

Working with Families to Conserve Wealth Over Multiple Generations: A Model of Leadership Based in Self from Bowen Theory (2016)

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Introduction

This paper presents a model of leadership based in systems theory and the self. It is very different from most other models of leadership that have a foundation in individual theory, not systems theory, and that have a focus on others, not on self. My model is grounded in Bowen theory and in my framework of Magnification and Minification.

The relevance of this model for Purposeful Planning Institute members is that it relates directly to the mission of the organization to facilitate a family's management of its wealth over multiple generations for the betterment of the world. This is because, consistent with Bowen theory, this model presents a conceptualization of the work of the advisor for facilitating better family functioning over multiple generations, as one of engaging the leaders in the family. The process for doing this is one of managing self in the anxiety in the system, so the family can make better decisions and act in accordance with them.

The paper first outlines the theoretical basis of the model for a leader in an organization, but then shifts that whole understanding to the dynamics of a family, consistent with Bowen theory. This transition of the framework to the family then provides the opening to explain the role of the advisor as leader, using this model to work with the leaders in the family.

Leadership: Individual theory– Systems theory

There are a multitude of books, workshops and theories of leadership, but I do not know of many that are based in systems theory, and of those, I do not think there are many that are grounded in the idea of the self. This article presents that very different framework – a model of leadership based in systems theory and the self.

Most models of leadership come from the assumptions of individual theory. This means that the leader and the people in the organization under that leader, are individuals. This sharply

contrasts with the assumptions of systems theory where individuals cannot be understood as autonomous or separate from the systems they exist in.

In my world, the field of psychotherapy, this is the difference between classic Freudian theory focused on symptoms deriving from the unconscious of the individual person, and family therapy in which symptoms are understood as a function of the homeostatic balance of the family system. However, what I want to clarify here is the fundamental difference between individual and systems theory, using the concept of the self. Systems theory is a paradigm shift, not unlike the one between the earth being seen as flat or round. In my model, the self is a function of the dynamics of the system. The self is not equivalent to the autonomy of an individual person. Neuroscience is beginning to discover this conceptualization with the research into memory in which the self is understood as a memory, supported by the brain of the person as it interacts with the brains of others who know and remember who that person is.

Leadership from individual theory thinks of the leader as one person who leads other individuals. There may be a conceptualization of a system as an organization or a team, but these systems are still assumed to be composed of individuals. Leadership is thought of in linear terms in which the leader "leads," that is, as the cause of an effect on others. There is not an idea of the system organizing itself through the leader, with the people under the leader affecting how the leader operates as much as the other way around. The leader is focused on others and not on him or herself. The efforts of the leader are directed toward getting others to act in certain ways to accomplish the goals of the organization. There is not a sense of the leader having to focus on self as an essential part of others doing their part in achieving the goals of the organization.

Another crucial distinction of leadership from individual theory concerns the vision. Generally the assumption is that the leader has a vision, and it is her or her job to impart that vision to others in the organization, which is essential for efficient operation of the organization, as people buy into the vision and all operate from this common base.

My model of leadership based in systems theory and the self, contrasts sharply with these dimensions described above from individual theory. In my framework, leadership emerges from the dynamics of the system. A person does not choose to be a leader, nor are they chosen. He or she emerges as the leader as they and others recognize that they are the leader.

Self and Self focus

This person then operates as the leader by focusing primarily on him or herself as they understand the dynamics of the system and what is required for the organization to meet its goals and succeed. This does not mean a myopic or narcissistic focus on themselves to the exclusion of everyone else in the system, but rather an understanding of the whole system, the relationships of everyone in it, and how it functions to maintain its homeostasis, with a primary focus on one's own place in the dynamics of the balancing of the system. This leader looks at change from the point of view of primarily changing self, and not primarily getting others to change. In this way, there is a process of recursion in which the leader affects others as much as the others affect the leader. This dynamic of recursion is very evident in the conceptualization of the vision.

In my framework, as from individual theory, the leader does indeed have a vision. This vision includes an understanding of the organization/system, how it works and how it can grow and develop. However, it differs in the conceptualization of the self of the leader. The leader has this vision as it has emerged from the operations of the system and the leader's participation in the organization. It does not come from the leader's vision from outside the system, for example, coming in from another organization, or simply from their ideas about how this organization should operate. In addition, this vision is inseparable from the self of the leader as it becomes a major component of the self of the leader. It is who they are in the system in which the vision and leadership have emerged. Then the vision is recursive with others in the organization. This means that just as the vision has emerged from the dynamics of the system and is embodied in the leader's understanding of the system, the vision changes and develops for the leader as he or she interacts with others in the organization by presenting it to them regularly. Then the

vision changes the leader as well as others as they all grow and change. This is very different from presenting the vision to get others to buy into it.

Bowen Theory and Leadership

In addition to its being based in systems theory, another distinction of my model of leadership is its foundation in a specific framework of systems theory, namely Bowen theory. While Bowen theory was developed out of the field of psychotherapy, specifically family therapy, it is deeply grounded in a systems theory that is based in the broader natural world, not just that of human beings. Murray Bowen did develop his theory from his clinical work as a psychiatrist with families, but it is not primarily a psychotherapy model because of the theory's derivation from the natural world, which he referred to as Natural Systems theory. In the same way, my model of leadership is not at all a psychotherapy approach simply framed as leadership.

This idea of natural systems is what provides the crossover from a systems theory of leadership to family dynamics, because organizations and families are systems composed of relationships of humans as living systems that are organized into hierarchies, like brains in bodies, leaders in organizations and elders in families.

In what follows I will elucidate the aspects of Bowen theory that relate to my model of leadership. It should be noted that one of the people Bowen trained who went on to develop Bowen theory as it could explain the functioning of organizations, and specifically the leadership in those organizations, was Edwin Friedman, whose life work was with religious and governmental organizations. I also draw from many of his ideas like the self-focus of the leader and non-anxious presence, but can only reference his work here in this brief article.

One of the cornerstone ideas from Bowen theory is anxiety. Bowen's assumption was that anxiety was not some pathological human condition that existed in a person, but instead was a phenomenon in all living systems as it exists in the relationships between elements of living systems as they interact. For humans, this means that there is always anxiety in the system, and the question is not how to get rid of this problem, but how to respond to this ever-present force. Bowen developed two concepts that have become part of the eight concepts of the theory. One

is that of Differentiation. This concept explains the response of individuals to the anxiety in the system and delineates the maturity or level of functioning of individual people and of the systems they operate in. The lower functioning response is one of fusion in which individuals yield self to the dynamics of the system in an effort to gain relief from the experience of the anxiety. The other, the higher-functioning response, is one of differentiation in which a person holds their own with their beliefs and acts consistent with them in their relationships with others, thus conserving self. These two opposite responses are on the same continuum, with people on one end living their lives from a self that is more fused, or on the other from a more differentiated self. Most people fall somewhere in the middle.

The other concept from Bowen theory relevant for this presentation of leadership, is Multigenerational Transmission. This refers to the phenomenon of recurring patterns of behavior over multiple generations of families. The understanding is that the anxiety in the system present in previous generations is active in the current generation and will be active in the next generations. This is true even if people from the previous generations are no longer alive. Think of the common phrase of a parent upset about a child's behavior: "Your grandmother would roll over in her grave if she saw you act that way." The conceptualization of the family then, is one of many generations functioning as one large system, with anxiety flowing through from one generation to the next.

Shift to Leadership in Family Dynamics

So now take all of the foregoing and think of working with families, as a process of working with the person or persons who are the leaders in the family. This is how Bowen conceptualized the practice of therapy from his theory. He said he was always looking for the person in the family who could do the work on self to raise their level of differentiation, and that is what could change the dynamics of the whole family system. He was not looking to engage the family members as a whole to modify their relationships with one another to function better.

This means that the person in the family who functions as the leader, is the one who can focus on self, work on his/her process of differentiation to better manage their responses to the

anxiety in the system, as they come to understand the patterns in the family over the generations and recognize how they participate in them. What facilitates change in the patterns of interaction in a family for it to function at a higher level of maturity or differentiation, is for the leader in the family to be a resource, a non-anxious presence (Friedman) to provide family members with the ability to think through issues and come up with non-reactive decisions. This is what allows the family leader to make decisions about the family's assets that conserve the integrity of the family for the current and next generations through managing their wealth. The role of the wealth manager/advisor is the same as the leader in the family, but from the outside. It is not unlike how the Bowen therapist operates.

Magnify/Minify

A powerful addition to this systems-based model of leadership is my framework of Magnify/Minify that I developed out of Bowen theory. This is a complex framework for decision-making that I have organized into a book "(Mag or Min; Which are You?). I will briefly summarize it here and draw upon the relevant aspects for leadership.

There are two patterns of decision-making: Magnification and Minification, and they come to define who you are over the course of your life. Magnifiers will make decisions based on the assumption that any task to be attempted will almost always work out, despite the odds against it. They "magnify" the possibility of a favorable outcome. Minifiers will make decisions based on the assumption that any task to be attempted will seldom work out, despite the odds in favor of it. They "minify" the possibility of a favorable outcome.

At the extremes, both reflexes are equally dysfunctional and lead to lives of chronic problems. But people can change if they can control their automatic decision-making process, and make a life-altering change to base decisions on a better assessment of the *actual* probability of a favorable or an unfavorable outcome.

This framework is not based in individual theory where one person is a Magnifier and another a Minifier. Rather, a person operates from magnification or minification as way of

managing the anxiety in the system that defines who they are, their self, which then becomes part of the balancing of the whole system.

To define the dynamics of leadership in terms of Bowen theory and Mag/Min, one would say that the leader's behavior in a system is a manifestation of their managing the anxiety in the system, and how they do it will be as a Magnifier or a Minifier. How *well* they do it is determined by their level of differentiation. The ramifications of their behavior and functioning can be seen in the larger patterns of how the system functions over several generations.

Principles of Practice for the Wealth Manager/Advisor

To integrate Mag/Min into the leadership model, consistent with systems theory and Bowen theory as presented above, I have developed these principles of practice for the advisor:

1. Think systems

Work to understand the patterns in the client family that are functional and dysfunctional as they manage their wealth, avoiding a reductionist focus on individual family members one sees as either helping or hindering the conservation of their assets across the generations. Explore how they all contribute to the patterns.

Expand the perspective of family to multiple generations where the patterns play out over the course of the family's history from the past, into the current family and can be projected into the future.

2. Focus on self and not the other, in working with clients

Work to develop clear thinking that is not emotionally based, as you present ideas to the family and its leaders, managing the other-focused anxiety of trying to convince them to do what you recommend.

3. Use the framework of Magnify/Minify

a.) To provide guidance on how to manage self with all clients.

Magnifiers need to focus on the limitations of what is possible for the family to achieve, so that recommendations are reasonable and the goals realistic for the family to attain.

Minifiers need to focus on the potential of what is possible to the family to achieve, so that recommendations are reasonable and the goals realistic for the family to attain.

b.) To understand family members themselves as Magnifiers or Minifiers, especially the leader(s) one is working with.

4. Use the vision as a ground in order to operate from the position of self-focus

Work to understand one's own vision from one's own position on the Mag/Min continuum as a Magnifier or Minifier. The Magnifier needs to monitor self to not let the vision get too big and the Minifier needs to monitor self to not let the vision get too small.

Work to develop and understand the family and its patterns of how they handle their wealth, and what financial resources you have to offer that fit their vision and patterns of interaction.

5. Identify and engage the leader or leaders in the family around your vision

Present the vision to the family periodically and allow it to develop for them, and for you as well, as you interact with them over the long term.