

USING GENOGRAMS TO NAVIGATE FAMILY BUSINESS DYNAMICS





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01

INTRODUCTION TO GENOGRAMS



What is a Genogram?

In the 1970s a visual aid known as a genogram was created by **Dr. Murray Bowen** to represent family or group relationships over generations in a comprehensive way. Compared to traditional family trees, the genogram includes emotional ties, social and professional roles, alongside biological connections. It gained popularity in sectors such as medicine and psychology, for analyzing family dynamics. In this regard, Family-owned businesses benefit greatly from the versatility of such tools in managing both family and professional dynamics as they often intertwine in ways.

Why Use Genograms for Family-Owned Businesses?

Family-owned businesses can leverage genograms to provide a clear and structured map of relationships that shape the business's dynamics. Family relationships can directly impact decision-making, succession planning, and day-to-day operations.

By setting up a genogram, family members and advisors can identify patterns, conflicts, or alliances, which would not be revealed otherwise. Such insight is key for successfully planning for succession, resolving conflicts, and setting clear boundaries and expectations within the business.



02

UNDERSTANDING FAMILY DYNAMICS IN BUSINESS



Family Systems Theory

Family Systems Theory, introduced by Dr. Murray Bowen, explores the interconnected nature of family relationships and the roles and behaviors family members adopt within the family. This theory highlights how family members influence each other in patterns that are both generational and systemic. In the context of a family-owned business, the Family Systems Theory uncovers how individual behaviors impact not only the family but also the operations. For example, over functioning (taking excessive responsibility) or triangulation (bringing a third party into a conflict) can shed light on dynamics that may affect business stability. Genograms help visualize these patterns, allowing family members and advisors to understand relational influences that might otherwise remain unnoticed.

By mapping relationships, genograms can clarify key areas, such as:

Influence Patterns: Who holds the decision-making power, and how are responsibilities divided?

Emotional Ties and Conflict: Which relationships are supportive, and which are strained?

Generational Shifts: How are roles and expectations passed down through generations?

Key Challenges in Family-Owned Businesses

Family-owned businesses confront specific hurdles that set them apart from non-family businesses. These challenges, while sometimes advantageous, often require careful management due to the overlap of personal and professional relationships.

➤ Succession Planning:

Choosing a successor in family-owned businesses can be complex. Family members may have different ideas about who should lead, leading to potential conflicts.

➤ Role Ambiguity:

Family members might lack clarity about their responsibilities, which can lead to overlapping duties or, conversely, unaddressed tasks. This ambiguity may affect both the family's cohesion and business productivity.

➤ Interpersonal Conflicts:

Familial relationships often involve strong emotions. Personal disagreements, rivalries, if not managed, can lead to business inefficiencies.

➤ NextGen Readiness:

Recognizing the next generation's readiness to work in the business, to manage it, or to act as a responsible shareholder is vital for facilitating a smooth transition of leadership and ownership, ensuring the enterprise's sustainability.

Understanding and visualizing these challenges through a genogram helps in identifying pressure points, enabling proactive measures that benefit both the family and the business.

03

HOW TO CONSTRUCT A GENOGRAM
















Basic Genogram Symbols

A genogram typically uses symbols to represent each family member and their relationships, allowing for a consistent, interpretable layout that visually conveys both family structure and relational dynamics. Common symbols include:

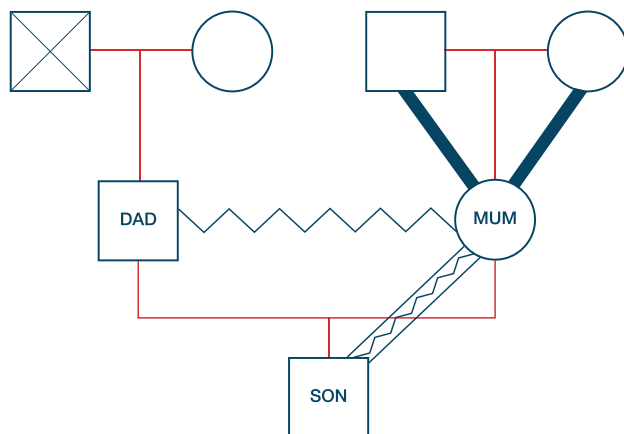
- Squares** for male family members and **circles** for female family members.
- Marriage:** A horizontal line connecting two people.
- Children:** Vertical lines beneath the parents, connected by horizontal lines.
- Solid lines** to show strong, positive connections and dashed lines to represent weak or strained connections.
- Symbols and color codes** are used to illustrate specific characteristics, such as business roles, marital status, generational positions, or any other attributes relevant to the family dynamics.
- Standardized symbols** are essential to maintaining consistency, as they ensure that all parties involved in interpreting the genogram can accurately understand the relationships and dynamics illustrated.

Male		Divorced	
Female		Working in the business	
Conflict		Shareholder	
Close / stained relationship		Age	
Close / supportive relationship		Board member	
Deceased			

Using the above symbols, we can apply it to a simple example of parents and a single child

In this example - The relationship between mother and son has elements of closeness, which means it is difficult for him to be away from her. This is possibly because he has seen his parents argue a lot and so he struggles to see the strengths in their relationship.

By behaving as he does he lets everyone know that he has worries about this. An alternative hypothesis could be that the son behaves as he does as it is his understanding from his father's behavior that this is how men behave and that relationships between men and women are characterized by women criticizing men (Rivett and Street, 2009).



CONFLICT



**CLOSE/ STRAINED
RELATIONSHIP**



**CLOSE/ SUPPORTIVE
RELATIONSHIP**

Steps to Create a Genogram

Creating a genogram is both a structured and flexible process, tailored to capture unique family dynamics while adhering to standard methodologies. Here is a step-by-step approach:

➤ Collecting Information:

Begin by plotting the information you know and gathering additional information about each family member, such as ages, roles in the business, and key relationships. It is essential to involve the family in this stage to ensure accuracy and encourage transparency.

➤ Identifying Relationships and Dynamics:

Define each relationship within the family — whether supportive, neutral, or strained. Identify and map out patterns, such as alliances, familial conflicts, or dependencies, which can influence business interactions.

➤ Mapping Generations:

Structure the genogram by placing the oldest generation at the top, working downward to the youngest. This generational view provides clarity on succession options, influence patterns, and evolving family roles.

➤ Recording Emotional and Professional Ties:

Genograms can incorporate both emotional connections and professional roles. For instance, you can use specific lines or colors to represent familial tensions or strong business alliances, which are critical for succession planning and conflict resolution.



Essential Guidelines when Building a Genogram

Starting a genogram with a family for the first time can feel quite an uphill task. In as much as this may be the case, there are certain things that one may be able to do to make it work:



1- Co-Creation with Families:

The real value of a genogram lies in undertaking its creation in the company of the family. Do not worry about getting it perfect at first; the purpose is to encourage communication and learning. It is possible to create a neater copy in the end, notably if it is necessary for instance, to input in the computer or for storing records through scanning.



2- Engage Creatively:

Do not be afraid to do things differently especially when there are children involved in the process, and even better, bring in a toy. Think of some way to let the children picture the family besides asking them to draw the family tree. Eventually, children can use their drawing to come up with the structure of the genogram based on the suggested gender role and relations (McGoldrick et al., 2020, with Gil, chapter 11).



3- Start with the Basics:

Commence by focusing on the child, then the child's parents, any other person present in family therapy at that time, and follow by circles for extended members like aunts, uncles, and grandparents (Carr, 2012).



4- Visual Clarity with Symbols and Colors:

Begin by getting each family member in a graphical form and link them in a certain order with lines. Utilize various colors to apprehend different situations about the social environs of the family such as family history, areas, problems such as challenges and social systems.



5- Standardized Symbols and Key:

Stick to the common signs in setting up a genogram so that even other professional s can use it without so much difficulty. Also do not forget to include in a separate box a simple key that provides additional information as the work unfolds.




6- Self-Recognition as a Practical Study:

Be conscious of the impacts your personal history would have when working with people, for many significant reasons including personal histories can evoke unpleasant memories or emotions during the process of conducting therapy work for families (McGoldrick et al., 2020).

04

USING GENOGRAMS TO MAP OUT YOUR FAMILY- OWNED BUSINESSES





Family businesses are distinct in the way personal relationships and professional roles often overlap. A family business is not only a business entity; it is interconnected with the emotional and psychological relationships between family members. As a result, the dynamics within the family can significantly shape business decisions, succession planning, governance, and conflict resolution.



Mapping Relationships

Using genograms to map relationships in family-owned businesses helps families and advisors visualize the complexities that lie within both family and business roles. These maps illustrate who plays influential roles and who may serve as a mediator or a supporter. This level of insight is particularly valuable in resolving conflicts or making decisions about business roles. For example, mapping a strong bond between two siblings may reveal a natural alliance that could be leveraged to foster business collaboration or ease transition issues.



Succession Planning

Succession planning is one of the most crucial areas where genograms add value for family-owned businesses. A well-developed genogram reveals generational patterns helping family businesses, advisors, and stakeholders assess potential successors. By clearly showing family influence and leadership history, genograms allow advisors to guide families in choosing successors based on aptitude, relationships, and generational alignment, ensuring continuity and stability for the business.



Identifying Conflicts and Alliances

Family businesses often experience intricate alliances or conflicts that can impact decision-making. Genograms identify these dynamics, offering a view of underlying tensions that could hinder business progress. Knowing that two family members have a history of rivalry, for instance, allows an advisor to preemptively address potential disputes. Genograms also help identify supportive relationships, which can be advantageous during challenging times, such as leadership transitions.

05

DEMONSTRATION

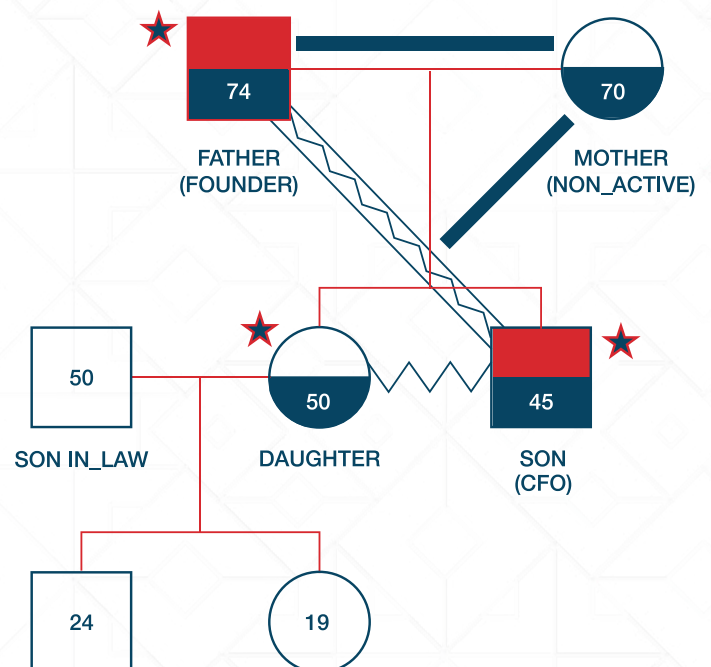




The father is the founder of the company, while the mother plays a supportive, non-business role. The daughter serves as a board member and has conflicts with her brother, who is a Board member and serves as a CFO.

The son is actively involved in the company in his capacity as a CFO. However, his conflict with his sister and his emotionally distant relationship with his father could pose significant challenges if he is considered for a future leadership role.

From an ownership perspective, all four bloodline family members hold shares in the family business.



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KEY TAKEAWAYS AND PRACTICAL APPLICATIONS





Enhancing Communication

Genograms facilitate open discussions about roles, relationships, and responsibilities, helping family members address issues that might otherwise go unspoken. The process of visualizing those relationships encourages family members to talk about their viewpoints and feelings fostering understanding and collaboration among them.



Clarifying Roles and Responsibilities

Unclear expectations from family members leading business roles frequently result in confusion, within family-owned businesses. Genograms help visualize each person's responsibilities, setting expectations and reducing conflicts. Advisors can use genograms to help families document these roles, ensuring each family member understands their professional and personal boundaries.



Anticipating Future Challenges

By identifying patterns in family behavior, genograms provide insights into potential future challenges. For example, if generational conflicts are common, families can address these proactively before succession events occur. Anticipating such challenges helps families implement preventative strategies that ensure business continuity.



07

CONCLUSION & REFLECTIVE EXERCISE





Conclusion

The process of creating genograms offers family-owned businesses a structured and visual method to delve deeply into the intricate dynamics that shape their unique environments. A genogram extends beyond a traditional family tree by mapping out relationships, roles, and patterns of interaction within the family, providing valuable insights into the underlying factors that influence decision-making, leadership, and cohesion.

By encouraging open communication, genograms create a safe space for families to explore sensitive issues, address potential sources of conflict, and align on shared values and goals. They clarify roles and responsibilities within both the family and the business, helping to mitigate ambiguity and ensure that each member understands their contributions and expectations. This clarity is essential for fostering trust, accountability, and collaboration.

Genograms also play a pivotal role in succession planning, a critical challenge for family businesses. They help identify potential successors, assess readiness for leadership, and address potential conflicts that may arise during generational transitions. By visualizing family dynamics and interdependencies, advisors can use genograms to design tailored strategies for conflict resolution, ensuring that transitions are smooth and the business remains stable.

For advisors, genograms serve as a powerful diagnostic and planning tool. They enable a nuanced understanding of the family system, helping to uncover unspoken challenges or opportunities that may otherwise be overlooked. With these insights, advisors can guide families in building governance structures, creating contingency plans, and fostering a culture of resilience and adaptability.

Incorporating genograms into family business planning empowers families to build a strong foundation for future growth. By addressing current challenges and anticipating potential issues, families can develop strategies that balance personal and business priorities. Ultimately, genograms position family businesses to thrive across generations, ensuring long-term success while preserving their legacy.





Reflective exercise

Try drawing your own genogram. Ask someone else from your family to work on one too and compare how your different perspectives shape the information you set out.



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