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The Marshmallow Effect - Joining Your Family Business

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This article is from a series of articles on family business which appeared over the course of a year in The Business Journal of Milwaukee. To see all the articles from this series log-in to the "Resources" section of our web-site.

One of our most memorable clients was a young man who was the oldest son of a second-generation family business owner but referred to himself as a victim of the "marshmallow effect." What's that?

This client wrote an article on the subject and allowed us to reprint it for others. He calls his family business both a blessing and a curse. He explained that although it is always there as a safety net, it can also drain the motivation a person needs to achieve their ambitions.

Now, about the marshmallow effect.

"It occurs when young heirs, like me, allow themselves to be absorbed by a sweet, comfortable, and ultimately soft option that is extremely easy to get into, but almost impossible to escape from," he said.

While this may seem a lot better than most employment options in our current economy, this client is smart to be aware of this potentially dangerous lure. The marshmallow effect can have serious consequences in most cases because someone who drifts into a career will likely never experience professional satisfaction. He or she is also likely to suffer from a lack of self-confidence, never sure whether his position is a product of effort or name. This can lead to low morale and family conflict, because the person often blames or resents other relatives or the business for his lack of happiness.

The business suffers, too, because uninspired employees do not achieve results. Although this young family business member has no desire to join the family business, he said it always beckons.

"Several times in my youth I was tempted to drop everything and allow myself to be 'marshmallowed' -- when the money became tight, or the going got tough," he said.

The saving grace for him came in the form of a "five-year rule" imposed by the company that states no family member may enter the business without at least five years' experience elsewhere. It is designed so that family members who come into the business do so by choice, and with skills and experience that will benefit the organization. It also prevents offspring from drifting into the business without having first attempted to develop themselves and their potential.

"It forced me to motivate myself to work harder. And if I do someday enter the business, I'll know that it will be my work that will have gotten me there."
