11. Brave communication as the key for successful family business succession

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1. INTRODUCTION

Family businesses are the most prevalent form of businesses in today's economy. In Europe, family-owned and family-controlled firms make up between 65% and 80% of all companies, accounting for more than 40% to 50% of all jobs (European Family Businesses, 2021). These businesses contribute significantly to the economy, representing about 70% to 90% of the GDP in various global regions, approximately €5 to €7 trillion in economic value, and 60% to 70% of private-sector employment, creating about 50% to 70% of all jobs in the past decade (La Porta, Lopez-de-Silanes, & Shleifer, 1999; Birdthistle & Hales, 2021). Family businesses possess numerous advantages over non-family businesses, including a long-term vision, a strong commitment to history and values, and a close relationship with employees, clients, and the local community (Miller & Le Breton-Miller, 2005; Danes, Stafford, Haynes, & Amarapurkar, 2009). These strengths often translate into a more stable and loyal workforce, better alignment with community interests, and a business approach that prioritizes sustainable growth over short-term gains (Ward, 2004).

Succession, as the hallmark of family businesses, determines the very longevity of these enterprises. The success of succession impacts not only the company but also the stability of the broader economy. Despite a myriad of contextual factors (firm size, industry, regional economic conditions, etc.), only about 30% of family businesses are successfully transferred to the second generation of the founding family owners. Furthermore, only 10–15% make it to the third generation (Stamm & Lubinski, 2011). This phenomenon is often encapsulated in the saying, "The first generation builds it, the second generation maintains it, and the third generation blows it" (Ward, 2011). The consequences of failed family business succession are significant. Family discord and brokenness often result from disputes over succession. Individual suffering, including stress and identity crises, can affect both the departing and incoming leaders. Business performance suffers due to instability and lack of clear leadership, and employee insecurity rises as workers fear for their jobs and the company's future (Miller, Steier, & Le Breton-Miller, 2003; Sharma, Chrisman, & Chua, 2003).

Family business succession represents a critical juncture laden with complexities, where challenges such as the predecessor's reluctance to relinquish control, trust deficits with the successor, the successor's lack of confidence, and pervasive family conflicts are frequently cited (De Massis, Chua, & Chrisman, 2008; Morris, Williams, & Nel, 1996). Central to these challenges are identity struggles, emotional attachments, and miscommunications, which fundamentally shape and complicate the dynamics of succession in family enterprises, often rendering it a taboo topic (Hubler, 1999; Lansberg, 1988).

Family businesses are distinctly characterized by their emotional undercurrents, which profoundly influence decision-making and relationship dynamics essential to succession planning (Bertschi-Michel, Kammerlander, & Strike, 2020; Shepherd, 2016; Stanley, 2010). Discussions around succession often navigate sensitive topics related to departure, control, trust, and change, making effective communication both essential and challenging (Handler, 1994; Levinson, 1971). Scholars have applied game theory to dissect the multifaceted motivations and interests involved in succession, highlighting the complexity of navigating differing agendas (Lansberg, 1988; Tsabari & Weiss, 2013). Effective communication during this phase necessitates bravery—the courage to confront emotional realities such as identity, fears, and aspirations (Hubler, 1999). It involves not only articulating one's feelings and needs but also actively listening to diverse perspectives, thus engaging in authentic and constructive dialogues. Successful family enterprises navigate these challenges by fostering strong familial bonds, nurturing shared values, and establishing robust governance structures (Miller & Le Breton-Miller, 2006; Le Breton-Miller, Miller, & Steier, 2004). Open and honest communication, grounded in mutual trust, emerges as a critical factor for sustaining family harmony and ensuring business longevity (Eddleston & Kellermanns, 2007; Deferne, Bertschi-Michel, & de Groote, 2022).

Indeed, prior studies on family firm succession often highlight the importance of open and honest communication throughout the process (De Massis et al., 2008; Leiß & Zehrer, 2018). Despite the growing scholarly interest in effective dialogue involving emotions in family firms (e.g., Björnberg & Nicholson, 2012; Shepherd, 2016), and the recognition that external mediators and advisors are beneficial in such interventions (Salvato & Corbetta, 2013; Strike, 2012), there is a notable lack of actionable insights and practical examples to inspire change within family stakeholders. Specifically, the effectiveness of specific communication skills and values for family stakeholders involved in the succession process remains underexplored. Therefore, this chapter aims to provide insights from both a review of the literature and practical interventions. We seek to draw attention from researchers, practitioners, and family business members to the importance of brave communication and the necessary skills and values that come with it, ensuring that succession occurs under optimal conditions with both long-term business prosperity and strengthened family unity.

As George Bernard Shaw said, "the single biggest problem in communication is the illusion that it has taken place." In the upcoming sections, we first delve into two foundational components essential for successful communication in family businesses: daring to express feelings and needs, and daring to listen actively to diverse perspectives. We emphasize the importance and relevance of these principles in family business succession communication and provide keys to exercising these skills. Secondly, we offer actionable insights for leaders and family members on integrating these principles into various governance frameworks.

Additionally, we present common feelings and needs that three key family stakeholders—predecessors, successors, and inactive family members (Venter, Van der Merwe, & Farrington, 2012) may experience, particularly during succession. Finally, we provide real-life scenarios illustrating the impact of effective versus ineffective communication on family business succession outcomes.

1.1 Family Business Cultures: The Dilemma

The dilemma in family businesses stems from their inherently emotional and relational nature, which demands open, frequent, and honest communication. Nevertheless, these businesses often exhibit hierarchical, secretive, and conflict-avoidant behaviors, leading to obscure and hidden communication. In this context, effective communication requires bravery, especially during times of uncertainty and high stakes.

Family business cultures, on the one hand, are often characterized by hierarchical decision-making and a pervasive climate of secrecy. Information within these businesses flows predominantly from the top down, with minimal input from other family members or non-family employees, fostering an environment where critical business information and succession plans are known only to a select few, often the incumbent leaders (Björnberg et al., 2012). The absence of regular family meetings or forums for discussing business matters is a common characteristic in these environments. Cabrera-Suárez, De Saá-Pérez, and García-Almeida (2001) highlight that such family businesses rarely hold structured family councils or meetings where succession planning can be openly discussed. Consequently, decisions about the business's future are often made informally and communicated sporadically, if at all, to the wider family and stakeholders, leading to feelings of exclusion and resentment among family members who are kept out of the loop. Such reactions are consistent with the well-established need to belong; when inclusion and recognition are threatened, negative affect and withdrawal increase (Baumeister & Leary, 1995). The lack of formal communication channels exacerbates internal conflicts and mistrust, contributing to a fragmented decision-making process.

Furthermore, the strong desire to preserve family harmony and socioemotional wealth — combined with the concentration of family wealth and decision-making power — often shapes behavior toward risk-aversion and the avoidance of difficult conversations (De Massis, Chua, & Chrisman, 2008; Hiebl, 2013). Besides, the hierarchical nature of these businesses and the long-term power dynamics can create a culture where family members feel financially dependent on the business and its reputation, inhibiting their willingness to voice opinions freely. Handler (1994) found that many family business leaders prefer to avoid discussing succession plans due to the emotional and potentially divisive nature of these discussions. This avoidance is compounded by cultural norms that discourage the open expression of emotions and disagreements, creating an environment where critical issues are left unaddressed until they become crises, and where difficult conversations about succession can become indefinitely deferred.

On the other hand, family businesses are uniquely charged with emotions, particularly during periods of succession, when the stakes are high, and uncertainty looms large. This emotional intensity stems from the intertwining of familial relationships and business interests, leading to a complex dynamic often fraught with tension (Lansberg, 1999). The succession process is not merely a transition of leadership but a period that can challenge long-standing family roles and expectations, often leading to anxiety and conflict (Handler, 1994). Family businesses also pursue high socioeconomic values that extend beyond mere economic gains to include the preservation of family legacy, reputation, and social capital (Kammerlander, 2021; Makó, Csizmadia, & Heidrich, 2018). These values necessitate open and healthy communication within the family to ensure that both business and personal goals are aligned and mutually reinforcing. However, professionalism and thorough documentation in business operations often leave little room for personal expression, as the demands of the business overshadow individual needs. Nevertheless, these personal needs and emotions do not vanish; they resurface in conversations and decision-making processes, often in irrational and emotionally charged ways, which can degrade relationships and the overall socioeconomic value of the family (Handler, 1994; Björnberg et al., 2012).

This chapter defines brave communication as the capacity of family stakeholders to express their feelings and needs vulnerably and listen actively to different perspectives. This aligns with Brown's (2012) argument that vulnerability is not a weakness but a form of courageous leadership — the willingness to be seen, to take emotional risks, and to show up without guarantees. Expressing feelings and needs vulnerably involves being open and honest about emotions and desires without fear of judgment or repercussion. Listening actively requires acknowledging and valuing different perspectives, fostering a respectful and supportive environment. By integrating these components into their communication practices, family business members can enhance emotional payoffs, family cohesion, and business longevity.

2. DARING TO EXPRESS FEELINGS AND NEEDS

2.1 Common Feelings and Needs Experienced by Key Family Members During Succession

This section outlines the common feelings and needs experienced by key family stakeholders during succession, including the predecessor, successor, and other family members. Research shows that the extent to which basic psychological needs are fulfilled—or frustrated—fundamentally shapes how people think, feel, and behave (Deci & Ryan, 2000; Rouse et al., 2020). For each role, we present both vulnerable feelings and corresponding psychological needs. Rather than providing an exhaustive literature review, we aim to use relatable language that family members can connect with and use to reflect on their own experiences. This non-exhaustive list (summarized in Figure 11.1) is based on interviews with over 50 family businesses and the authors' professional experiences in advising family enterprises. In line with our goal of fostering courageous communication—vulnerably sharing our feelings and needs, we focus purposefully on the challenging aspects often encountered during succession. Growing awareness and recognizing these internal struggles and needs is an essential first step in sharing them openly, thereby inviting understanding and support from others.

For predecessors

a. Vulnerable feelings

Fear of the unknown:

- *Lifestyle change*: Transitioning from active business involvement to retirement introduces significant lifestyle changes, often accompanied by apprehension about adjusting to a new routine.
- *Business uncertainty*: Doubts about the successor's decisions and the future trajectory of the business foster anxiety, as the predecessor worries whether the business will thrive without their leadership.

- *Financial insecurity*: Concerns about financial stability post-retirement add another layer of anxiety, especially if the business has been the primary source of income.

Sadness of letting go:

- *End of an era*: The emotional weight of closing a significant chapter in life can be overwhelming, particularly if there has been no formal acknowledgment or celebration of the accomplishments achieved during their tenure.
- *Feelings of abandonment*: Letting go of a company that one has built and nurtured over the years can lead to feelings of abandonment, both of the business and of the significant role it played in one's personal and professional life.
- *Unfulfilled visions*: There can be a sense of regret, especially if certain visions and projects remain unfulfilled during their leadership.

Identity struggle:

- *Loss of social status*: The fear of losing one's professional identity and status can be profound, encapsulated in the existential question, "Who am I if I'm no longer the chef?"
- *Loss of purpose*: The transition may bring about a profound sense of purposelessness, as predecessors grapple with redefining their roles and contributions outside of their business responsibilities.

b. Psychological needs

Need for reassurance:

- *Successor's capacities*: Confidence in the successor's abilities and readiness is crucial, as it reassures the predecessor about the continuity and future success of the business.
- *Favorable timing*: Ensuring that the timing of succession aligns with the company's and family's best interests helps mitigate uncertainties and fosters a sense of preparedness.
- *Value preservation*: Upholding the core values of the business provides comfort that the predecessor's legacy will endure.

Need for new purpose:

- *Role evolution*: Identifying new roles or responsibilities imbued with meaningful purpose is essential for predecessors to feel valuable and engaged post-succession. Maintaining symbolic attachment and

celebrating the business's progress can offer significant emotional relief.
- *Passion pursuit*: Envisioning and preparing for a passionate personal project offers predecessors something to eagerly anticipate, instilling a sense of purpose, relevance, and vitality. This pursuit not only helps them feel useful and alive but also fosters a renewed enthusiasm for life.

Need for acknowledgment:
- *Commendation*: Formal acknowledgment of the predecessor's contributions, such as honoring their achievements and milestones, provides closure and celebrates their legacy.
- *Remembrance*: Ensuring that the predecessor's stories and foundational values are remembered and narrated reinforces their lasting impact on the business and the family.

For successors

a. Vulnerable feelings

Feelings of inadequacy:
- *Self-doubt*: Successors often grapple with self-doubt, questioning their ability to measure up to a historic and charismatic founder. They may wonder, "How can I establish my reputation after such a leader? Am I capable? Am I legitimate? Am I good enough?"
- *Fear of failure*: There is a pervasive fear of failure, compounded by the external pressures of not wanting to disappoint shareholders and employees. The high expectations and scrutiny can exacerbate these feelings, leading sometimes to conventional and more compliant behavior as successors are afraid of making a wrong move.

Feelings of being overwhelmed:
- *Responsibility burden*: The sheer enormity of the responsibility scope can be overwhelming, leading to feelings of dejection and stress at the scale of the task.
- *Relational complexity*: Navigating the new relational complexities and family tensions can be as challenging as developing the business itself. Conflicts often stem from jealousy, skepticism, and the pressure to prove one's capabilities.

- *Continuous scrutiny*: Successors may feel tired and unsupported by being constantly doubted and challenged by others as a new leader, including the predecessor and other family members. This continuous scrutiny can lead to significant stress and exhaustion, as they feel the need to work harder to prove their competence.

Frustrated ambitions:

- *Predecessor interference*: Successors can feel frustrated by the predecessor's reluctance to fully step down and their tendency to interfere, resulting in micromanagement.
- *Loyalty conflict*: There is a fear of being prevented from implementing new ideas and doing things differently due to loyalty pressure to "respect the tradition."

b. Psychological needs

Need for affirmation:

- *Legitimacy building*: Public and private acknowledgment of the successor's skills and legitimacy is crucial. This recognition helps build their confidence and establishes their authority.
- *Trust from founder and teams*: A priori trust from the founder and existing teams is essential. This trust allows the successor to lead with confidence and make decisions without constant second-guessing.

Need for freedom:

- *Autonomy in leadership*: Successors need the freedom to undertake their responsibilities without excessive oversight. This trust empowers them to innovate and lead effectively.
- *Empowering culture*: New leaders thrive in a culture that perceives mistakes as opportunities for learning, rather than as proof of their incompetence. Successors need genuine empowerment with balanced support, which includes providing open counsel and timely corrections, all while affirming their legitimacy.

For family members

a. Vulnerable feelings

Feelings of confusion:

- *Skepticism towards the appointed successor*: Family members may harbor doubts regarding the intentions and competencies of the newly appointed successor, leading to apprehensions about the business's future direction. Questions such as "Who is he?" "What can he do?" and "Why him?" become prevalent, reflecting a deep-seated distrust.

- *Discontent towards the selection process*: A lack of transparency in the decision-making process often engenders feelings of unfairness. Unclear allocation of wealth and responsibilities exacerbates these sentiments, while perceived favoritism or unequal treatment during the succession process leads to significant irritation and discontent.
- *Disappointment over non-selection*: There can be a profound sense of disillusionment with how the succession process is handled, especially if the family member was a candidate for succession. Feelings of jealousy toward the successor or those actively taking on leadership roles can also emerge, accompanied by envy of the attention and opportunities afforded to them.

Feelings of neglect:

- *Marginalized voice*: The perception of being ignored in discussions about the business's future can foster significant resentment. Feeling that their opinions and wishes are neither listened to nor valued can lead to anger and frustration, leaving family members feeling overlooked or undervalued compared to those actively involved in decision-making.
- *Role redundancy*: Passive shareholders may experience a sense of purposelessness, and that their role as shareholders is redundant as they attend meetings without actively contributing or taking on any meaningful responsibilities and roles.

b. Psychological needs

Need for procedural justice:

- *Desire to be heard*: It is crucial for family members to feel that their voices are heard in the succession process, ensuring their opinions and concerns are taken into account.
- *Desire for process clarity*: Providing detailed explanations of the processes and criteria used in succession decisions helps mitigate feelings of exclusion and distrust. Clearly explaining the succession process, including the reasons behind decisions, builds trust and acceptance.

Need for contribution:

- *Valued engagement*: Even those not in active leadership roles need to feel their contributions are valued. Assigning meaningful roles and responsibilities helps maintain their sense of purpose. Encouraging inactive but valuable members to contribute in ways that align with their strengths and interests can help them feel engaged and purposeful.

- *Input recognition*: Recognizing and valuing the input of all family members, regardless of their direct involvement in the business, fosters a more inclusive and supportive environment.

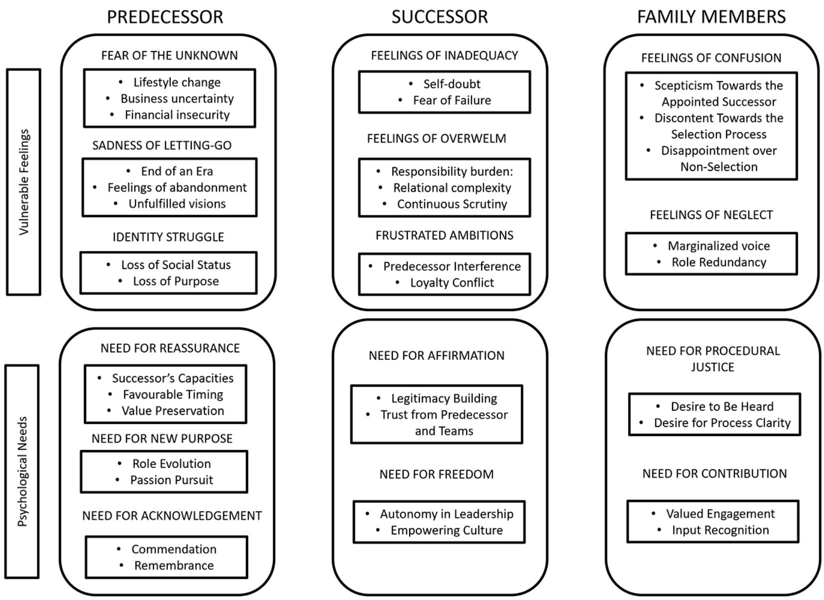

Figure 11.1 *Summary of vulnerable feelings and psychological needs for family business stakeholders during succession*

2.2 Application of "Expressing Feelings and Needs" in Succession Governance

Succession governance in family businesses involves creating structures and processes to manage the transition of leadership and ownership while perserving family harmony. This section explores practical strategies for implementing the principle of expressing feelings and needs through family meetings and/or family councils. Family meetings are regularly held gatherings where family members discuss current issues, share updates, and address concerns within the family business. These meetings provide a platform for open communication and collaborative problem-solving. Family councils, on the other hand, are formal bodies comprising representatives from different family branches. These councils provide a structured forum for ongoing dialogue, resolving family-related business issues, and making collective decisions (Suess, 2014).

The core idea here is to switch the focus from, traditionally, identifying problems, finding out what's wrong, who's wrong, and how to improve, to understanding how situations affect individuals and what they need. Research on emotional disclosure shows that openly expressing emotions—rather than suppressing them—reduces stress, improves psychological well-being, and strengthens relationships (Pennebaker, 1997). This approach uncovers the emotional undercurrents, identity needs, and personal aspirations that drive behaviors and decision-making. Vulnerability plays a central role in this process : family members must feel safe to express themselves. Scholars have shown that when leaders disclose vulnerability, followers respond with increased trust and willingness to support them (Ito & Bligh, 2017).

One effective strategy is to hold regular family meetings or family councils where members are encouraged to use "I-messages" to voice their feelings and needs. An "I-message" formula might be: "I feel [emotion] when [situation], and I need [what you need to feel]." For example, a successor might say, "I feel embarrassed and hurt when my parents share their negative comments on my proposal in front of the management team. I know the proposal isn't perfect, but I need to feel supported and appreciated." It is then within the audience's responsibility to encourage such vulnerability to create a safe environment where members feel free to share their version of the story without fear of judgment. A typical response might be, "I appreciate your vulnerability. Thank you for sharing that openly. Is there more you'd like to share?" This can lead to the predecessor sharing their perspective and their version of the story, such as, "I felt scared when you suggested exploring international markets because I fear for our copyrights. I need to feel assured that you consider protecting our intellectual property and take time to investigate the markets before acting."

To apply this approach effectively, consider the following sequence:

1. Create a Safe Moment in a Safe Place: Choose an appropriate time and setting for the conversation. For example, schedule an appointment to address a specific topic rather than starting the conversation at an inopportune moment.
2. Ensure Availability: Both parties should confirm they are truly available and ready to engage in the conversation.

3. Invitation into Emotional Space: Person A invites Person B into their inner world, starting with an I-message such as, “I feel humiliated when I’m not informed about something happening in our family business.”
4. Respond Without Judgment: Person B responds with, “I hear you say that you feel humiliated when … Is that right?” without adding any interpretations or judgments.
5. Clarify and Validate: This process continues with Person A either affirming or adding to their feelings, and Person B repeating what they hear, ensuring Person A feels understood and validated.
6. Summarize and Commit: Person B summarizes with, “I can understand that you feel unconsidered when you’re not informed.” Person B, having become aware of the impact of their behavior, commits to changing it for a specific period. For instance, “I will make sure to keep you updated on all significant developments moving forward.”
7. Express Gratitude: Person A thanks Person B for taking the time to understand their feelings and needs, reinforcing the positive impact of emotional vulnerability.

Following this sequence may seem daunting at first. However, when left unaddressed, conflicts can resurface unexpectedly and cause significant harm to both the business and the family. Addressing these emotional and interpersonal issues proactively avoids the risk of temporarily suppressed conflicts emerging later in a more damaging form.

Additionally, facilitators of these meetings can enhance the depth of discussions by asking questions that invite members to explore their personal experiences. Instead of asking for summaries, analyses, descriptions, generalizations, and actions, facilitators can prompt members to reflect on their feelings and impacts. For instance, instead of asking, “What do you think?” they might ask, “What do you feel?” Rather than “What can you do about that?” they might ask, “How did that impact you?” Instead of “What caused that to happen?” they could ask, “Why did that touch you so deeply?” or “What’s going on inside you when that happened?” These questions help uncover the emotional undercurrents that drive behavior and decision-making in family businesses.

In general, family meetings and councils should aim to foster understanding of each other’s fears, desires, concerns, and needs, rather than focusing solely on problem-solving. While practical solutions often arise from these discussions, the primary goal is to strengthen family bonds by prioritizing connection over “what’s right” or “who’s right.” In the beginning, when such practices may feel uncomfortable, employing a neutral facilitator or appointing a family business advisor can help guide these discussions and ensure they remain productive and focused. Additionally, family retreats or workshops focused on emotional intelligence and communication skills can provide a safe space for members to practice articulating their feelings and needs (Goleman, Boyatzis, & McKee, 2013).

2.3 Cases

Case 1: A vulnerable predecessor won the family's support

In a large family business in the industrial sector in France, with over 100 years of history, the third-generation leader faced significant challenges after passing on the business to one of his children. Having actively managed the company for over 30 years, he struggled to let go and refrain from interfering with his successor's decisions. Despite understanding the importance of trusting his successor and allowing him to take initiatives—lessons he had learned from his own father—he found it difficult to apply these principles in practice. His constant questioning and occasional reversal of his son's decisions led to frustration for the successor and confusion within the company.

Recognizing the need for support regarding this season of change, the predecessor decided to assemble his son and other family members to share his vulnerabilities. He admitted his struggle to step back and trust his son's leadership fully. He acknowledged the internal conflict he felt, questioning his decisions while declaring publicly that he was now in charge, feeling hypocritical. He also expressed a desire to be consulted more often or to continue contributing to the business in some capacity, despite being unsure how to achieve this balance.

He also decided to move to the south of France and start mentoring projects for other businesses, creating physical distance from the headquarters in the Paris region. His family greatly appreciated his honesty and vulnerability, and they supported him in preparing for the move. Understanding his father's heartfelt admissions, the successor felt more compassionate and free to consult him more often on various topics. The transition went slow but steady, with lots of genuine conversations involving feelings, needs, and mutual understanding. Both the predecessor and the successor gradually learned to settle in their new position and remain connected with a strong family bond.

Case 2: A "silent" family business ended in tragedy

In a quasi-fundamentalist religious context within a "well-meaning family where we don't talk to each other," unresolved conflicts between the first and second generations plagued the family business for decades. These conflicts, which became taboo subjects, were neither addressed by the concerned generations nor by their successors, who were bound by a pervasive silence. This resulted in high intra-family tensions and latent conflicts that severely undermined internal relations. The descendants inherited these unresolved issues, perpetuating the conflicts across generations. The environment became so strained that any form of discussion outside the business context became impossible. This lack of communication further deepened the rifts within the family, creating an atmosphere of mistrust and hostility.

As the family business encountered financial difficulties, the only conversations remaining were those about the company's immediate operational needs. Ultimately, the family decided to sell the business, leading to a profound human tragedy. The sale marked not just a financial loss but a significant emotional and psychological breakdown within the family. Traumatized by the compounded tensions and the dissolution of their business, the family members vowed never to engage in business together again.

Years passed before the family reconsidered the idea of re-entering the business world together. This decision was not taken lightly and required extensive communication work. The family undertook significant efforts to establish open and honest dialogue, which was a challenging but necessary step. Through this process, they were able to truly understand one another and lay the foundation for a more harmonious family business environment.

3. DARING TO LISTEN ACTIVELY TO DIVERSE PERSPECTIVES

Actively listening to different perspectives can indeed be daunting for family business leaders, as it often involves confronting biases and relinquishing the sense of being the sole expert. Concerns such as "they are biased and unaware of the real situation," "they are not qualified to advise me," and "if everyone gets to share their perspectives, I would be overwhelmed and my decisions, along with my position, could be threatened," can create resistance to feedback. However, acknowledging that everyone has blind spots and can benefit from the input of others is essential for effective leadership. Actively listening does not mean one must always accept and act on the feedback received. Rather, it involves engaging in open dialogue and making thoughtful decisions about how to use the information. Bruneau (1989) argues that authentic listening requires empathy—moving beyond merely hearing words to deeply understanding the emotional experience of the other person.

Research in organizational behavior has also shown that feedback-seeking behavior is associated with higher job satisfaction, increased creativity, faster adaptation to new roles, and lower turnover (Anseel, Lievens, & Schollaert, 2009; Ashford, Blatt, & VandeWalle, 2003). Additionally, seeking negative feedback has been linked to higher performance ratings (Anseel et al., 2015). Leaders who are willing to self-reflect and consider diverse perspectives are often easier to work with and can foster a more positive and productive work environment. The willingness to actively seek and listen to others' perspectives, feelings, and needs is also a profound form of respect and recognition, creating a sense of belonging and mutual respect within the organization. This posture directly challenges the avoidant culture often present in family businesses and the hierarchical decision-making habits where the one in charge is presumed to know it all. Embracing a culture of open feedback and diverse perspectives can mitigate the risks associated with insular decision-making and the resistance to change that often hinders family business succession.

Becoming proficient in active listening involves cultivating a growth mindset and adopting a posture of humility and respect. A growth mindset, as articulated by Carol Dweck (2006), views challenges and feedback as opportunities for learning and development rather than threats to one's competence. This mindset encourages leaders to maintain a positive attitude towards feedback, making it easier to accept and apply constructive criticism. Furthermore, humility in business leaders, extensively studied in the literature, underscores the importance of genuinely valuing others' insights, even those less familiar with the core business (Owens & Hekman, 2012). Being open to different voices demonstrates humility and a willingness to learn, which can inspire similar attitudes in younger generations and promote a positive culture. Effective feedback reception also builds trust and credibility, as family members, both active and inactive, feel heard and valued when their perspectives are considered. This practice helps prevent conflicts, reduces transaction costs in problem-solving, and supports healthy, stable relationships within the family business.

3.1 Application of "Active Listening to Diverse Perspectives" in Succession Governance

Building on the importance of embracing diverse perspectives in family business succession governance, practical strategies can embed this principle into daily operations and long-term planning. Creating a culture of humility and respect is essential. One practical approach is to intentionally acknowledge and praise behaviors that seek and listen to feedback openly. Additionally, actively soliciting input from quieter members by giving them a voice and inviting them to share their comments can empower inactive members to engage more actively as shareholders. This inclusive approach enhances individual participation and contributes to the overall betterment of the family business (Ward, 2004).

Using "anonymous surveys" to gather feedback from family members about their feelings and concerns is an effective strategy. This method allows individuals to express their thoughts honestly without fear of repercussion. The results can be discussed openly in family meetings, providing a structured opportunity to address underlying issues and understand different viewpoints. This approach helps the family make informed decisions that reflect the collective insights and concerns of all members (Anseel, Lievens, & Schollaert, 2009). Establishing regular check-ins and progress updates can further reinforce the practice of active listening, ensuring that concerns are addressed promptly and that the family remains aligned in their goals and strategies.

Appointing a "feedback advocate" can significantly enhance the practice of active listening. This individual, who could be a family member or an external advisor, is responsible for ensuring that active listening is consistently applied during meetings and discussions. The feedback advocate monitors conversations, encourages participants to listen actively, and intervenes when necessary to keep discussions constructive. Training sessions on emotional intelligence and communication skills can equip family members with the tools needed to engage effectively with diverse perspectives (Goleman, 1998). Workshops and role-playing exercises can help family members develop their listening skills and learn how to respond empathetically to feedback, fostering a supportive and collaborative environment.

Creating a "family charter" that outlines the values, vision, and communication norms agreed upon by all members is another effective strategy. This charter serves as a reference point during conflicts or decision-making processes, ensuring that the family remains aligned with its core principles. For example, if a successor expresses anxiety about their new role, this feedback can lead to targeted support and development opportunities, such as mentorship programs or leadership training, enhancing their confidence and effectiveness (Carlock & Ward, 2010). This approach addresses individual concerns and fosters a culture of continuous learning and development within the family business.

Promoting shareholder engagement through initiatives such as "legacy projects" and "philanthropic ventures" can also enhance the practice of active listening. Legacy projects honor the family's history and values while contributing to the business's future success. These projects provide opportunities for inactive family members to get involved in meaningful ways, aligning their personal interests with the family's goals. Similarly, philanthropic ventures allow family members to collaborate on charitable activities, reinforcing shared values and fostering a sense of unity (Gersick et al., 1997). By involving inactive members in these projects, the family business can leverage their diverse perspectives and skills, promoting greater engagement and strengthening the overall governance framework.

Last but not least, one key governance tool that promotes succession planning through listening to diverse perspectives is the formation of an independent board of directors and advisory board. Independent, non-family directors, who have minimal personal interest in the business or the family, can provide invaluable and balanced viewpoints (Ward, 2004).

By institutionalizing active listening within governance structures, family businesses can navigate succession more smoothly and sustainably. This approach fosters a resilient and united family enterprise, capable of addressing the complexities of succession while maintaining family harmony and business continuity.

3.2 Cases

Case 1: Inclusive governance that promotes engaged family shareholders
In a large, fifth-generation family business in the chemical sector, the so-called inactive family members play vital roles despite not being involved in the operational management of the company. These family members contribute by training the next generations, supporting entrepreneurial activities, promoting social initiatives, and constantly improving their family governance and succession planning. Their efforts aim to enhance family cohesion and ensure the longevity of the business. They believe that governance should reflect that of a large corporation, even as a family-owned SME, and thus started these practices early on.

The governance structure is organized into three levels: management (board of directors), holding (shareholders), and family (fostering the desire to continue, ensuring information flow, and maintaining family cohesion). The board of directors consists of 50% independent directors (six people) and 50% family directors (six people), with each of the six branches represented by one independent and one family director. The family holding comprises over 300 family shareholders, while the "generation" association engages the family by disseminating information and promoting family cohesion among its 600 plus members, all blood descendants.

This dynamic governance model has encouraged younger generations to get involved, innovate, and contribute. The successor is selected through a well-documented, communicated, and agreed-upon process. The new generation successor feels well-supported as the entire governance structure and culture promote open dialogue and initiatives. He has already initiated and successfully managed several projects before officially taking over the business, with the backing of family and external board members.

Case 2: Frustrated families protest for successor choice
In a prominent family business in the industrial sector, now in its third generation with thousands of employees, the leader faced significant challenges due to a lack of family support. Upon appointing his son as successor, other family branches expressed strong discontent, believing the leader's younger brother

was more experienced and qualified. They complained behind his back, accusing him of favoritism and arguing that after twenty years of his leadership, it was now his brother's turn. Historically, family members who were shareholders had never been given a voice or a position on the board of administration, as the leader dismissed them as "a bunch of artists who know nothing about business." Convinced that his son was the strategic fit for the company's future, he viewed his younger brother as too focused on commercial and relational aspects to think strategically. However, his personal evaluations were never properly communicated to the other family shareholders, who learned of the decision unexpectedly, despite the other candidate demonstrating a more solid and proven management experience on paper.

This decision was met with strong opposition from the younger brother and the rest of the family. The situation deteriorated further during the COVID-19 pandemic, which significantly impacted the business. Disgruntled family shareholders united to protest, insisting that the younger brother should be the successor. They threatened to sell their shares and leave the business if their demands were not met. The toxic atmosphere ultimately led to the resignation of the appointed successor, the leader's son, who could not withstand the mounting pressure. In response to the crisis, the leader continues to work on "improving" governance with the intent of further silencing inactive family shareholders, exacerbating their frustration.

4. DISCUSSION

This chapter introduces two core principles of brave communication—daring to express one's feelings and needs and daring to listen actively to different perspectives—and argues for their unique relevance and application in family business succession. Our contribution to both literature and practice is threefold.

First, we propose a research direction emphasizing the investigation of specific communication skills and supporting attitudes as well as cultures in the context of family business literature. This approach aims to challenge the prevalent secretive, hidden, and avoidant cultures within family businesses by courageously emphasizing communication where feelings and needs are recognized and different perspectives are voiced and welcomed. Furthermore, the adoption of brave communication can help address the prevalent issue of tabooed succession topics, facilitating their discussion and resolution, which is crucial for successful succession processes.

Second, we contribute to the emotion literature of family business by connecting various unsettled emotions experienced by different family stakeholders to their psychological needs. Identifying common feelings and needs allows leaders and experts to better diagnose the inner struggles, thereby improving self-awareness, which is a critical step preceding the expression of these emotions. Practitioners in advisory and consulting roles should help identify and address these feelings and needs as early as possible in the succession process. This can be achieved by bringing these issues to light, de-dramatizing them, showing empathy, promoting constructive dialogues, and providing solutions.

Third, we contribute to the governance literature by offering actionable ideas for better implementation of these principles, skills, and cultures in family businesses. Future research should investigate the effectiveness of various governance tools and provide real-life case studies to inspire actionable strategies. By examining successful implementations, researchers can identify key processes and interventions that foster environments where communication principles are upheld and family members feel valued and respected. This contributes to a more harmonious and effective family business operation.

4.1 Future Research Directions

Future research can examine the hypothesis that a leader's expression of vulnerability—specifically, the open admission of personal struggles and genuine requests for help—enhances psychological safety within family businesses, thereby fostering trust and more open communication, particularly during fragile succession periods. This line of inquiry can be explored through two complementary methodological approaches. First, quantitative data can be collected via surveys administered to family business members, evaluating constructs such as perceived leader vulnerability, psychological safety (Edmondson, 1999), trust (McAllister, 1995), and open communication behaviors (Björnberg & Nicholson, 2007). Established scales can be employed to ensure validity and reliability. Second, qualitative methods, including case studies and in-depth interviews, can capture the nuanced impacts of various emotions (e.g., jealousy, self-doubt, neglect) and needs (e.g., recognition, freedom, justice) on different family stakeholders. This dual approach provides a comprehensive understanding of how well-expressed vulnerabilities (feelings and needs) and the resulting positive responses can enhance personal satisfaction, family cohesion, and smooth succession advancement.

Another promising research direction involves exploring barriers to active listening within family business contexts, particularly focusing on scenarios such as a successor's reluctance to heed advice from elders or active shareholders' disregard for the views of inactive family members. This topic, while addressed in the broader literature on feedback acceptance behaviors (Anseel, Beatty, Shen, Lievens, & Sackett, 2015), requires a more nuanced investigation into the specific cultural and interpersonal dynamics at play in family businesses. Methodologically, this can involve conducting qualitative research through interviews and focus groups to identify these barriers and gather detailed accounts of successful and unsuccessful listening practices. Complementary to this, case studies of family businesses that have successfully cultivated cultures of recognition (e.g., Liden et al., 2008) and humility (e.g., Ou et al., 2014) can provide valuable insights and practical governance tools. By examining these cases, researchers can identify key processes and interventions that foster an environment where all members feel valued and respected, ultimately contributing to a more harmonious and effective family business operation.

The recommendations on brave communication in family businesses can also be culturally dependent. In cultures with a high power distance, such as many Asian or Latin American societies, hierarchical structures are deeply embedded, and openly challenging authority or discussing sensitive topics may be viewed as disrespectful. In these settings, brave communication might be more challenging, as it goes against cultural norms that emphasize harmony, respect for elders, and maintaining face. Conversely, cultures with low power distance, such as those in Scandinavia or the Netherlands, value egalitarianism and direct communication, making it more natural for individuals to voice concerns and engage in open dialogue (Hofstede, 2001). However, even in cultures where brave communication is more accepted, it remains crucial for family businesses to address the emotional dynamics unique to their structure. In fact, it is in cultures where brave communication is less common that fostering such practices can have the most transformative impact, as it helps break down barriers to honest discussion and conflict resolution. We recommend future scholars explore cultural differences in moderating the impact of brave communication on family business succession.

In conclusion, brave communication is vital for trust, cohesion, and successful succession in family businesses. Practitioners and family members should embrace expressing feelings and needs and listening to different perspectives. This breaks through secrecy and avoidance, addressing emotions, psychological needs, and valuing diversity. By fostering a culture of vulnerability, humility, and recognition, family businesses can achieve smoother transitions and long-term success.

As George Bernard Shaw reminded us, the illusion that communication has taken place is the greatest barrier of all. Only by daring to speak openly and listen deeply can families shatter this illusion, forging true understanding and trust. When brave communication becomes the norm, succession transforms from a mere transfer of power into a profound, generational pact—one that not only preserves the family's legacy but also boldly shapes its future.

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