

The Blob: How culture eats structure for breakfast

### By Matthew Wesley

A time-worn adage attributed to Peter Drucker about organizational development maintains that "Culture eats strategy for breakfast." The saying drives at the truth that while corporate leadership might push for strategic objectives, those aspirations are rapidly and irreversibly undermined by wholesale failures of capacity, engagement, or alignment that exist within and among the majority of those who are supposedly being led. Indeed, studies bear this out – over 80% of top-down corporate initiatives fail to reach their objectives.<sup>1</sup>

In the work I do with family dynamics, I modify this old saw slightly to say: "Culture eats *structure* for breakfast." From experience, this seems to be one of the few universal "truths" found in working with families traversing generational transitions. No matter how careful the planning, if the family culture doesn't support the structure, the structure simply won't work.

### The Structuralist Assumption

In my experience, the overwhelming majority of professionals are fundamentally structuralists. I was a structuralist for many years and have operated in a world of structuralists my entire career. The structuralist's faith lies in the possibility of creating rational structures robust enough to be effective in accomplishing what they set out to do. Some structuralists are inherent optimists, some are cynics, and some are disillusioned, but they have all committed to a proposition that their professional work lies fundamentally in the design, construction, and implementation of constructs designed to guide human outcomes.

My eventual conversion from my structuralist roots was a slow, hard-fought battle of awakening to a different - even revolutionary - perspective. It took years, but once I saw through the structuralist assumption, I simply couldn't unsee it.

Structuralists come armed with plans, strategies, solutions, best practices, and tactics. They think through contingencies and try to control outcomes by anticipating conditions and generating approaches to address them. Lawyers establish trusts. Wealth managers create financial plans. Accountants develop tax strategies. Business consultants promulgate business plans. Governance consultants help families draft constitutions. Family councils are established. Mission statements are drafted. Values are clarified

<sup>&</sup>lt;sup>1</sup> Kotter, John <u>Leading Change</u> (2012)

and codified in values statements. Educational workshops for the "next-gen" are held to "prepare" them. All of it is designed with the hope that these interventions at the level of creating a structure or construct will shape the future of the client's life and the trajectory of the client's family. Entire industries are premised on this notion that the right structure, skillfully applied, will yield the right result. Families spend small fortunes building these varied formations. Every stratagem, every solution, and every product offered to families designed to solve a fundamentally human problem arises from this mindset.<sup>2</sup>

To make matters worse, family leaders are barraged by messages from these same structuralists that if only they adopt some new structure or adopt a new improved strategy, their most pressing problems will be solved. The financial media reinforces this mainstream point of view with stories about how people can fix problems through structural solutions. They are filled with tips and to-do lists. They suggest why a structure is right for the times or how some impending change requires a shiny new solution. A brief survey of posts on LinkedIn groups devoted to service professionals shows overwhelming advocacy for structuralist solutions. This is what sells and there is a lot of money to be made in this land of structural solutions.

And it all seems to miss a fundamental point.

To the great frustration of structuralists, family culture all too often eats all this expensive structure for breakfast – and then it spits out the bones.

The carefully laid plans simply don't work because the family either can't make them work or won't allow them to. In the real world, trusts fail and litigation ensues. Beneficiaries become financially dependent. Family behavior undoes financial plans. Tax strategies sit on the shelf because of a lack of political will. Family feuds destroy otherwise healthy businesses. And the structural work of family governance specialists is made hollow by family dynamics that, as it were, stand back, smirk, and then eviscerate all of this good work.

The assumption extends far beyond the professional world that serves families. This is the theory of almost all organizational change initiatives for corporations and non-profits (of which 80% fall short of expectations). It is the bedrock of most governmental social policies (80% or more of which fail) and it is the failure rate of most personal self-help programs (at least 80% of which are abandoned). It is also the assumption of most family wealth transition plans (with an over 80% failure rate to achieve long-term capital preservation). The failure rates of structural solutions across domains are remarkably consistent and often the successes are achieved irrespective of the strategic structures.

Why are these failure rates consistently sitting at 80% or above across this disparate range of human endeavors? Because *culture* eats *structure* for breakfast, lunch, and dinner.

As professionals serve families, a lot of money and time spent on these "solutions" is for naught. Worse yet, families are left confused, disillusioned, and cynical. As I survey the landscape, structural solutions simply don't work to resolve the non-technical issues of complex systems let alone complex families. To paraphrase Jay Hughes, families are sold a lot of very costly forms that they cannot make function.

<sup>&</sup>lt;sup>2</sup> It is important to note that structural solutions are necessary to solve technical problems and they are extraordinarily well suited to that end. Structural solutions can reduce estate taxes, mitigate investment risk, hedge risk and address a host of other technical issues. The point of this piece is to address the human, non-technical issues that often arise in the wake of addressing technical issues.

It is the grand assumption of structuralists everywhere that if one intervenes in a complex system to change the way the system is organized, that organizational change will affect the behavior of the system to achieve better outcomes. Question that assumption even superficially and it all begins to unravel.

From the perspective of a culturalist, structuralists who don't understand the power of culture spend their professional lives rearranging deck furniture. Sometimes the ships happen to be headed on a good course and all is well. In these cases, it is wonderful to have well-organized, polished deck furniture and this ordered work makes the ocean passage much more pleasant. Yet for families unwittingly charting courses toward looming icebergs, the deck furniture is the least of their problems.

## The Structuralist Impulse

In the hope of addressing family culture, some wealthy families spend substantial sums on high-priced consultants to create family governance structures. These are the consultants who often create family charters and constitutions, mission statements, values documents, and family policies. All of these spring from the structuralists' core impulse to impose an artificial order on what seems like organic chaos.

This can be salutary if solid family culture exists that can take advantage of a rationally designed and ordered solution set, but all too often these don't work. Human nature intervenes. Researchers of the Wharton Global Alliance found that the existence of family governance structures had virtually no impact on the existence of family conflict.<sup>3</sup> Their report states,

"These results were surprising, as the formation of family governance institutions is considered to be a positive family practice that is supposed to facilitate family unity and to decrease family conflict. Our survey results suggest that the existence of family governance institutions, by itself, is not necessarily beneficial to the family in terms of reducing conflict."

The article goes on to speculate that better processes and more effective structures are the answer. That however is not a conclusion even remotely supported by the study itself. Indeed, this study is glaringly oblivious to the power of culture as evidenced by the researchers' surprise that structure (and process) alone is insufficient to address conflict. The importance of family culture should be jumping off the page as an obvious implication of the data, but the researchers are not only blind to this implication, they actually double down on the solution that their own research says doesn't work! They are blind to the reality of culture —as if they cannot see it or begin to perceive it. This confirmation of the researchers' structuralist bias — and the assumption that failures of structures are due to faults in the structures imposed — reflects a fundamental gap of perception in many who address issues of cross-generational success.

Similarly, in an exercise conducted at a workshop for estate planning attorneys, a family conflict was described to them, and they were asked to design an estate plan. They produced structural solutions they thought would address the issue. They were then shown a video of family interaction that represented the conflict and told to rethink their solution. After seeing the conflict enacted, their response was to draft significantly more restrictive and draconian provisions to try to control the conflict that they had witnessed. Their impulse was not to uncover and document potential cultural solutions. Rather than trying to foster human solutions, they pushed harder on structural ones. As practicing structuralists, they went all-in on a solution set that was clearly not suited to addressing family culture.

<sup>&</sup>lt;sup>3</sup> See Wharton Global Family Alliance, 2012 Family Governance Report: Sources and Outcomes of Family Conflict.

They defaulted to what they assumed to be true – that they could use a structure to control or at least contain human nature.

# The Cultural Blob

So, if it is true that culture does eat structure for breakfast – what is the answer? How does one change culture in financially successful families? Here, it is useful to look at the nature of family cultures.

Families are often "closed" social systems. Families, in this sense, are "tribal." Being tribal, families often operate in rote ways. They repeat mythic stories, each tribe member has defined roles, and the tribe often operates out of these roles in well-worn, almost scripted ways. Families enact and then reenact their comedies and dramas as they move forward – often with each comedy or drama having a similar feel to those that came before much like formulaic television scripts where every episode follows the same templated arc of development. This recapitulation happens within generational interactions and even repeats itself from generation to generation. The tribal systems are inevitably disrupted by key "kinship" events: marriages, divorces, births, deaths, sickness, maturation, hallmark events, and old age to name a few. In resilient tribal cultures, these events are culturally assimilated and in brittle cultures, some developments can fracture the unity of the tribe. The tribe either adapts or falls apart.

Beyond this collective connective tissue of stories, roles, and scripts, kinship relations are also awash with personality types, points of view, varying interests, history, personal psychology, trauma, divergent memories, parenting styles, learning modalities, family legacy, dreams, shadows, anxieties, and a host of other individual, "tribal" and archetypical characteristics. Tribal cultures are murky and tangled.

Most often very little of this complex dynamic is truly visible to the family. They intuitively "know" that this stuff exists, but they cannot articulate it or rise above it to see it panoramically. They are like the proverbial fish in water swimming in strong currents – it is all simply their environment. Family members who are "in" it are most often too challenged to transcend it. So they feel the tug of these dynamics like primal and sometimes seemingly irresistible forces. While they are acutely aware of the power at play in these patterns, the family as a whole has no way to make these patterns evident to the entire system. Even when certain individuals can see quite clearly core pieces of the dynamic, the extent of it all is too pervasive and complex to address as a whole.

All of this makes it extremely hard for families to change themselves without outside help. If everyone is in the system, every attempt to change the system is inevitably a symptomatic manifestation of that system and is understood and rationalized as such by other family members. Efforts at reform become fatally infected by the same systemic themes they are ostensibly attempting to alter. This means that, like in the 1958 sci-fi movie the Blob, almost all efforts to change are co-opted by a blob-like cultural dynamic of the family tribe.

By way of example, one family had a patriarch who wanted to intervene and guide his family through a process of collaborative decision-making. His prior attempts were seen (quite accurately) as a series of bids to control – or at least hedge – outcomes and the invitation to "collaboration" was a thinly veiled attempt to get what he wanted which was for everyone to "just get along" in supporting his dream for the ongoing viability of his business, the cohesion of his family and his future legacy. His intervention, however well-meaning and altruistic it might have been in theory, was seen as a manifestation of an unhealthy dynamic and was rapidly sabotaged and reframed by the blob of family culture. This left him hurt, confused, and quite baffled at the misfire. He could not see that his efforts were simply another episode of a series of similar episodes of ineffective parenting that had stretched back for years.

Strangely, the rejection wasn't even personal – it was simply his family culture systematically doing what it had always done with him playing out his tribal role yet again.

These invisible loops are why outside facilitation is so important for families. Family members that attempt to facilitate their own families will most often have those attempts co-opted by the family dynamics, in large measure because those attempts at facilitation are themselves symptomatic of the dynamics of the family system. This is why most often families in the third or fourth generation have figured out how to use consultants and do so regularly. These families recognize that the "Blob" of tribalism in their family will devour their attempts to change the system and that it is important to "bring the outside in" to disrupt the culture in productive ways.

#### **Evolving Culture**

So how do skilled cultural facilitators shift a family culture? First, they pay a great deal of attention to the stories that they hear (and they hear a lot of stories). They look at the roles and scripts that are operating in the family. They suss out the rules of engagement. They pay attention to the patterns of family interaction that play themselves out on the family canvas. They look at the kinship systems in play. They understand how the family has naturally adapted in the past. They pay attention to how power and love operate in the family. They look for anxiety patterns. They pay a lot of attention to alliances and splits. They are also attuned to their role, how they join the system, and the forces that seek to enroll them as agents of ongoing patterns. In short, they become participant observers in the family system. In doing so, they come to deeply understand how a particular family is playing its version of the "game" of "Family."

What they don't do is get wrapped up in individual differences or perspectives. They are continually looking beyond the idiosyncratic to the larger patterns and loops. If someone is a black sheep, they see it as a manifestation of a family pattern. If someone is "overly emotional" they look to how that person is being set up for that role and what purpose that role serves within the larger family dynamic. They look for the ways that people show up in the family that seem different from how they show up outside of it. In sum, they see almost everything that happens as an element of the way the system has adapted to maintain a status quo of predictability and how everyone is serving that larger purpose in the family system. If this work is done well, this process of assessment can be used to inspire forms of cultural intervention. The facilitator can ask questions in such a way that the system starts to become visible to itself.

The other thing culturalists don't do is try to create "change" in the family system: they typically don't directly address challenges as problems that have solutions. While the family might have burning issues, pursuing solutions to these issues will be consumed by the Blob. Efforts at systemic change will inevitably fail and rational approaches will meet with fierce resistance as the family works overtime to sustain the status quo. Is there a business succession issue? Working on a policy is unlikely to work. Is there misalignment? Having a values statement won't resolve it. in family work, the paths of evolution in the family system are most often oblique.<sup>4</sup>

This becomes the entry point for facilitative design. While there is some science to this work, the design piece is far more art than science. This process is intended to generate cultural experiences that will positively disrupt the culture of the family. The work of helping family members see themselves and

<sup>&</sup>lt;sup>4</sup> Kay, John, Obliquity (2012)

each other as adults, in adult-adult relationships, is vital to this process. Helping families tell new stories about the future and reframe old stories is also key. Helping people try on new forms of action and adopt an open mind to experimentation can be important. Creating explicit agreements is often useful (and this is structural work), not because the agreements will work – they usually don't – but because, with an explicit expectation of failure, valuable insight and information surfaces as a family confronts the performative contradictions that led to the failure of agreements. This is a period where polarities become visible: power and love, autonomy and belonging, activity and passivity, and so on.<sup>5</sup> In short, this becomes a period of intense learning. It is also a delicate phase of the work.

What is required of these interventions is that the family experience itself in ways that disconfirm its image of itself. It is a process of positive disruption. For example, a family that has a narrative that they don't forgive each other has an experience of forgiveness that they must then explain in a way that will change the entrenched narrative. Or a family that says that they aren't aligned actually agrees on something – however minor – disconfirming its dominant self-understanding. The goal of the facilitator is to create these experiences of cognitive dissonance that have no easy explanations and disrupt the patterns and narratives that exist within the family. In one family a forgiveness ritual countered the narrative of an inability to forgive. In another large family, having people physically move to a point on a continuum marked by tape on the floor conclusively ended the debate on the future direction of the family (it become clear in a matter of 10 minutes to a minority that their preferred future was doomed despite the debates and arguments that had raged for three years). In another, the honest uncovering of a singular common interest cut through a gauzy aspirational agreement on supposedly common "core values" generated by a long-departed consultant allowed family members to rise above a long-standing difference.<sup>6</sup>

This period of early cultural intervention is a time when the facilitator and the family are most at risk. If the facilitator missteps, he or she can disrupt culture in ways that tip the family over into chaos. The family culture is finely calibrated to manage its unique stresses (however "dysfunctional" it may appear to the outsider) and ham-handed interventions can create too much disruption. Finding the right inflection points and levering those carefully is a tricky business. The wise facilitator is quite careful to lean back during this phase and deliberately look for only those changes that seem to be arising naturally. This is not visionary work – it is work close-in that arises from a kind of hyper-vigilance to the tolerances of the family system. At the same time, the facilitator has a tremendous ally in the fact that families that choose to hire a consultant most often have a profound drive towards their own greater functionality. Working in flow with that drive (and not forcing or rushing the work) becomes critical. In doing this, the facilitator must resist the family's enthusiasm and desire for "quick fixes".

The design work is inherently fraught with ambiguity and complexity. For the family to trust it, it must come in containers that create integrity, confidence, and hope. Family members must be open to the process of cultural intervention. To get there, while there are no quick fixes, there must be quick "wins" – seemingly minor changes that have disproportionate effects and create forward momentum. In one

<sup>&</sup>lt;sup>5</sup> One way to view "culture" is to see it as a snapshot of how any group of people is navigating core polarities or paradoxes at a point in time. The culture arises from the way the humans in the system address rampant complexity. A useful analogy is to think of culture as the invisible "software" that manifests in group interaction. Alternatively, as psychology is to individuals, culture is to groups.

<sup>&</sup>lt;sup>6</sup> In this case, the "common values" had become weaponized – again the blob co-opting a structuralist solution to perpetuate family dynamics.

family, biting humor had eroded trust and respect and so the family decided that if someone said something hurtful, somone (either the target or a bystander) would simply say "ouch." (It was agreed that there would be no need for commentary or discussion or apology or proceessing – the point wasn't to create catharsis or "resolution," but rather simply noticing that someone was indicating an experience of emotional pain). Within a few months the entire tone of family conversation had changed – there was more laughter, honesty and good will. People reported that they felt more cared for and freer.

In this work, the facilitator is looking for keystone habits that will create cultural cascades. When these cascades unfold, the culture begins to shift "on its own." Rick Ingrassi, a social activist, has suggested that if you want to create social change, you must "throw a better party." The culturalist is seeking to curate that "better party." The family that said "ouch" exemplifies this — a simple habit that changed much more than it should have. When it goes well, change happens because it simply feels better to the family to work in this new way. We have found that with proper experience design and solid intervention, families have great wisdom in uncovering the right next steps for themselves. In this sense, it is the facilitator's job to help the family find its own otherwise hidden wisdom.

As the process takes root, the shifting of culture emerges on many fronts in both individual and collective change. It happens at different speeds in different parts of the culture. In one family one person said, "I have grown up with this notion of scarcity and what we are doing together is requiring a whole new way of thinking." This is what cultural change looks and feels like – the slow emergence of a new way of being together. Different family members find themselves in various stages of this journey. For the cultural facilitator, there is a complex balancing act. The work evolves into hosting the right conversations and experiences at the right time and in the right order. It often has as much to do with slowing the process down as accelerating it. Most of all, it requires that the facilitator holds two opposite realities simultaneously. On the one hand, the facilitator regards the entire culture with a kind of radical acceptance and compassionate engagement that allows the family to be just as it is in a state of grace. On the other, the facilitator is radically committed to engendering emergent patterns to help the family awaken and then live into its future possibility. This is a constant antinomy of honestly having no investment in changing the system whatsoever and a commensurate intention to radically shift the family culture so that it can reach its fullest potential. In this work, the cultural facilitator hospices the dying of the old world and helps to birth the emergence of the new.8

There is structural work that arises in this – and the structure can be important – but the real work has to do with shifting the culture. The consultants who do this work are few and far between. Professional advisors need to be aware of the difference between those who offer structure (and become aware of their own biases to "results" arising from faith in structures) and those who can effectively intervene on levels that generate cultural shifts. We live in a world of structuralists. But as we all intuitively know culture does indeed eat structure for breakfast.

<sup>&</sup>lt;sup>7</sup> Duhigg, Charles <u>Power of Habit</u> (2012)

<sup>&</sup>lt;sup>8</sup> We know that many structuralists cannot take the time to work with family culture. However what every structuralist can do is edge towards the culturalist perspective by aksing the question "Will the structures I create help the family flourish?" If not, maybe a different structure more fitting to the family culture is in order. Here the question is the same for every professional (culturalist or structuralist) – namely, "Am I doing more good than harm to the human beings I am seeking to help or am I merely solving technical problems at expense of that deeper human well-being?"



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