



Inside the Mind of the Family Office Leader



Family offices operate in times of heightened complexity – growing multigenerational families, nascent younger investors, and shifting socioeconomic dynamics, as well as technology innovations alongside cyber risks and potential regulatory pressures – and the landscape is rapidly evolving.

As a result, family offices must have forward-thinking leaders willing to professionalize the office, upgrade the executive team, instill a culture of stewardship, and ensure the highest degree of sophistication to serve diverse stakeholders.

At Russell Reynolds Associates, we've observed the family office's changing talent needs firsthand, which prompted us to deepen our understanding of the family office leader. We set out to learn the shared attributes, behaviors, and characteristics that lead to success in this role, so as to better identify, assess, and develop the family office leader of the future – and to help families better understand the leaders who are so crucial to their operations.

Our research approach was twofold. First, we analyzed the Hogan psychometric test scores of over 30 family office

leaders, with a focus on common personality traits and values. Next, we conducted over a dozen interviews with family office leaders across the US, uncovering insights that provided additional context around our identified Hogan psychometric trends. Via these combined efforts, we learned that:

- **Family office leaders bring a quiet confidence to drive successful outcomes with adaptability, composure, and grace**
- **Four key behavioral characteristics define the family office leader**
- **Compared to financial services CEOs, family office leaders tend to be more direct, pragmatic, measured, and risk conscious in their leadership**

Family office leaders bring a quiet confidence to drive successful outcomes with adaptability, composure, and grace

Since the establishment of the first family offices in the 19th century, there are now an [estimated 8,030 single family offices globally](#), with over \$5 trillion in total estimated wealth with expected growth to \$9.5 trillion by 2030. Despite unprecedented change, the one constant has been the invaluable role of family office and family enterprise leadership.

Today, family office leaders must manage myriad responsibilities. As family wealth skyrockets, the question of what – or rather, who – drives the strategic agenda is now central to that discussion. This is further complicated by family office’s unique circumstances and risk factors (see Figure 1):

Figure 1: Circumstances and risk factors impacting family office leadership

	Leadership	Investments	Family Dynamics
High Risk	Complex leadership transitions and succession planning involving a patriarch or matriarch	Demands for investment portfolio diversification, alongside differing distribution needs and risk appetites among family members	Codifying and translating institutional knowledge from family members
Medium Risk	Opaque or undefined governance structures with weak communication protocols	Increased threat of financial and non-financial (i.e. cyber, operational, reputational) risks	Investing in the leadership potential—via education and development—of the next generation of family members
Lower Risk	Recruiting and retaining specialized talent, while simultaneously developing a bench of generalists to coach and mentor	Understanding nuanced topics, such as capital allocation, estate planning, gift tax strategies, philanthropic investment strategies, and tax reformation	Aligning on philanthropic goals to create a unified definition of the family’s legacy and values

Source: Russell Reynolds Associates interviews. N = 14 family office leaders. Data collected and analyzed in H2 2024.

While most leaders would be daunted by the idiosyncratic nature of the family office landscape, family office leaders tend to bring:

- A quiet confidence that drives successful outcomes even in the most challenging circumstances
- Adaptability, composure, and grace across numerous forces

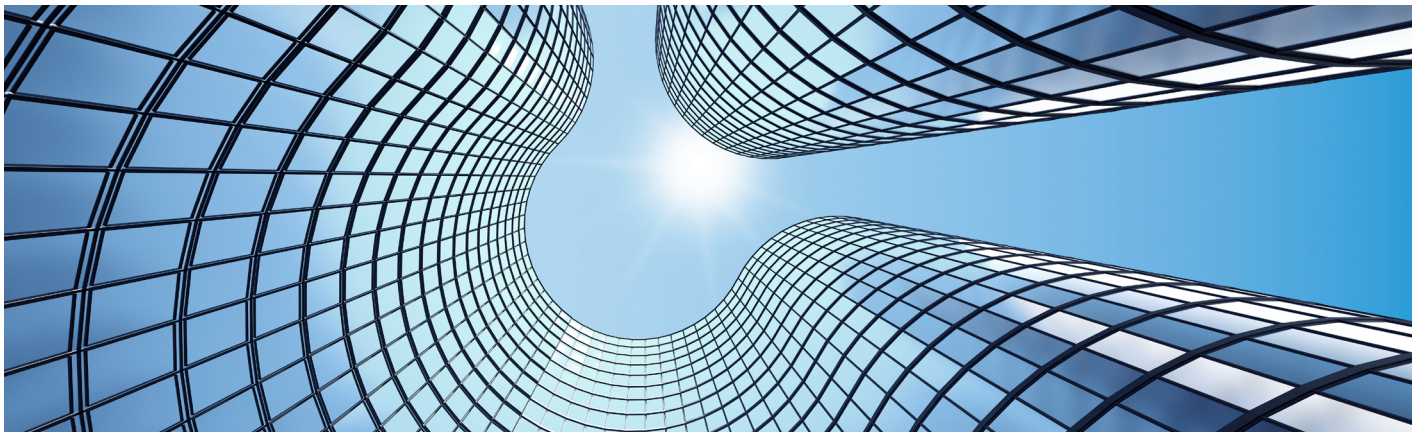
- Distinguished gravitas that inspires confidence when dealing with generational differences, investment and estate planning issues, and day-to-day office operations, among other challenges

By aligning their values to serve a unified mission, family office leaders can effectively drive a vision of success for the whole family.

Four key behavioral characteristics define the family office leader

After analyzing the Hogan psychometric test scores of 34 family office executives and including the insights from more than a dozen interviews, we uncovered four key behavioral characteristics that define the family office leader.

Hogan's assessment tools score individuals across 28 metrics including: their day-to-day behavioral tendencies (HPI), how they perform under pressure (HDS), and their motivations and drivers (MVPI). Through the lens of an industrial-organizational psychologist, the quantitative and qualitative data provides rich insights into an individual's core preferences, derailers, and interests.



The four key behavioral characteristics that define the family office leader:

1. Thoughtful listening and transparent communication

Family office leaders demonstrate a transparent communication style, as indicated by their scores on measures pertaining to social proactivity and interpersonal style. They adeptly lead meetings, balancing listening with a readiness to state their views, and will skillfully address difficult topics. They navigate conversations with a keen sense of timing and an appropriate degree of

urgency, leading others to conclusions via a thoughtful set of questions as opposed to telling them the answers. While these leaders are prepared to assert their views, they are also mindful and considerate of the impact their actions will have, ensuring their stakeholders feel heard and understood.

“You have to communicate well and speak truth to power.”

CEO and Chief Investment Officer
Midwest family office

“You’re the leader, but not really. You have to have the humility to follow the family’s lead.”

Managing Partner
New York area family office

2. Prudent and informed decision-making

Family office leaders show a prudent and informed decision-making style through their scores on measures of learning style, process-orientation, and curiosity. They are diligent learners who stay on top of trends in their space, invest in their and their team's professional development, and stay highly attuned to new information concerning their clients. Their strong learning inclination is complemented

by a methodical decision-making approach. These leaders will think before they act, minimizing unnecessary risks and increasing their propensity to make high quality decisions. They are thoughtful stewards of the family's resources, as noted by their scores on a commercial orientation measure.

"You have to look for optionality...having the flexibility, patience, and understanding that [a family's decision] may not be the easiest way to accomplish something, but we will find a path to get it done."

CEO

Rocky Mountain States family office

"You have to be flexible and adaptable with problem solving, because you're balancing making various family members satisfied in different ways."

President

Mid-Atlantic family office

3. Professional, grounded, and humble advisory style

Family office leaders demonstrate a professional and humble advisory style, as indicated by their scores on measures pertaining to composure, consistency, visibility, and pleasure-seeking. They will remain calm and consistent in the face of changing circumstances, staying on task even when challenged or provoked. They voluntarily share credit with others and find comfort when leading quietly

from behind, fostering buy-in – even from unorthodox or obstinate stakeholders. Their understated confidence and dependable approach to challenges strengthens their credibility, garnering the trust and acceptance of their clients and team.

"You need to be able to admit that you don't know what you don't know."

President and COO

Mid-Atlantic family office

"To succeed, you have to admit your mistakes without dwelling on them. You acknowledge it without staying there."

President

Midwest family office

4. Resilient and reliable leadership

Family office leaders model a resilient leadership style through their scores on measures of drive and energy, resilience, and conscientiousness. They are hardworking leaders who will earn the followship of others through their commitment and drive. They model a steadfast and resilient approach to challenges, bringing others together during difficult times and motivating their teams to continue pressing forward. And when facing adversity, they are relentlessly reliable in following through on their commitments.

“You have to win the trust and loyalty of the family office staff, as you’re only as good as what your team delivers. You have to coach your team on the values you’re trying to embody for the family.”

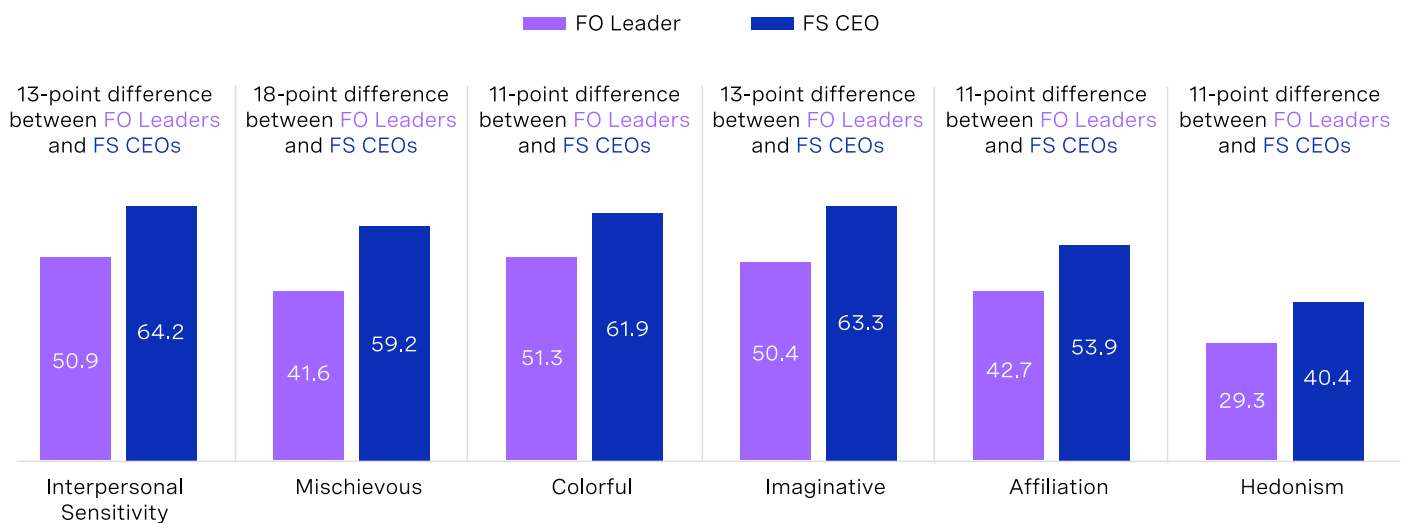
CEO
New York family office

Each of these behavioral characteristics represent shared tendencies and keys to success as a leader in the family office setting. Through these interviews, we uncovered how some of their common personality traits and values enable these leaders to meet the unique challenges they consistently face in a family office setting. For those who aspire to get to this position or for organizations looking to identify and/or select leaders who can be successful, these four behavioral characteristics provide a blueprint for consideration.

Compared to financial services CEOs, family office leaders tend to be more direct, pragmatic, measured, and risk conscious in their leadership

To further our understanding of family office leaders, we then compared these Hogan scores to the broader Hogan database of financial services CEOs. Our results found six statistically significant differences between the two datasets (see Figure 2):

Figure 2: Differences between family office leaders and financial services CEOs



Source: Russell Reynolds Associates proprietary analysis of Hogan psychometric data. N = 34 FO leaders relative to FS CEO database.

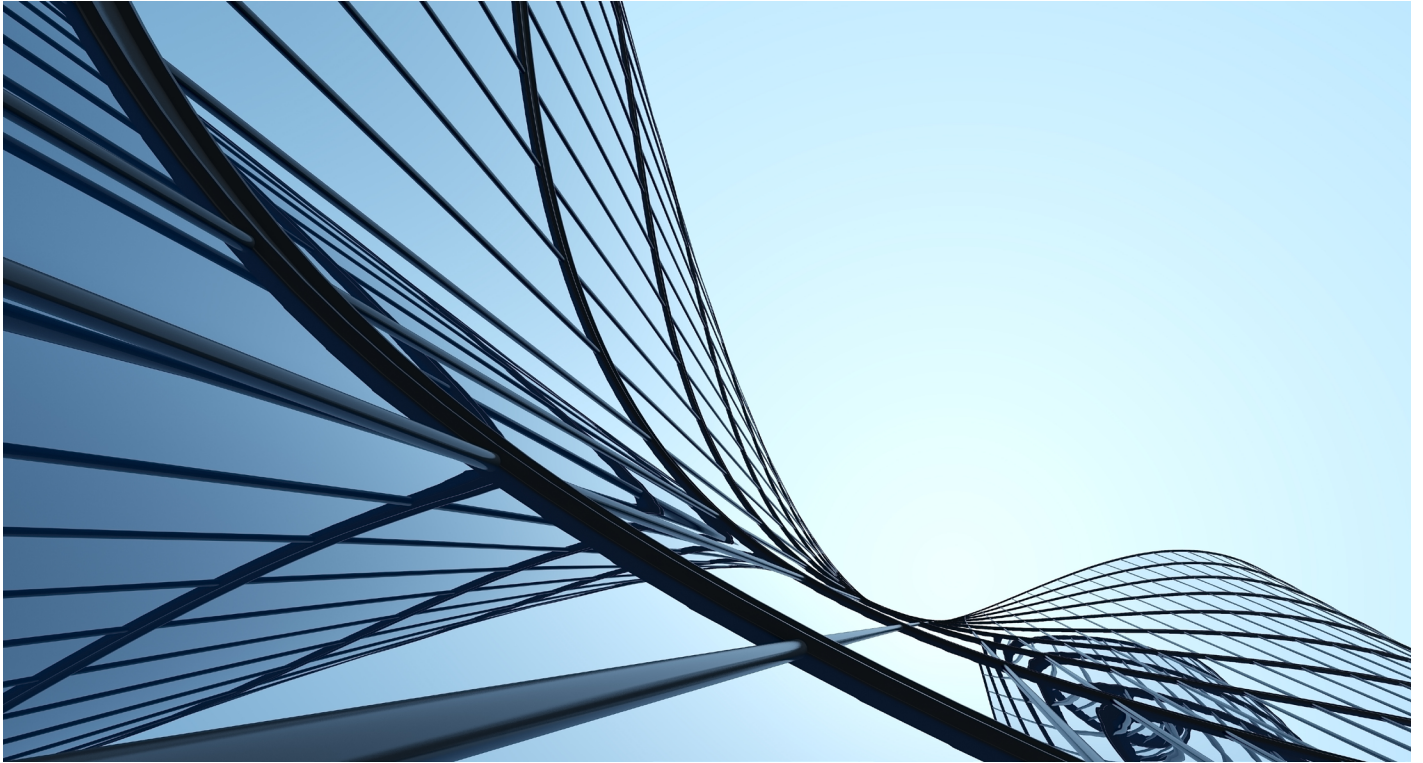
Interpersonal Sensitivity - concerns communication style, social skill, and tact. / Mischievous - concerns being charming, risk-taking, and excitement-seeking. / Colorful - concerns being outgoing and socially skilled. / Imaginative - concerns being innovative and creative. / Affiliation - concerns seeking opportunities to build social networks and collaborate with people. / Hedonism - concerns wanting fun, variety, and enjoyment in the workplace. Figure uses mean scores across samples of FO leaders and FS CEOs, and focuses on differences that are statistically significant.

These differences correlate to the following tendencies (see Figure 3):

Figure 3: Tendencies of family office leaders and financial services CEOs

Hogan Scale	Family Office Leaders are likely to...	Financial Services CEOs are likely to...
Interpersonal Sensitivity	Address conflict with candidness and tact	Navigate office politics and build coalitions
Mischievous	Avoid unnecessary risks and take a more measured approach	Test limits and experiment with new approaches
Colorful	Focus on cohesion and cooperation over self-promotion	Exhibit charismatic, bold, and attention seeking behavior
Imaginative	Prefer proven and sensible ideas	Generate bold or differentiated ideas
Affiliation	Enjoy a balance of independent and group work	Enjoy social work environments that offer networking opportunities
Hedonism	Value a buttoned up and measured work environment	Value a mix of business and pleasure

The overall takeaway: family office leaders are generally more direct in their leadership style compared to their counterparts in financial services. They bring a grounded and measured style that helps them navigate complex and, at times, emotional stakeholder dynamics. Adept at managing risks, they broker solutions with a healthy degree of pragmatism and consideration. For family office leaders who want to expand their networks and public visibility, they have an opportunity to be more active in social engagements.



The future of family office leadership

With the demand for family office leaders on the rise, our research reveals the critical capabilities to look out for when identifying, selecting, and developing leaders for these complex and nuanced roles. These four key characteristics create the foundation for leaders to be stewards of the family's resources, while shepherding the organization alongside the family's strategic needs and vision.

- 1. Thoughtful listening and transparent communication**
- 2. Prudent and informed decision-making**
- 3. Professional, grounded, and humble advisory style**
- 4. Resilient and reliable leadership**

The modern era continues to challenge family offices, making it critical to ensure the highest degree of leadership sophistication and nuance. The demands on these leaders will only continue to rise, testing their ability to navigate ever-increasing complexity. While there is no silver bullet for leadership, our research has clearly identified standout characteristics that enable family office leaders to succeed in this unique context.



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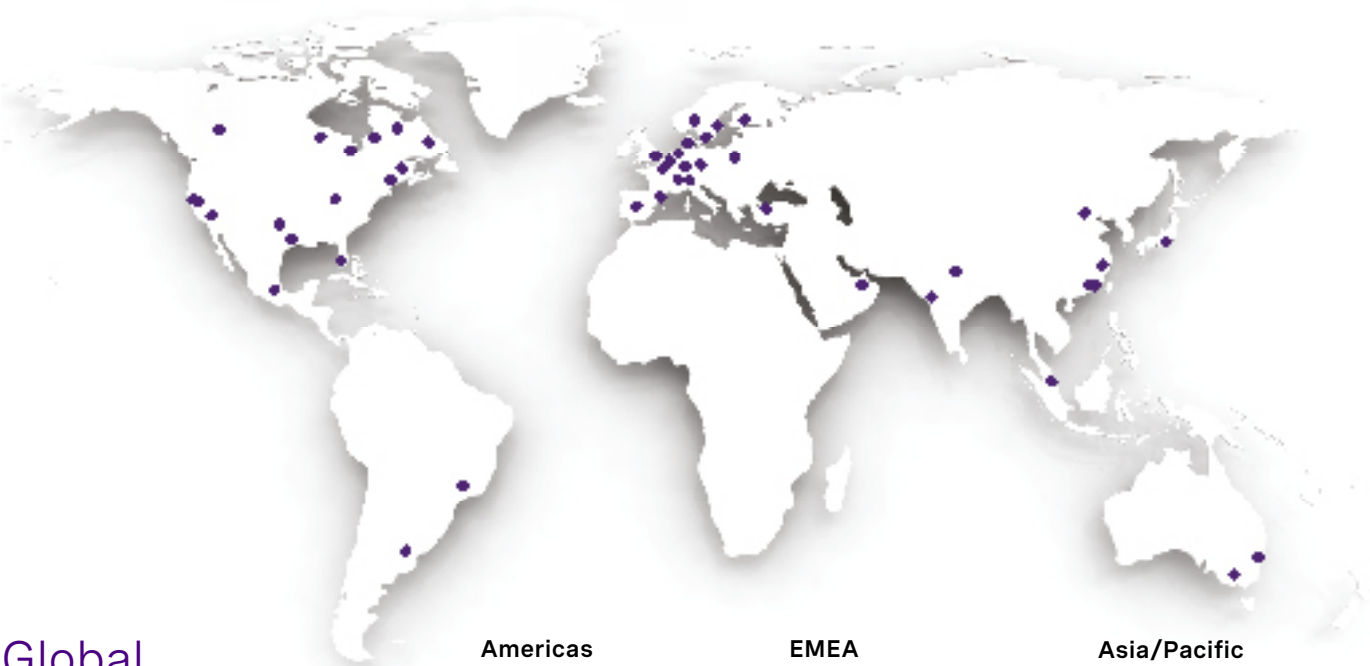
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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory firm. Our 500+ consultants in 47 offices work with public, private, and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic, sustainability, and political trends that are reshaping the global business environment. From helping boards with their structure, culture, and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led

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