

# When succession crosses genders

*Mother-son and father-daughter teams enjoy a head start on other companies. Just ask the Hefners and the Lauders, for starters.*

**By Dennis T. Jaffe and Fredda Herz Brown**

Hugh Hefner revolutionized the magazine industry in the '50s, making *Playboy* a production with himself as the star. In many ways, the magazine was a chronicle of his own lifestyle and ideas. Yet this self-appointed role model for new-age males lacked a male heir. His daughter Christie grew up with her divorced mother under a different name. Father and daughter got to know each other only cautiously and with infrequent visits.

In one such visit, impressed by Christie's thoughtfulness and intelligence, Hugh made her an incredible offer: Why not join the business?

"Hef started saying in interviews, 'Oh yeah, Christie's going to take over the company,'" she later recalled. "And I thought, that's an interesting idea." She accepted, and over more than 20 years has ascended to become CEO and leader of a quintessentially male-oriented company. Hef has since remarried and sired more children. While he still gathers attention and embodies the magazine, their relationship has evolved so that Christie is clearly in charge. Hef occupies his special "emeritus" role (a role that, among other things, enables him to spend most days lolling about in pajamas at his mansion). Their roles are very different, and highly complementary. "He has turf and I have turf," Christie says. "We respect each other's abilities and don't try to do the same thing."

Most families are run by a highly effective cross-gender team—the parents. Equally effective is a cross-gender team that spans two generations—father and daughter, or mother and son. Such pairings can create a special bond that serves as the basis for a powerful leadership configuration.

"Gender sameness" often produces a rivalry that complicates father/son and mother/daughter relationships. But gender difference allows an opposite-sex parent to appreciate a child's talent without feeling threatened or superseded. And because sons and daughters feel protective toward their opposite-sex parent, they can serve comfortably as stewards and cheerleaders—especially when they enjoy the requisite authority to

take action when needed.

You don't hear much about the blessings of cross-generational succession because it's a relatively new phenomenon. When business was a male preserve, a daughter who expressed interest in the family firm was roundly discouraged. Katharine Meyer Graham, who stunned the business world in 1963 by taking over her family's *Washington Post*, enjoyed an opportunity that a generation earlier was considered unthinkable for another equally bright and capable newspaper heiress: Iphigene Ochs, the only child of *New York Times* patriarch Adolph Ochs.

Two generations after Katharine Graham's accession, cross-gender/cross-generation partnerships elicit not curiosity so much as envy. In our own experiences as business psychologists, we've worked with perhaps two dozen of these relationships, and we can't help being struck by their business advantages. Many cross-gender business successions seem characterized by a patience and willingness to allow the older generation to linger without the heir feeling diminished, frustrated or stifled. In these partnerships the son or daughter feels fully empowered and fulfilled without having to push a parent aside. But don't take our word for it. High-profile examples of this phenomenon abound almost anywhere you turn.

Surely only a daughter could respect and appreciate Hugh Hefner's idiosyncratic role at Playboy Enterprises. Though they are rarely shown together, Christie steadfastly defends Hef's various bizarre "perks"—an outside salary, residence in the company-owned Playboy mansion—and has respected his creative decisions about maintaining their flagship magazine's traditional format.

At the same time, Christie has engineered the company's successful entrée into new fields like cable TV and licensing. She is credited with boosting Playboy's profits and stock price to all-time highs—no mean feat in the fickle world of publishing. It's difficult to imagine anyone else, especially a son, achieving that balance. While it has been a roller coaster ride for the company, Christie is generally considered a good strategic and operational leader.

### **The Lauders**

Estée Lauder grew up in Queens, N.Y., and began to sell lotions and beauty products out of her home in the 1940s. She was one of a handful of women business founders in her generation. The company grew, so when her oldest son, Leonard, completed a stint in the Navy and graduated from the University of Pennsylvania's Wharton School with a business degree, it seemed natural for him to work there. He joined the

company in 1958. His partnership with his mother thrived as Leonard oversaw incredible growth by professionalizing the company's management structure, creating its research and development labs and spearheading its international expansion into a global giant with more than \$5 billion sales today. Although the Estée Lauder company went public in 1995, it remains firmly under family control, with the family owning almost all of the voting shares and occupying key positions. Leonard's wife remains a senior VP; also on board are their son William (who is set to become CEO on July 1), and Leonard's brother's two children.

Interestingly, each of these well-known successors has a long-term partnership with an opposite-sex parent that's remarkable for its harmony, its synergy and the special regard each has for their opposite number. These heirs are not simply waiting to ascend the corporate throne. They seem to be engaging in a special continuing relationship that's a reward in itself.

### **Fathers to daughters**

One quality seems to characterize the style of daughters moving into their father's business—patience. In each case, they understand that there are issues, emotions and complex roles to negotiate, so their instinct is to slowly develop trust with their father and other employees.

Another quality: Daughters generally don't enter their father's business with a sense of entitlement. They realize that they need to prove themselves first—to their father and the company—to succeed. In a number of situations we have seen, the need to prove themselves seems to include building credibility outside the family enterprise first.

And unlike many sons who can't wait to push a stubborn dad out the door and streamline the company, daughters seem tolerant and even fond of their fathers' foibles. Serving their father and the family—the same qualities often attributed to women in families—seems a greater motivating factor than control and power.

Alan Bressler's father launched Agar Supply Co. by selling pork to restaurants in Boston's Chinatown and subsequently expanded into meat distribution and processing. By the time Alan inherited leadership in the 1970s, Agar Supply was a large independent food service and supply company serving restaurants and groceries throughout the Greater Boston area. In the early '90s Bressler faced a classic succession dilemma: Food service was an unglamorous and very male business, but Bressler had no sons—just three daughters born within three years of each other. At the same time, competition and changing markets left him with difficult

strategic choices that demanded focus on renewing the business.

Bressler's eldest daughter, Karen, had an MBA in international business and was quite successful in a company that imported and sold toys. But she was also raising a small child of her own. To her surprise, Bressler asked her to try out the family business.

"I didn't need it," she recalls. "I could get a lot of jobs. But because he was my father, and he asked, I decided it was worth a try."

She quickly discovered that Agar Supply was "a very 'guy' place," as she calls it, full of long-term employees uncomfortable with change. That didn't deter her, she says, because she had no particular interest in running the place. "My strategy was to keep to my area, do my job and get results," she recalls. "I let trust and familiarity build slowly, and I waited for them to warm up to me."

Karen worked with her father on some major strategic changes. The business needed more space: It was a time to think about moving out of Boston, and offering a wider range of products and services.

The process was anything but smooth. At first, Karen recalls, "There wasn't anything for me to do. Then, as jobs came open, I had to 'swim' with each assignment." As she took on each job, "there were things for me and Dad to talk about, and he got a sense of me and my work." While father and daughter discussed an appropriate role to match her growing authority, the company's president resigned, so "I took the initiative," Karen says, and assumed the president's responsibilities.

Within a few years, Agar Supply moved to a suburb of Boston, expanded its products, and revamped almost the whole management team. Working together throughout the '90s, the father-daughter team had virtually transformed the company. By the time Alan was ready to retire in 2000, it seemed natural for Karen to take his place.

### **It works in India, too**

Like Karen Bressler, Charu Modi Bhartia was asked to join her family's business after earning an MBA and working for a U.S. company. Like most Indian businesses, the family's companies were traditionally male preserves, so she had many reservations. She was asked by her father to return to India and, in an unusual gesture, to join the family's multi-faceted business empire. As her role, she has worked with her father to launch two entrepreneurial ventures in health care and education. In developing her relationship with her father, she has created firm

boundaries and has had realistic expectations.

Slowly, she gained her father's trust. "I don't confront him or speak out in business meetings when others are there," she says. "I confront him in private, where I can ask him to explain his position and talk an issue through." The relationship is cemented through a daily father-daughter lunch at home. "I feel like a real partner now," she says. "My business is about a year from being profitable, and I am starting another venture for our family."

### **The Schneiders: From emotion to trust**

Most fathers and daughters share a natural closeness. But translating that emotional bond into a trusting business partnership takes some doing. On the one hand, the father instinctively presumes that his daughter will always be his little girl whom he must protect (and who in turn protects him, albeit emotionally). On the other hand, the father needs a business colleague with authority, capability and the aptitude to win and lose her own battles. Frank Schneider, a Denver family business and turnaround consultant who has developed and sold several professional services businesses, looked ahead at age 65 to a comfortable, active practice with a small one-person consulting firm that could support a flexible lifestyle. To his surprise, his daughter—Kim Schneider Malek, an MBA who had been working with a large company—asked if she could join him.

He was reticent at first. He had worked for a year with his son, Brad, who opened an affiliate office in Chicago in 1995. After two years, Brad left to assume leadership in one of his wife's family's businesses. Kim, as a middle daughter, played a role in the family that was conciliatory and diplomatic, "making her supportive of me in ways that her brother was not," Frank says. "Brad was more like me, and, had we been working together in the same office, we probably would have had some clashes." After working with Kim on several engagements, Frank says, he saw the benefits of their collaboration.

"We are polar opposites," he says, "but we respect each other and value our differences, which have become one of our competitive advantages."

Kim experienced a particular work-family conflict that often seems to be present when a daughter collaborates with her father. "My father wants me to devote myself to the business and our clients like he does, which is very time-intensive," she says. "But he also wants me to bear and raise his grandchildren, which is fighting for the same time. He has genuine conflicting commitments for me between advancing my career in his business and perpetuating future generations in his family." To be sure,

Kim says, she feels this conflict inside herself as well.

The presence of brothers in the business can lead to an intense rivalry if the daughter is chosen as the successor. This was the case in a public company that one of us advised, where the father was the founder and icon of the product. The mother was a strong personality, active in her own ventures and community affairs. First, their eldest daughter entered, then their son several years later. The daughter was serious, dedicated and patient, learning her role and taking on many jobs. In contrast, the son focused exclusively in his area of interest: marketing and promotion. He presumed that he and his sister would share leadership, but their father felt that she was the natural leader, and let it be known that she was his designated heir. This led to a deep rift and feeling of betrayal on her brother's part.

In another client family with a similar configuration, the brother who was passed over left the business and created his own consultancy, developing over time a positive working relationship with his father and a respectful acceptance of his sister's leadership role.

### **Mothers to sons**

Mother-son working partnerships are more complex, partly because they're less common. Much depends on how the mother originally reached the top. A mother like Katharine Graham, who became CEO through the death of her husband, may be more tentative or conflicted about her abilities. A visionary founder-mother like Estée Lauder, on the other hand, was confident, clear and assertive about who she was, what she was doing and what she wanted. The mother thus either exults in playing the father role, or suffers the burden of trying to succeed him.

In each path, the son has a different image of the mother. Leonard Lauder had to perform and accept that he would remain in his mother's high-profile shadow into her 90s. Donald Graham, by contrast, may have felt a calling to protect and support his mother in her role.

Or consider Kathy Gardarian, who founded Qualis International in Orange County, Calif., in 1988 to sell and distribute packaging products to retailers like Home Depot. Her only son, Leo, came on board two years later at age 23, fresh out of college. The company was growing fast, and she needed help to build the distribution system for their products. The special relationship between the son and his mother, who was divorced when he was nine, enabled Kathy to let go and trust Leo in ways that, as a controlling entrepreneur, she might not have experienced with another.

"We have always been best friends." Kathy says of her son. "He knows

me well, and we have a remarkable ability to diffuse the stress levels for each other. Having a male counterpart in this male-dominated business is a real asset. There are still some clients who are more comfortable doing business with a man.”

At first Kathy functioned as Leo’s mentor. “At the start he was afraid he couldn’t contribute anything,” she recalls. “He needed help to get his confidence up. He was very concerned that he not disappoint me, and hurt our relationship. He felt he had to prove himself to me. It was never verbalized, but I know it was a struggle for him.”

Over the past 13 years, Leo has grown with the company as Qualis International expanded to four distribution centers nationwide and nearly \$20 million in annual revenues. While Kathy remains the sole owner, Leo was promoted to president four years ago and is on track to inherit his mother’s ownership. Although Kathy is still active, she spends a lot of time serving on boards and pursuing her personal interests, leaving more and more authority to Leo. Although Leo doesn’t do everything her way, she says, “I am so lucky to have had this opportunity; his presence has freed me up.”

Not every mother-son partnership is so lucky. Florence Kaslow, a family business consultant and psychologist in Palm Beach, Fla., worked with several cases involving single, self-made CEO mothers. Unlike their married counterparts, these women acted as both head of household and company president. As a businesswoman, the mother was successful, but as a parent, her frequent absences and limited involvement caused resentment for her sons. In these and other similar situations, the mother wants her son to succeed but isn’t always up to the task. Unlike daughters, many business sons feel a sense of entitlement, exacerbated by the feeling that their mother’s devotion to her business had deprived the son of a full-fledged family childhood. The mothers, feeling guilty about their lack of familial participation, felt they “owed” the business to their sons but were increasingly disappointed in their performance. (See for example, “Like mother, like son,” by Florence Kaslow, *FB*, Spring 2002.) Such partnerships often lead to the sale or decline of the business.

Mother-mentors often expend much of their energy curbing their sons’ overconfidence and eagerness to take over before they’re ready. In other cases, the son develops such a close relationship with his mother that he’s hard put to feel as close and responsible to anyone else—his wife, for example. While daughters feel responsible to their fathers and to their families simultaneously, sons feel responsible and dutiful to their mothers both personally and professionally.

Successful cross-gender, cross-generation partnerships share one common

theme: the great respect and trust that opposite-sex parents and offspring feel for each other. This leads to great tolerance and to the ability to be attuned to each other's needs. If this basic building block is in place, the benefits and special features of this tricky relationship should outweigh the liabilities.

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