

 BROWN BROTHERS HARRIMAN

# WOMEN & WEALTH

*Magazine*

## OPENING THE DOOR:

**Creating Inclusive Pathways for Next  
Generation Leaders in Family Businesses**

*Fall 2022*

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# A LETTER TO OUR READERS

Happy fall! In this issue of *Women & Wealth Magazine*, we explore how to develop leaders in family businesses, examine how to make hybrid work successful for everyone and look at how we can foster motivation in those we love.

In this issue's feature article, we share insights from research conducted by the BBH Center for Women & Wealth and BBH Center for Family Business on how family businesses can be inclusive in developing future leaders. Based on our experiences working with business-owning families and interviews with approximately 30 women from those enterprises, we discuss three key factors influencing women's paths to leadership: early (and egalitarian) exposure to the business, communication of inclusion as a family value and strong female role models in the family.

In "By the Numbers," we look at the significant impact of family-owned businesses in the world and their communities, as well as how they are measuring up on diversity and inclusion. Although there is progress to be made, we are encouraged by the fact that the number of large family-owned businesses that have a woman on the board has doubled in the past seven years.

Brigid Schulte, best-selling author and director at the Better Life Lab at New America, shares a data-driven toolkit for managers and leaders as we all navigate an uncharted new era of work. The hybrid work toolkit provides actionable guidance on how to design equitable, productive and flexible cultures of trust and well-being in our workplaces.

Senior Wealth Planner Ross Bruch discusses the many different types of motivation and what role "flow" plays in keeping us interested and engaged in life. Depending on the goals we have for ourselves or our loved ones, we can increase motivation by deliberately engaging one of the three types of motivation.

Finally, in "Five Questions," we speak with Meghan Juday, chairman of IDEAL Industries, about leading the board as a fourth-generation family member, how she hopes to help other women succeed in similar roles and what she sees as the most important leadership quality.

We are excited to announce the launch of The Owners' Council, which will bring together a dynamic and diverse community of women business owners for the purposes of sharing both personal and business insights and experiences, supporting and advocating for each other and thoughtfully growing our shared ecosystem of women leaders. If you are interested in learning more about The Owners' Council, or if you would like to be more involved in the CW&W, please do not hesitate to contact us at [CW&W@bbh.com](mailto:CW&W@bbh.com). We wish you a wonderful fall season and hope you enjoy the rest of 2022!

**Kathryn George**  
Chairwoman

**Adrienne M. Penta**  
Executive Director



**Kathryn George**  
Chairwoman



**Adrienne Penta**  
Executive Director



The CW&W supports women in the creation and management of wealth. We seek to create a dynamic and inclusive environment where women can engage in conversations about wealth, family and values.

We are committed to helping women business owners and those with substantial wealth achieve their financial goals throughout the cycle of wealth creation, transition and preservation. BBH Private Banking serves female clients and their families through three integrated products and services: Private Wealth Management, Corporate Advisory & Banking and Private Equity.





# OPENING THE DOOR:

## Creating Inclusive Pathways for Next Generation Leaders in Family Businesses

By Adrienne M. Penta, Executive Director, BBH Center for Women & Wealth  
and Benjamin N. Persofsky, Executive Director, BBH Center for Family Business

**In** the U.S., the increasing presence of women in senior professional roles as leaders and business owners is accelerating. According to the National Association of Women Business Owners, 39% of privately held businesses are women-owned. While there is certainly progress to be celebrated, the story is a bit more complex in substantial family-controlled businesses.

A 2019 EY study found that just 5% of large family businesses had a female CEO (vs. 8% of Fortune 500 companies), and 31% of these family firms had women on their boards.<sup>1</sup> Similarly, research conducted by STEP revealed that only 7% of North American family firms surveyed were led by women, and 34% had women on their boards.<sup>2</sup> That same study also found that the oldest child was the CEO's successor 45% of the time, concluding that "[s]electing the next CEO based on the male primogeniture logic, despite decreasing in popularity, is still a trend ... ." Yet there appears to be a strong desire to elevate women in leadership in family businesses: 70% of the 525 largest family businesses polled in a separate EY study said they were considering a woman as their next CEO, with 30% strongly considering it.<sup>3</sup>

Given that so many family-owned enterprises seem to value the inclusion of women in leadership, we set off to examine what families had done to be successful in elevating women leaders. Based on our experiences working with business-owning families, and interviews with approximately 30 women from those enterprises, we found three key factors that strongly influenced women's paths to leadership: early (and egalitarian) exposure to the business, communication of inclusion as a family value and strong female role models in the family.

In situations where not all of these factors were present, however, success still occurred thanks to a "disrupter." In these cases, an event or individual caused legacy approaches to be abandoned or challenged, which opened the door for women in the family to join development paths and prominent roles in the family enterprise.

## Exposure to the Business

Among the families we spoke with where women ultimately took on leadership roles in the next generation, experiences with the business in childhood and adolescence tended to be similar across gender lines. Boys and girls were equally exposed to the business and its inner workings. In other words, there was equal inspiration within the family. Both boys and girls invested time with dad (where the father was the owner-operator) at the place of business, resulting in a common understanding and interest in the business. Providing equal inspiration to the next generation without regard to gender appeared to be a precursor to women joining the business and taking on substantive roles within it.

In many family enterprises where early exposure was more divided by gender, boys were offered jobs “in the business” – packing boxes, working on the line, in the field or in the factory. These jobs are often dirty, sometimes dangerous and male-dominated. Therefore, they were deemed “inappropriate” for young women. Where these barriers existed, boys and young men developed a deeper understanding of the family’s business fundamentals, as these jobs provided opportunities to learn the business of the family enterprise from the ground up. Conversely, for girls and young women in these situations, early work assignments revolved around support functions, answering phones, processing invoices or other types of administrative work.

**One interviewee told us that during high school and college, she was asked to fill in for the receptionist: “I saw only two or three women in a company of more than 50 employees and thought, ‘This is what is possible for me here.’ The implicit message was that I was supposed to come in and answer the phones, while the boys got to do more exciting things.”**

In the families we spoke with that successfully developed female leaders, girls were given similar opportunities to the boys. We heard stories of girls rolling up their sleeves – whether it be visiting mines or plants as children, moving boxes around the factory or selling cars on the floor of a dealership. Equal opportunity across all members of the next generation communicated the message that anyone could learn – and eventually lead – the family business. Creating different opportunities based on gender sent implicit (and sometimes explicit) messages that the paths and resulting opportunities differed for women and men in the family.

## Intentional Inclusivity

Our research found that one of the best ways that elder family members, both employees and nonemployees, raised awareness about potential leadership opportunities among all members of the next generation was through the practice of, and communication about, inclusive values and behaviors.

**“I spent some time at reception. But I also painted the floors and rode pallet jacks – no different than my siblings. When we were young, my dad treated us all the same,” said a former executive chairman of a family business. Michelle Kassner, former CEO of Liberty Travel, also had memorable childhood experiences. “When I was a young child, I remember my dad taking us all to the office. We would get dressed up and talk to the executives.”**



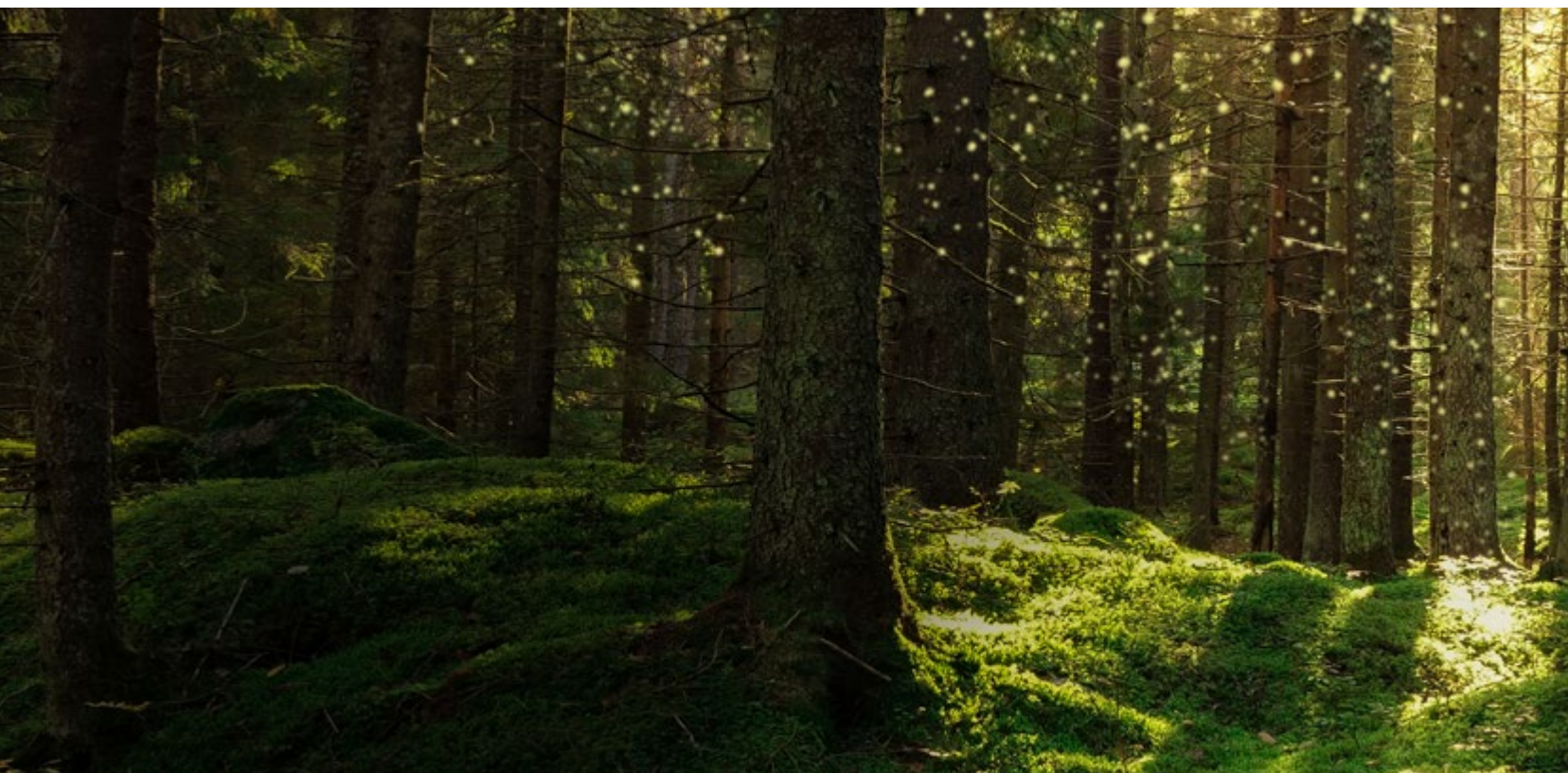
The women we interviewed described messages and behaviors – exhibited by both parents – that influenced their paths from their early years through young adulthood. In fact, 78% of leaders we interviewed described their families as valuing inclusion, whereas only 22% of our non-leader group said the same. In families where boys and girls (and young men and women) heard the message “there is opportunity for you in this business,” women were more likely to engage. Attitudes and approaches like these by parents often shaped children’s interests, sources of inspiration and views of what roles were possible. These formative experiences had a building and cumulative effect on the next generation’s outcomes.

These practices and communications of inclusive values were identified as being impactful during both formative years and at pivotal moments. One such moment consistently cited by those interviewed surrounded the choice of college and career paths. In business-owning families, when college-bound kids were counseled differently based on gender, boys were often encouraged to pursue majors that would be additive to the family business, and girls were told to simply find something that makes them happy.

**In one manufacturing family, the expectation was that everyone would go to college, but the boys were to start working in the plant at age 16, while the girls were expected to graduate and get married. Another woman described the expectation for young women similarly: “There was an assumption that girls would go to college, but no assumption that they would do anything after college.”**

College-age women were generally freer than their male counterparts to pursue whatever might interest them – in many cases, that was art or education – as the assumption was that marriage and homemaking, rather than a business career, might follow.

In a number of cases where women became leaders, they described their fathers as progressive, feminist or “ahead of their time” in relation to how the fathers viewed women and managed diverse employees.



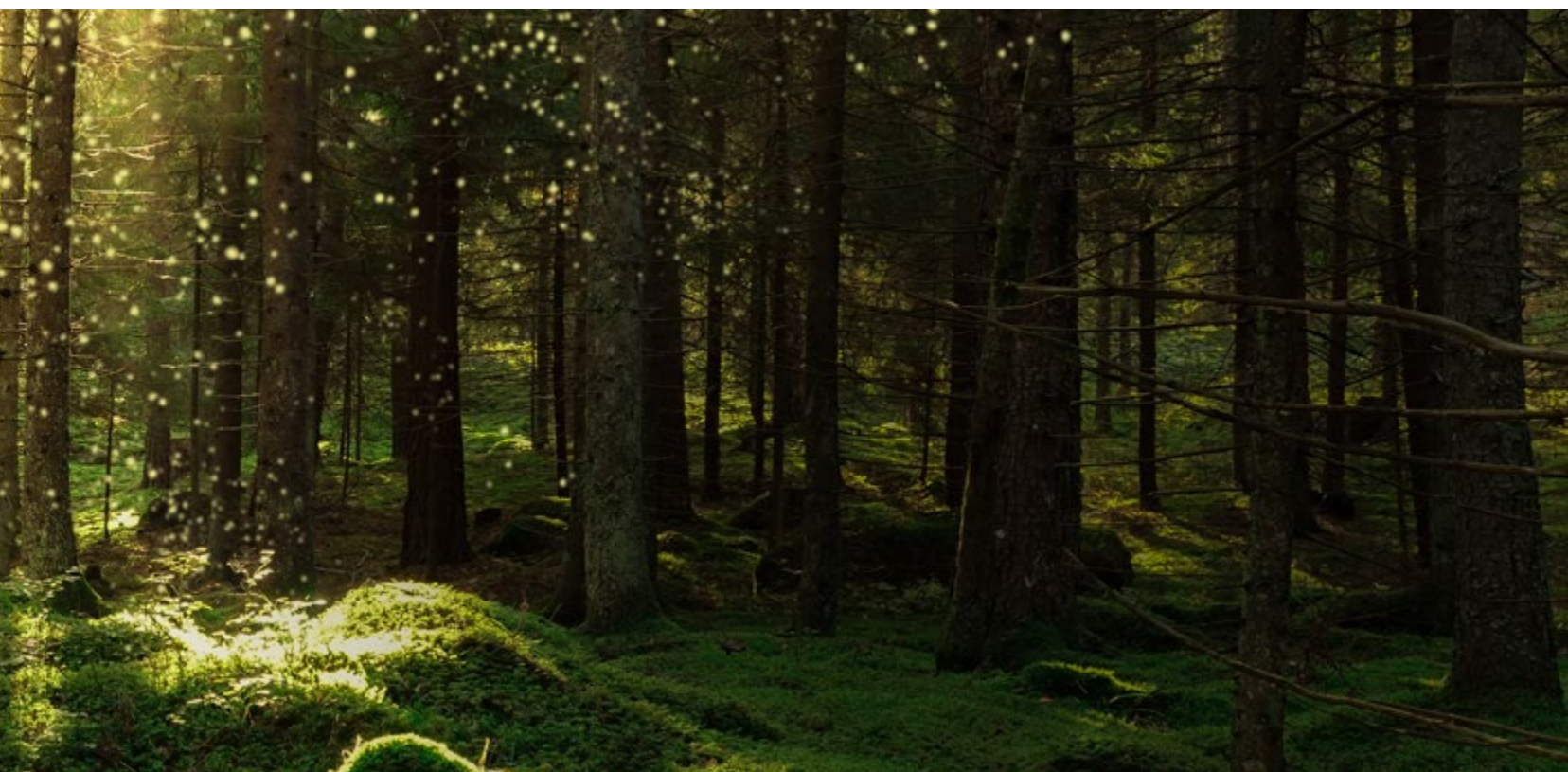


**The CEO of a significant retail business described her father as “way before his time,” as he always treated her mother like an equal partner, gave her a paycheck and didn’t want her to feel like she had to ask for money to spend on herself. She credited his inclusive perspective to being raised by a strong single mother who became the sole breadwinner for his family when he was a child.**

In another conversation, Rebecca Jarvis, vice president of manufacturing and compliance at Jarvis Cutting Tools, didn’t immediately know why her father was so adamant in his view that she could be a leader in a male-dominated field and in a company where her much older brother was already successful. Following our conversation, she asked him and then emailed us the following:

*Before my mother had said “yes” to getting married, she required my father to agree that any children, regardless of gender, would be treated identically in terms of the business. As my mom has nothing to do with the business and can barely explain even what the business makes, it was not a response I expected. She said that coming from her family of four girls with a father that expected them to all excel and have a career, how my fathers’ side of the family treated women (and wives) was not acceptable. Her explanation made a lot of sense since given her and her sisters’ job and career choices. Of her three sisters, two of them got master’s degrees, and both of those sisters worked for themselves running small companies they started. My mother went to nursing school and was a practicing registered nurse for years even after my brother was born.*

Hearing the message “you are capable and have potential to be successful in this business” naturally led to more success. Conveying this message – through words, actions or gentle (often unconscious) nudges – to both genders equally creates inclusivity that allows diversity to flourish in the next generation of leaders.



### Female Role Models

Having strong women as leaders and role models in a family was the third clear factor that affected women's leadership in a family business – as well as the attitudes of all genders in successor generations. Where women leaders were present, men were open to women's leadership, and girls and women saw themselves as equal partners or successful leaders in the family enterprise. Of the women we interviewed who took on leader roles, 65% of them had clear strong female role models as mothers or grandmothers. Of the non-leader group, that figure was only 22%.

The mothers and grandmothers who modeled leadership for the next generation either had formal roles in the family business or were treated as equal partners in business decision-making, despite not holding a formal title in the company. Terms to describe them were controlling, strong, working moms and equal partners. Some sat behind big desks on Wall Street, wore power suits to work in the 1980s and had accounting, IT or engineering degrees. They told their daughters: "You walk in there like you own the place." These women showed their daughters and granddaughters what was possible, which fueled the ambition of the next generation of women.

**In Alexandra Lebenthal's family, her grandmother was the co-founder of Lebenthal & Co., a Wall Street investment bank. After founding the company in 1925, Sayra Lebenthal worked full-time in the business until she was 92. When Alex's father took her to the office, she would be put to work, reinforcing pages of binders for 25 cents per day or doing other age-appropriate jobs. Alex, who became CEO of Lebenthal & Co. in the 1990s, recalls her grandmother sitting behind her big desk with the Statue of Liberty in the background: "That was my normal – I thought that if she was doing that, it was what other grandmothers did."**

**Similarly, the past president and now chair of the board of a large commercial food manufacturing business talked about how valuable her mother was to the business, saying that "she had an amazing mind for business." In high school, her parents met in math class, in which her mother became her father's tutor. "She helped him from the beginning," she remembers. They were equal partners and equal owners in the business, with 50% ownership each.**

In other families, mothers and grandmothers did not have a formal role in the business, but their ability to make and influence decisions was undeniable.

**A woman who serves as general counsel of her family's business described her mother as an ever-present sounding board for her dad. When he was CEO, "he never made a decision about the business without talking to her first," she remembers, even though her mother was never employed by the company. In a Maine-based family business, the first female chair of the board described her mother as "very strong." "She was the force," she recalled. "I am doing what she would have wanted to do."**

Given the importance of role models for women, expanding their understanding of what is possible and inspiring them to be more ambitious is crucial. In family enterprises, familial role models seem to have an outsized impact on women in the next generation. This is consistent with what happens in families more generally, where a role model with similarities to the individual are most influential. As a result, women from the same family, raised with the same values, religion and culture, can be powerful pathfinders for the next generation of women.

## Changing the Path: The Role of Disrupters

While the paths of the next generation are largely set by early adulthood, we discovered it is never too late for the course to change. In families we spoke with where the success factors we've outlined here were not present, in whole or in part, sometimes "disrupters" – in the form of both people and events – emerged to change the assumed path of leadership development for a company. These disrupters altered the course of the next generation's development or created an environment for men and women of the next generation to become leaders. There are a number of common ways these disruptions occurred.

**An Advocate.** In families where women became leaders, sometimes individuals in the family enterprise (family and nonfamily leaders) elevated women who were previously not on a leadership trajectory. These leaders invested continuous time and energy into developing the next generation leader's talents, became advocates for them in the senior generation and helped the next generation navigate complex relationships with the senior generation and, in some cases, the board.

**One fourth-generation shareholder and chair of the board of a tools and technology manufacturer grew up assuming that her brother would follow in their father's footsteps as chairman in the family business. Instead, she pursued an entrepreneurial path and ran her own consulting business. It wasn't until her brother declined the opportunity repeatedly that their father gave up on him becoming a leader in the business. While her father's generation believed that "a woman's place was to influence the leader, not be the leader," the company's nonfamily CEO thought otherwise. In fact, he saw her consulting experience and entrepreneurial spirit as valuable to the business. He recruited her to the board in 2008, and she became chair in 2020, following her father's 40-year chairmanship.**

**Personal Ambition.** A few remarkable women were able to change the course of their own paths through determination, motivation and will. These women would undoubtedly be superstars in any corporate environment due to their innate ambition, drive to succeed and ability. Some were very successful in outside enterprises but were intent on breaking into the family business, even though the red carpet was not rolled out for them.

**One such woman elbowed her way into the business after attending law school and gaining relevant experience at a large law firm. She was taught to value leadership, hard work and success as a child and believes that she takes after her father, who leads the business. Even so, she said: "My brother and my father never expected me to succeed in the business as I have." Unlike her, her brother was raised as the heir-apparent, while she was encouraged to follow her own path.**


**Untimely and Unfortunate Events.** In several instances, there was an inherit bias toward the first-born son ascending to lead the family business enterprise, but something disqualified him. There were a few different types of disrupters that came into play in these cases: he disqualified himself due to lack of interest or was disqualified by the parents due to poor fit, lack of education or addiction; the heir-apparent met an early and untimely death or suffered from lack of capacity; or the son was too young or inexperienced to lead when the prior generation was ready to retire. In most of these cases, a capable sister stepped into the role meant for the male heir when it became clear that he was not fit (or available) for the job.

## The Lessons Learned

Regardless of the approach a family has taken historically to grooming the next generation of business leaders, opportunities exist to increase the representation of women – and diversity generally – in the leadership of family businesses. The most important first step is to be intentional. The cumulative impact of early life often encouraged or dissuaded the next generation of women.

To give everyone the opportunity to develop the interest and skills necessary to be successful in a business-owning family, inclusion must be a priority in the family and in the business. Family leaders must start by saying that they value diverse perspectives in the business and that every member of the next generation has the opportunity to prove that he or she can be a success. This sentiment might also belong in a family mission statement or guiding principles, or maybe it merits time on the agenda at the next family council meeting. In addition, consider the following:

- **Provide opportunities for boys and girls to do a variety of jobs** – both administrative, office work, manual labor and field work, as applicable – during adolescence and young adulthood for every member of the next generation. Some family businesses create a set rotation through different departments or types of work for family members.
- **Model and value equity in family relationships.** While seeing a true partnership in mom and dad's relationship is clearly an important model for children, sibling and cousin relationships are also important. Instead of always giving leadership responsibility to the oldest, consider younger family members for age-appropriate opportunities, and allow quiet children to speak first.
- **Keep the rules consistent, regardless of age and gender.** If the owners don't think family should work in the business or that everyone should work outside the company for a specific amount of time, communicate the same message to everyone – no special treatment for the first born.
- **Rethink the family narrative.** How do you tell the origin story of your family business? Is grandpa a brilliant entrepreneur who bootstrapped and grew the business without help? Consider how women and others might have contributed. Perhaps there is a more inclusive way to portray the family's success.

- **Elevate the stories and successes of women and other diverse leaders – in the family, in the company and in the community – to demonstrate what is possible and broaden horizons for everyone.** 

*Thank you to everyone who participated in the research for this study and shared their experiences and stories with us. We are truly grateful for your time, insights and expertise.*



<sup>1</sup>"Largest 500 Family Businesses Prove Economic Resilience Despite Pandemic." EY. September 15, 2021. [https://www.ey.com/en\\_gl/news/2021/09/largest-500-family-businesses-prove-economic-resilience-despite-pandemic](https://www.ey.com/en_gl/news/2021/09/largest-500-family-businesses-prove-economic-resilience-despite-pandemic).

<sup>2</sup>Calabrò, Andrea, and Alfredo Valentino. "STEP 2019 Global Family Business Survey." KPMG and STEP Project. <https://assets.kpmg/content/dam/kpmg/sa/pdf/2020/step-2019-global-family-business-survey-report.pdf>.

<sup>3</sup>"Women in Leadership: The Family Business Advantage." EY and Kennesaw State University. 2014. [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_us/topics/growth/ey-women-in-leadership-the-family-business-advantage.pdf?download](https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/growth/ey-women-in-leadership-the-family-business-advantage.pdf?download).

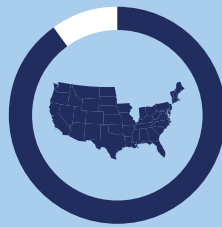
# WOMEN'S LEADERSHIP in Family Businesses



## OVERVIEW OF FAMILY BUSINESS



**35%**  
of Fortune 500 companies  
are family-controlled



Family firms comprise  
**90%**  
of all business enterprises  
in North America

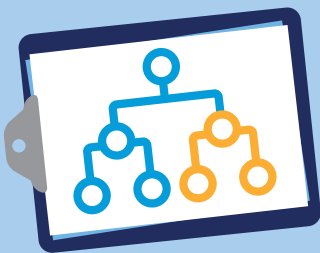
**89%** of North American family  
businesses engage in social  
responsibility activities



**77%** contribute to their  
local community



**63%** are involved in traditional  
philanthropy and grant-based giving



**34%**  
of U.S. family businesses  
have a robust, documented  
and communicated  
succession plan in place



Decisions about  
succession take place  
earlier if the next  
family business  
leader is female

Sources: "Family Business Facts." Conway Center for Family Business. <https://www.familybusinesscenter.com/resources/family-business-facts>. PricewaterhouseCoopers. "2021 Family Business Survey – North American Report." PwC. <https://www.pwc.com/us/en/private-company-services/publications/assets/pwc-family-business-survey-2021.pdf>. PricewaterhouseCoopers. "2021 Family Business Survey: US Findings." PwC. <https://www.pwc.com/us/en/services/trust-solutions/private-company-services/library/family-business-survey.html>. Calabrò, Andrea, and Alfredo Valentino. "STEP 2019 Global Family Business Survey." KPMG and STEP Project. <https://assets.kpmg/content/dam/kpmg/sa/pdf/2020/step-2019-global-family-business-survey-report.pdf>. "Largest 500 Family Businesses Prove Economic



## FOCUSING IN ON WOMEN IN FAMILY BUSINESS



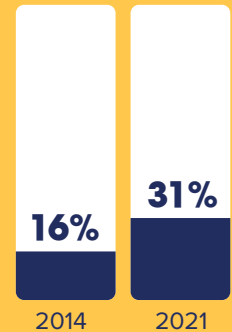
Just **5%** of large family businesses have a female CEO



vs. **8%** of Fortune Global 500 companies



Large family firms with a woman on the board:



# 70%

of the largest family businesses are considering a woman as their next CEO, with **30%** strongly considering it

Family businesses are grooming an average of **4** women for top leadership positions: **1** family member and **3** non-family members



Female-owned family firms experience greater family loyalty to the business, agreement with its goals and pride in the business



Women-owned family firms have a

# 40%

lower rate of family member attrition in the business

Resilience Despite Pandemic." EY. September 15, 2021. [https://www.ey.com/en\\_gl/news/2021/09/largest-500-family-businesses-prove-economic-resilience-despite-pandemic](https://www.ey.com/en_gl/news/2021/09/largest-500-family-businesses-prove-economic-resilience-despite-pandemic). Hall, Carrie. "How Family Businesses Are Embracing Women in Leadership." EY. May 10, 2019. [https://www.ey.com/en\\_us/growth/how-family-businesses-are-embracing-women-in-leadership](https://www.ey.com/en_us/growth/how-family-businesses-are-embracing-women-in-leadership). "Women in Leadership: The Family Business Advantage." EY and Kennesaw State University. 2014. [https://assets.ey.com/content/dam/ey-sites/ey-com/en\\_us/topics/growth/ey-women-in-leadership-the-family-business-advantage.pdf?download](https://assets.ey.com/content/dam/ey-sites/ey-com/en_us/topics/growth/ey-women-in-leadership-the-family-business-advantage.pdf?download).

# A Pivotal Moment to Transform the Way We Work: A Toolkit

By Brigid Schulte, Director, Better Life Lab at New America





The global COVID-19 pandemic that has disrupted virtually every aspect of life has also created an unprecedented opportunity to profoundly transform the way we work, how work shapes our lives and what productive, effective – and equitable – work looks like. To make the most of the moment, even in the midst of ongoing uncertainty, at the Better Life Lab (BLL) at New America, we analyzed work trends, combed through the latest evidence-based research, interviewed business leaders and leadership and management experts and sought out case studies of emerging best practices. From this, we put together a practical toolkit to help guide managers and leaders in designing equitable, high results, flexible cultures of trust and well-being in this uncharted new era.



The time is now. There is a growing consensus that work will never be the same, and managers need new tools to make the most of the changes. “The idea that we’re ever going to go back to work like we did in 2019 is a myth. Flexibility is here to stay,” Dr. John Howard, director of the National Institute for Occupational Safety and Health, said at a gathering of future of work experts.

Leaders who once resisted “distributed” digital or work-from-home work styles were either forced to adopt it literally overnight in spring 2020 or have come to embrace it as productivity has risen, even under difficult to near-impossible circumstances, especially for women and caregivers once schools and child and eldercare facilities shut down. Workers across industries have been voluntarily quitting at rates never seen before, even as millions of jobs remain unfilled in what’s being called the Great Reassessment, the Great Renegotiation or the Great Migration. Workers want time for their lives. Workers with care responsibilities are demanding more control over their schedules. Many workers of color report less stress and more emphasis on their performance rather than appearance in a digital setting. Young workers are redefining their relationship with work and prioritizing value and meaning over pay and climbing the career ladder. And work-related stress and burn-out – already high before the pandemic – has surged to crisis levels. Workforce well-being has become a business imperative.

This is a moment of great opportunity for workers, businesses and our society. Survey after survey shows that workers prefer some type of hybrid work situation – making the most of the networking and collaborative work that in-person work makes possible, as well as the ability, with digital work, to control one’s schedule, cut out an often-onerous commute and concentrate and move project-based work forward in a quiet, uninterrupted setting.

“If we can make it work, there’s some really tremendous gains to be had – new types of roles, advancement for women, particularly in global leadership,” Sharon Hill, professor of management at George Washington University, told me. “These are things that have tremendous, tremendous possibilities.”

What comes next in a “Corona-normal” future of work is uncertain. There is no work redesign playbook right now. And one size will not fit all companies. Organizations continue to feel their way forward as new virus variants emerge and recede, and as public health guidance shifts, there remains much confusion, anxiety and uncertainty. And just as there is great promise for workplaces, so is there great peril that this opportunity could be missed without intentional and inclusive planning, designing and implementing.

Yet one thing is clear: There is no going back. Many of us have seen each other’s bedrooms, laundry rooms, children, partners and pets in the background of Zoom or Teams calls. We’ve become digital nomads and moved around the country. Leadership skills once thought of as “soft” or “feminine” – of building relationships, listening to and collaborating with workers to enhance productivity and performance – are now seen as vital for good leadership in any setting – digital, hybrid or in person. COVID-19 showed us that the future of work is already here. And that’s a good thing. We can finally make it work – make it equitable and effective. Here’s how.



**"Leadership skills once thought of as 'soft' or 'feminine' – of building relationships, listening to and collaborating with workers to enhance productivity and performance – are now seen as vital for good leadership in any setting ... ."**

# Making the Most of Hybrid Digital and In-Person Work

## Avoid Creating a Two-Tier Workforce

Hybrid work presents a particular challenge for equity. If, as surveys show, most managers prefer more in-person work, and women, caregivers, workers of color and those with ability challenges prefer more digital work, there is a real danger of creating a two-tier workforce as organizations transition to hybrid work. With proximity bias and always-on, always in the office “ideal worker” stereotypes already strong in most American workplaces, managers – the majority of whom are white men – could fall into the trap of rewarding workers who come into workplaces and overlook those working in a digital or virtual way. One study found virtual workers had a 50% lower promotion rate than their in-office counterparts, regardless of performance.<sup>1</sup> The answer, as Harvard Business School professor Tsedal Neeley says, is for organizations, managers and workers to learn to “be awesome” at both in-person and digital work.

## Have a Hybrid Plan

Don't just expect hybrid work to happen. Work with workers, managers and teams together to decide how best to get the most important work done. How many days in the office? When? Organization-wide? By team? Experiment and iterate. Listen and adapt. At Slack, which, like many organizations, has adopted a hybrid future, some teams require more regular in-person collaboration every week. Others schedule one week of being together per quarter. The key is each team has the autonomy to figure it out for themselves, based on the work they do.

## See the Office as a Tool

As Neeley, an expert in distributed digital and hybrid work strategies, advises, think of the office as a “tool, not a destination,” and leverage the best of both virtual and in-person settings. In the office, focus on purposeful, “hyper social” connecting, meetings, networking, collaborative work and brainstorming. During digital work time, focus on quiet, concentrated work, writing, research and written communication. Some companies are using the switch to hybrid work to completely rethink the office. Microsoft, for example, is redesigning its space with people who aren't in the office in mind.

Deloitte, the global audit, consulting, tax and advisory professional services network, is transforming from an in-person to a hybrid workforce, said Denise Shepherd, the company's U.S. workforce strategy and solutions leader. Hybrid's virtual element opens up new possibilities beyond geography for networking, connections and mentoring, for instance, she said, and it levels the playing field for many employees, including caregivers, who may need more flexibility in their schedules, or who may prefer working digitally. Hybrid forces teams to think through the life cycle of a job and decide when they really need to be together to move projects forward, Shepherd explained, and when it's better that they're doing head-down concentrated work on their own, a philosophy Deloitte calls “Together When It Matters.”

“Our lens is always, the combination of these two things – virtual and in person – can actually drive a result that's better and more equitable,” Shepherd said. “I'm super hopeful.”

## Build With, Not to, the Workforce

“Sometimes organizations have a tendency to think about change from a top-down lens,” Deloitte's Shepherd said. “We flipped that. One of the things we've learned is if you start from the perspective of what our people think, and use their collective knowledge and wisdom, you're helping yourself on the back end, because people already know what you're trying to accomplish, and it limits the risk that you're going to introduce something that's not going to work. We learned that lesson from our clients.”

## Use Data to Monitor, Assess and Adjust

Use data to track how tasks are assigned and promotions decided, and assign tasks intentionally, not just to the person who happens to be walking by the boss's office at the moment. Data can also shed light on who tends to talk in meetings and for how long to create awareness and open the door for more inclusive conversations and ideation – which Boston Consulting Group research shows leads to more innovation.<sup>2</sup> Deloitte is using data in its newly created Hybrid Workplace Index to watch for any potential bias. “We're trying to drive this equitable experience,” Shepherd said, “so people feel good regardless of whether they're in the room or not.”

<sup>1</sup>“Evidence from a Chinese Experiment on Working from Home.” National Bureau of Economic Research, September 2013. <https://www.nber.org/digest/sep13/evidence-chinese-experiment-working-home>.

<sup>2</sup>Lorenzo, Rocío, Nicole Voigt, Miki Tsusaka, Matt Krentz, and Katie Abouzahr. “How Diverse Leadership Teams Boost Innovation.” Boston Consulting Group, January 23, 2018. <https://www.bcg.com/publications/2018/how-diverse-leadership-teams-boost-innovation>.

"[S]ome hybrid organizations are sticking with all-virtual meetings and collaborative work settings, where all have access to the same information and communication tools, and it's easy to see and include every participant."



## Leaders Set the Tone

Hybrid plans are likely to fall apart or result in a two-tier workforce without leaders modeling effective hybrid work and communication styles. If managers are always in the office, more junior workers, or those who can, will likely follow suit, which is likely to reinforce confirmation bias and reinforce “good old boy” network patterns of promotion and hierarchy. Some companies, like Synchrony Financial, have decided that no one, including the CEO, can work in the office five days a week in order to counter proximity bias.

## Zoom One, Zoom All

To leverage how screens can be a great equalizer, some hybrid organizations are sticking with all-virtual meetings and collaborative work settings, where all have access to the same information and communication tools, and it’s easy to see and include every participant. Managers can mention they’ll be hanging out online for another five to 10 minutes for anyone who’d like to have a more informal “hallway chat” – that way, digital workers are less likely to be left out of any after-meeting huddles where ideas are shared or decisions made. (Which, in fact, is not where ideas should be shared or decisions made. Remember meeting hygiene: discussion, debate, decisions, collaboration and ideation all should happen during meetings. If not, you need to ask, why are you meeting at all?)

## Build Connection with Onboarding, Mentoring and Sponsorship

Intentionally use in-office days to set up meetings and informal coffees or lunches for new or younger employees, who may be feeling the need to belong. Connect them to those more senior in the organization and help build relationships and better understand organizational culture as well as get them and their work “noticed.” Do the same with women and caregivers and workers of color who may feel marginalized or stressed in office settings.

## Manage in a New Way – Train for Performance and Output Management, Not Attendance and Hours

Too many offices and managers rely on “input” management styles, using long work hours and face time – virtually or in real life – as a marker of good work. That’s reinforced biased notions of who a good worker is and who gets promoted, typically men and those without care responsibilities. Manage instead by outputs. That will require dissecting jobs into tasks and setting clear priorities, expectations, standards and goals, being flexible and adaptive to changing conditions and managing excessive work demands.

## Design Systems that Promote Diversity, Equity and Inclusion

Especially now, when millions of women and those with caregiving responsibilities – particularly women of color and single mothers – remain out of the workforce because of a lack of childcare, make sure that you prioritize making flexible digital work work for everyone. Systematic, evidence-based approaches to hiring and retaining employees, assigning tasks and growth assignments and promoting employees can break down the confirmation bias – leaders favoring those who think, look and act like them – that is so rampant in workplaces and help companies build the best, most effective workforce. Where possible, use blind resume review, structured interviews and base reviews and promotions on clear performance metrics and expectations.

Training managers to manage in new ways for equity is a skill to develop, not just something people will instinctively know how to do. “Managing distributed, hybrid and remote workforces requires more intentionality – which, frankly, should have been there in the first place,” said Christy Johnson, founder of the strategic consulting firm Artemis Connection, which itself is a distributed, remote-first company. “Good managers set smart goals based on outcomes, and it doesn’t matter where people are. We aren’t there yet. Many managers still manage by face time.”

And in a hybrid setting, that can mean long hours in the office or “virtual presence” – long hours logged in or late-night or weekend communication. Johnson says that manager training is “highly variable” and ranges from good, immersive programs that develop concrete skills, like motivating a team or giving good feedback, to “edutainment” with a motivational speaker to nothing at all. “Management training isn’t exciting. And there isn’t a quick fix,” Johnson said. “But we should be equipping more managers with the skills to manage this new way of work. It’s just going to take time.”

*To read more about BLL’s research and the Toolkit, see <https://www.newamerica.org/better-life-lab/reports/designing-equitable-workplaces-for-a-post-pandemic-world-a-toolkit-for-digital-hybrid-essential-work>. This excerpt focused on hybrid work; however, the Toolkit contains insights and practical advice for digital and essential work as well. &*

Wealth and Well-Being

# REWARDS, GOALS AND FLOW:

## A LOOK AT HOW WE CAN FOSTER MOTIVATION

By Ross Bruch  
Senior Wealth Planner

**M**otivation is an essential component of the ability to thrive. Whether it's building professional success, pursuing individual passions or harnessing the powers of resilience and grit, motivation serves as a key ingredient of happiness and well-being. At Brown Brothers Harriman (BBH), we're often asked about motivation – or more specifically, how parents and grandparents can provide opportunities, privileges and resources to next generation family members without destroying their children's and grandchildren's motivation to work hard and persevere through adversity. Perhaps unsurprisingly, there is no single universal explanation of what motivates everyone. This is in part because people are individualistic in their pursuits and interests, but additionally, several decades of psychology research have established that the concept of motivation covers a wide spectrum of situations, behaviors and beliefs. At the risk of oversimplifying a complicated subject, we believe the easiest way to think about different types of motivation is to divide it into three separate categories: rewards and punishments, goals and values, and intrinsic motivations. All three are unique, and helping loved ones understand when to apply each is extremely useful for navigating life's ups and downs and fostering a strong desire to continuously improve our lives.

### Carrots and Sticks

The most basic form of motivation is generated through rewards and punishments – in other words, a “carrot and stick” approach. Although rewards and punishments are often created by external sources (for example, the offer of a discount for paying a bill early or the threat of a late fee for an overdue library book), people can also internalize rewards and punishments in their own minds based on how they feel about themselves or their perception of how others feel about them (such as a sense of pride for completing all of the tasks on a to-do list or a feeling of guilt for skipping an important family get together). Reward and punishment systems can be effective at temporarily increasing motivation but typically fail to continue to inspire action over longer periods of time. For example, exercise routines, diets and attempts to build or avoid certain habits rarely succeed in the long run if they are only reinforced through rewards and punishments.

### Alignment of Goals and Values

The next form of motivation incorporates goals and values to encourage or discourage certain actions. For obvious reasons, this is a much more complex psychological system than rewards and punishments, and thus requires greater attention and energy to develop. But focusing on long-term objectives to change behavior also offers greater potential to increase motivation in a more robust and lasting manner.



"The key to flow is staying within the middle channel – increasing your skills and abilities over time while taking on new, more difficult challenges. That, above all other elements of motivation, may be the most important way to stay interested and engaged in life."

Building motivation through goals and values not only requires you to identify what objectives matter to you, but also why these goals and virtues are important. For example, you may have a strong desire to achieve professional success, but it's important to ask *why* you want to achieve this success; perhaps you hope to gain financial independence, have your skills, abilities, and intelligence recognized by your peers and colleagues, or move into a leadership role to gain greater amounts of autonomy and control over your time – or maybe the answer is a combination of these and several other possibilities. Understanding the underpinnings of these objectives can help you focus your efforts and give more meaning and purpose to the pursuit of your goals.

Similarly, understanding your values and character strengths can reinforce this motivation by helping you align your actions with your self-perceived identity. For example, if you value hard work and a healthy lifestyle, you may have an easier time (that is, be more motivated) developing and adhering to a regimented exercise routine than someone who only occasionally goes to the gym because they feel guilty if they don't.

### Extrinsic vs. Intrinsic Motivation

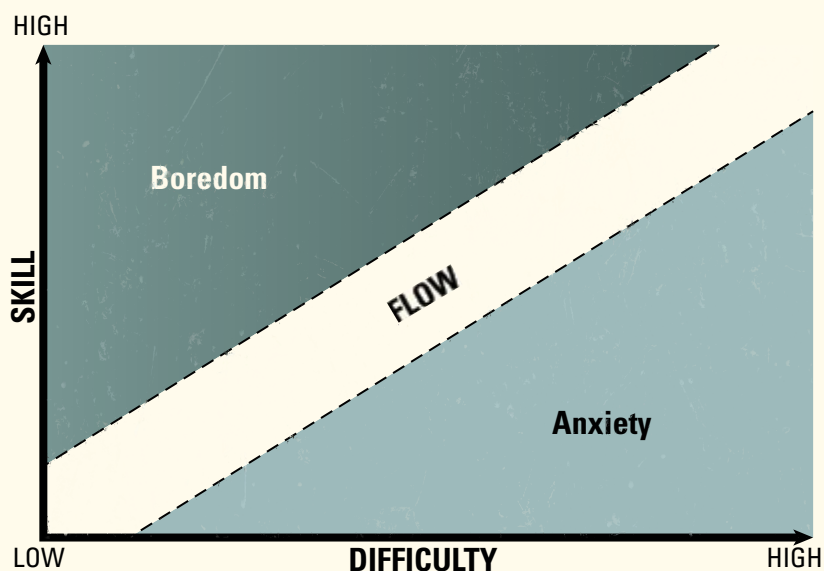
Motivations that come from either rewards and punishments or acting in accordance with your goals and values are both considered extrinsic motivations because in order for them to be influential, they require external inputs and feedback. However, the last of the three motivational categories, intrinsic motivation, is only created through internal sources. In other words, intrinsic motivation occurs when you perform an action solely for its inherent satisfaction rather than for some separable consequence. If you do crossword puzzles or play tennis merely because you want to, these are forms of intrinsic motivations. Of course, the lines between intrinsic

and extrinsic motivations are often blurred – sometimes these activities overlap with other benefits. Maybe you also do puzzles to keep your mind sharp or play tennis because it keeps you physically active. Regardless of such motivational overlap, research has identified intrinsic motivation as being highly influential in shaping people's lives and actions and extremely beneficial to their overall well-being.

When you are engaged in an intrinsically motivated activity, the outside world shuts off. You feel fully absorbed, focused and engaged in that moment. Time feels like it stops. Colloquially, this is sometimes referred to as "being in the zone," but psychologists refer to this well-known, well-researched phenomenon as "flow," a term coined by the late Mihály Csíkszentmihályi (pronounced Me-High Chick-Sent-Me-High). As Csíkszentmihályi and other researchers have demonstrated over the past five decades, developing periods of flow can often lead to improved performance, accelerated learning and skill development, increased productivity, a greater sense of happiness and well-being, improved enjoyment and creativity, and even higher levels of resiliency. The development of flow may be best illustrated by the nearby graphic.

Flow requires the right combination of challenge and abilities. If you are engaged in an activity that is too difficult and don't feel comfortable with the task at hand given your skillset, it creates a feeling of anxiety. Imagine being a first-time skier who belongs on the bunny hills of a mountain but is instead forced to traverse a black diamond slope. It's impossible to function well under those circumstances, and flow doesn't have a chance to develop because your brain wants to devote all of its attention to ensuring your safety and survival. On the other hand, imagine yourself a well-seasoned skier who feels comfortable under any mountain conditions. If you





If rewards and punishments will fall short of building the necessary influence, consider focusing on the alignment of tasks and activities with goals and values. It is easier to help others stay motivated if they understand why their actions matter and see their activities align with how they view themselves in the world. The questions of why and who they are can be difficult to tackle and require effort and focus, but the motivational rewards of developing a better understanding of themselves can be outstanding and inspirational.

are forced to continuously run the easiest course of the mountain over and over, you will experience boredom, not flow, because there is no challenge for you to engage with and become mentally lost in.

The key to flow is staying within the middle channel – increasing your skills and abilities over time while taking on new, more difficult challenges. That, above all other elements of motivation, may be the most important way to stay interested and engaged in life. And flow doesn't just appear on the ski slopes or tennis courts. It doesn't even require leisure time to develop. Many people find elements of flow in their jobs or day-to-day activities, such as talking with clients, problem-solving new solutions or teaching a younger colleague a new skill. Flow simply requires finding the right challenge to fit your current abilities and identifying ways to increase both your skills and the challenge over time.

### How to Increase Motivation

If your goal is to increase motivation for yourself or your loved ones, it is essential to first understand the role you hope motivation will serve. In the case of a short-term, finite objective, carrots and sticks are often effective and can be highly influential. For example, if the goal is to help yourself or someone else meet a deadline or give just a little more effort, reward and punishment motivators work well. But if you hope to build a lasting change in someone, this form of motivation often backfires and is far less effective than other options.

Last but not least, developing flow may be the most powerful motivational tool in the human psyche. Doing something not as a means to an end but because it is the end goal is extremely motivating and, unfortunately, is experienced far too infrequently in adulthood. We believe it is a rarity not because it is impossible to achieve, but because too often people are prone to avoid anxiety and challenges and instead accept boredom in their place. And while searching for activities, careers and experiences that ignite your sense of flow is a laborious task, as with the exploration of goals and values, it is worth the physical and mental effort involved in order to reap lasting motivational rewards. &



# MEGHAN JUDAY

Chairman of IDEAL Industries and Founder of The Lodis Forum



**1 IDEAL Industries is in its fifth generation of family business ownership. How were you introduced to the business?**

I learned about the business around the dining room table. It was a very organic introduction. My father was CEO, and I heard more about IDEAL than I ever wanted to. I often felt like I was competing for airtime with the business as much as I was competing for airtime with my siblings.

I never thought I would work there. I pursued medicine and then consulted at a Big Five accounting firm. When I had my son, I was going to stay home with him for his first year. That is when my dad asked me to come on board. They were transitioning from the third to fourth generation and wanted help for a few months. Those few months turned into 19 years. My roles have allowed me to remain present with my family while staying in the workforce – it's worked well for me.

**2 You became board chair at IDEAL Industries after your father held that role for 40 years. How did that transition impact your relationship with your dad, the company and the board?**

When I took the reins from my dad, it was the first time in a long time that he was not in charge. There is a time that comes to mind

after I became chairman where he and I really disagreed, and he struggled with it. In retrospect, it was hard for him because it was one of the earliest moments where it was clear that I was the boss, and he was in a new role. On the other hand, it wasn't as hard for me to stand up for myself as I had expected.

In terms of the company, when I was vice chair, I took on the responsibility of looking for a new CEO. The important thing was finding someone who would build a strong strategic direction for the company, focus on innovation and organic growth and truly embrace environmental, social and governance (ESG) factors and diversity, equity and inclusion (DEI). The person we hired joined around when I became chairman, and it turned out that being explicit in finding a CEO who would support those initiatives and having me in this role gave a real boost to the DEI program. I'm very involved in the dialogue about getting women into leadership and the company. DEI is a long project, but we are really making progress, and everyone is excited about it.

With the board, a lot has changed in terms of composition. We went from me being the only female director to having three women and three men on the board, and we will likely add another woman and man. Beyond changing the composition, we have done a lot of work to make sure that as we bring in new directors, they are included in the dialogue from the beginning.

**3 You founded an organization called The Lodis Forum for women who are board chairs and vice chairs. Why?**

I was named board chair in February 2020 – three weeks before the world shut down due

to COVID-19. We are a global business, and it was a very stressful time. I reached out to a few board chairs to talk about some of the problems I was having, and everyone said they had never experienced the issues I was talking about. I realized they were all men, so I decided to reach out to some women board chairs. My original plan was to start a quarterly Zoom call with two or three people. We now have more than 50 women globally.

Our first goal is to make sure that all of our members are great at their jobs. Being a board chair is a lot harder than showing up to a meeting four times a year. There are a lot of complex dynamics that go on. We also want to create a peer network and experience. Women in these board leadership roles are often alone. They don't know anyone else in that role, let alone another woman in that role. It is nice to learn from one another and focus on creating peer experiences.

**4 In your experience, what is the most important skill or characteristic of a leader?**

Resilience. You need to have a bottomless well of energy despite all of the pitfalls that befall you. In addition, my rule of thumb for surviving in a family business is having a great sense of humor and a short-term memory. IDEAL is 106 years old. If you were to hold on to everything for 100 years, you wouldn't be able to function.

**5 What advice would you give your younger self?**

Drop that self-doubt! Women find it so difficult to gain access to leadership or the boardroom. A lot is systemic, but some of it is what we do to ourselves. Stop thinking you don't belong wherever you are and that you don't deserve that next opportunity. It is one of the most valuable things you can do for yourself. &

# INSIDE BBH

## Spotlight on The Owners' Council

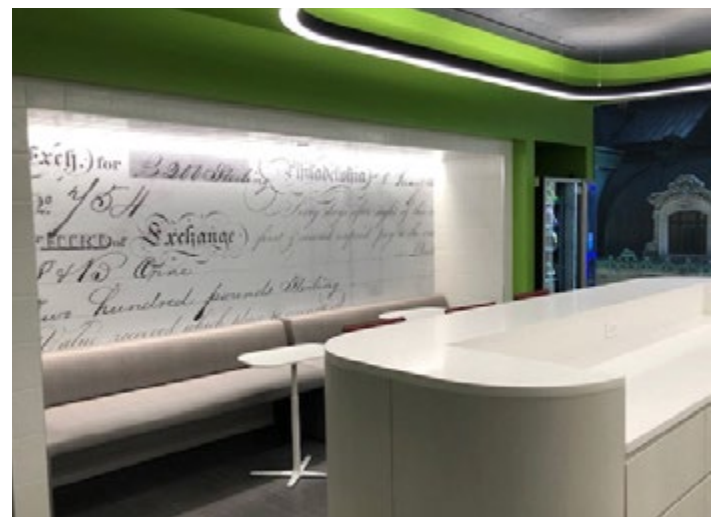
The BBH Center for Women & Wealth recently launched The Owners' Council, which will bring together a dynamic and diverse community of women business owners for the purposes of sharing both personal and business insights and experiences, supporting and advocating for each other and thoughtfully growing our shared ecosystem of women leaders. We believe that great things happen when engaged women come together. Members will receive a monthly content digest and invitations to a series of engaging discussions and intimate events.

We have designed The Owners' Council to be an energizing connecting and learning experience for our members. If you are interested in joining The Owners' Council, please reach out to your BBH relationship team or contact us at [CW&W@bbh.com](mailto:CW&W@bbh.com). 📧



## BBH New York Office Reopens with an Open House and Celebration

BBHers recently gathered in the New York office for an all-day open house and ended their day with a party to celebrate the reopening of the building following an extensive renovation of the space. With modern finishes, assorted meeting rooms, complimentary grab-and-go food and state-of-the-art features, like standing desks and flavored seltzers on tap, the new office has something for everyone. Perhaps the cornerstone of the renovation and the backdrop of the party was a two-story space that has been converted into a lounge for work, socializing, larger gatherings and grabbing a quick bite. With floor-to-ceiling windows and trees interspersed among the seating, this open, airy space is designed to draw BBHers in for a conversation or meal with a colleague. The party concluded with remarks from BBH Partner Roddy Klotz and BBH Managing Partner Bill Tyree, who welcomed everyone back to the office and encouraged use of the wonderful new space now and into the future. 📧





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