

C.H.A.L.L.E.N.G.E.S. inc

Working with Families in Business

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“Unbridled personal pride and ego destroys relationships.”

Jim Kwaiser - *Conquering Family Meetings*

What is Appropriate Behavior in a Family Business?

Here are a few questions to ponder; how should Mom and Dad be addressed when working in a family business? By their first names? As Mr. or Mrs.? What agreed upon rules could help prevent family squabbles in front of employees and others? How are spouses (usually the son-in-laws or daughter-in-laws of the next generation) included in order to avoid problems at family or company functions? These questions are important for many reasons, primarily to avoid the following situations.

- a. Open arguments in the office between family members.
- b. The “next generation” is in the habit of calling their parents something other than Mom and Dad when at work.
- c. In-laws are not speaking to other family members or they openly display their dislike or distrust of the other family members.
- d. Family members no longer socialize with one another.
- e. Employees rarely offer suggestions and there is very little “bottom-up” communication.

Most of the employees we interview are hesitant to engage in “bottom-up” communication due to their lack of trust in the ownership. They describe what they see as “disrespectful behavior among family members in the workplace.” In seeing this, they are convinced the owner’s priorities have nothing to do with employee security. “They don’t even like their own family! Why would I believe they would take care of me?” Open arguments between family members must NEVER happen! One of the family members must move the discussion into a private room, or better yet, outside of the office. An argument between family members in front of employees fosters fear, is unprofessional and will eventually be reflected in the marketplace. Word spreads quickly, poor professional relationships puts a strain on the hiring process as well as customer relationships. To elaborate, price *is* important but think about it, without positive relationships how much business would you really be doing?

What to call Mom and Dad is always an interesting dilemma. What do employees, vendors and customers think of this *dilemma*? They do not understand it! They already know you are a family business and that you are related. Calling your parents Mom and Dad in the business setting is

NOT unprofessional and can foster a closer, friendlier environment to customers, vendors and prospective employees.

It is also important to recognize in-laws as a part of the family business, even if they are not directly involved in the business. The public assumes they are a part of the family business, if even in a small way. The in-laws statements about other family members, if not chosen carefully, can have a negative impact upon the family business. These individuals must be made aware of this fact. They need to know their lives are intertwined with all of the other family business members'. It is important to the future of the company, the spouses and the individual family that the in-laws make a sincere effort to get along in a civil manner. This is a very difficult concept to get across although it is of the utmost importance. The family relationship "business chain" can move even further through the family to cousins and other extended relatives. Know your family and the impact relationships can have on the business.

The following are 10 **CHALLENGES** guidelines used to bring harmony to the family and create a stronger sense of security for employees, customers and vendors of the family business. It can appropriately be titled:

The Family Business Code of Conduct

1. **C**ommit to show respect for one another. *No more family rivalries!*
2. **H**ave the best interest of the family and the business in mind. *Stop and make sure you are not being self-serving in your argument. Writing your thoughts out can help clarify your intentions.*
3. **A**lways support one another in public. *Take care of the reputation of the family by your actions and your words about one another.*
4. **L**ook for the best in each member of the family. *Yes, it is there, you just need to look a little harder in some people!*
5. **L**isten to the issues of the other family member without interrupting. *Agree to no interruptions until each person has presented their thoughts. Take notes on the points you want to discuss when listening.*
6. **E**ngage all serious conversations in an office not in the hall! *Let all managers hold one other accountable (including family) to this rule.*
7. **N**ever speak negatively about a family member outside the family *Opinion of the family may affect the success of your company.*
8. **G**et out of the office and take a break if tempers are running too high. *Nothing will be resolved if emotion is the driving force.*
9. **E**stablish what the issue really is. *Do not attack the person. Identify the behavior or issue to be addressed and your proposed solution.*
10. **S**et a positive example by your attitude, word and actions. *If you want behavior to change in your family you must lead the way. Leaders always do.*

Contact us to help your family develop and implement The Family Business Code of Conduct

~Visit our new website, designed with Family Businesses in mind~

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