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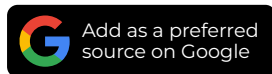
From legacy to longevity: Governance lessons for family enterprises in the Middle East

Success depends on balancing family cohesion, business needs and individual interests

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Family enterprises are the backbone of economic life across much of the Middle East. They are also among the most emotionally charged organisational forms we know. That combination creates extraordinary resilience and, occasionally, spectacular failure.

Family ownership brings advantages that listed firms can only envy. Relatives tolerate behaviour from one another that would be unacceptable elsewhere. They share a long-time horizon, a deep sense of stewardship, and a common understanding that the enterprise sustains not just wealth, but identity, reputation and community standing. In MENA, where honour, continuity and family legacy carry particular weight, these strengths are amplified.

But these same dynamics raise the stakes when governance fails. In my work on boardroom disasters, one lesson recurs: when conflict is personal, escalation is faster and more destructive. In a non-family firm, people tell themselves, “It’s just business.” In a family enterprise, you can never truly walk away. You cannot divorce your surname. When trust fractures, the result is not ordinary disagreement but vendetta. I have seen situations where individuals were willing to damage or even dismantle a thriving business simply to hurt another family member. The business becomes collateral damage in an emotional war.

Human dynamics

This is not a cultural issue confined to one region. Family dynamics are human dynamics. Yet the MENA context adds important nuances. The desire to present unity, protect honour and avoid public conflict can delay difficult conversations. Problems stay underground until they surface. By the time they do, emotions may be running so high that rational decision-making is compromised.

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The most common mistake is confusing three distinct systems: the family, the business, and individual interests. Each has legitimate claims. One person may be acting to protect harmony in the family. Another may be acting to strengthen the business at all costs. A third may feel excluded or marginalised and believe they are defending fairness. All may sincerely believe they are “doing the right thing.” When these priorities are not explicitly aligned, governance in the family business breaks down.

Agreeing on priorities

Repair, when it is possible, starts with an unglamorous but essential task: agreeing on priorities. What comes first right now: business viability, family cohesion, or individual opportunity? What comes second and third? These conversations are difficult even in calm conditions. Once emotions take over, they become painfully hard. But without them, management dynamics and leadership issues can simply replay the same conflicts in different forms.

One underappreciated solution in family enterprises is selective distance. Not everyone needs to be involved in running the business to be respected as family. In some cases, protecting the enterprise requires keeping certain individuals away from decision-making while still ensuring their needs and dignity are met. That distinction is uncomfortable, but it is often humane and pragmatic.

Governance failures

Governance failures, when they happen in a family business, are likely to be particularly stormy. Many enterprises function smoothly because one individual quietly manages relationships, mediates tensions and translates emotion into workable compromise. When that person is suddenly gone, unresolved issues flood into the business. Boards then discover, too late, that what looked like a business problem is actually a family problem, and mixing the two damages both the business and the family dynamic.

For family offices across the Gulf and wider MENA, the opportunity is clear. The region benefits from increasing environmental stability, supportive policy frameworks and a growing appetite for diversification and global engagement. But longevity depends on governance that separates roles, creates psychological safety, and allows disagreement without humiliation.

The best boards I have observed share a simple discipline. They slow down. They listen. They make space for imperfect ideas and unfinished thoughts. They review not just decisions, but how decisions were made. Over time, that creates a culture where truth has a chance to surface before disaster strikes.

Family enterprises endure when they recognise a hard truth: love and identity are not a governance system. But with the right structures, they can be a powerful foundation for one.

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