as a sympathetic ear, not a personal advocate. Even when it is expressly stated that the CEmO is not an advocate, stressful situations carry a strong pull to use him or her in that way. Those unskilled in navigating that tension are often accused of playing favorites.

Solution: A CEmO should be prepared for the potential "landmines" associated with interpersonal tensions and conflict. The person who fills this role should be skilled in

active listening, understand how to avoid being lured into collusive situations, and be able to confront and manage manipulative behavior.

• **Secrets: "Don't tell anyone, but..."** Private conversations are just that: private. It is critically important when establishing a CEmO relation-

periodic, scheduled meetings with the group to discuss how things are going. Careful self-monitoring on issues of confidentiality is essential.

• **Dependency: "Tell him that I'm really angry..."** People who are calm, good listeners often become the default voice for summarizing

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ship to define what will and what will not be held in confidence.

Solution: Trust is key to successful performance in this role. Even when people are confident in the CEmO, it should be recognized that trust is a living organism and must be mined and reinforced throughout the process. This can be done through

what others are trying to say to one another. The more emotional the issue, the greater the likelihood for misunderstanding.

Solution: While it can be useful for the CEmO to summarize or synthesize a message, it is more helpful in the long run to assist the family

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