



## **Article: Hiring a Family Member for your company**

Hiring a family member to work in your company is one of the greatest risks an owner can take. When a an owner hires a relative they immediately move into dangerous waters as both their personal life and professional life are immediately affected. Pressure exists that the relative be a success or family relationships, holiday dinners and family activities for the next fifty years can be damaged. The team and culture of your company can be damaged as employees are always suspicious and resentful of the "son of the boss". Also important is how we can damage the personal and professional development of the relative we hire if we do not provide the same training, same rules, same opportunity for them to grow and succeed in their work and career.

It takes time and a plan to successfully bring a family member into your company. If you say hooey at this point consider the college football coach who treated his son the quarterback different then other team members. This coach is now unemployed because his team never had a winning record. Or everyday we read in the newspaper about family members suing family members around of the family business. Rest assured your best employees will feel threatened about their job and their livelihood as family members are brought into the business. Do you want to lose them to the competition? Please take this matter seriously.

How considerate we are as owners to all people who are affected by a family member hire the less distraction it will be to a company's operation and the more likely the hire is a success. We need to take responsibility as an owner to make this type of hire work. That means having a plan. This plan must start with the owner asking himself the following two question: can the company afford to hire the person and is there a specific job the person can do to help the company? Hiring a relative to give them a better life then the one I have had, or to make their road easier is a flawed reason to hire any family member and should be a huge red flag for future failure.

First and foremost "the talk" needs to be had with the relative that they are not the owner, only the owner is the owner. They are expected to follow the same rules and chain of command as other employees or they will face the same consequences as other employees. If you think this is harsh, stop right here and get honest: if you make exceptions for your relative, or allow them to break the rules, or operate under a separate set of rules; other employees will note this and model their behavior to match the new level of acceptability, as you the owner have unwittingly reset the boundaries and rules for everyone. Further if a relative goes around the chain of command to share with you some gossip and you take the bait, and step in to resolve something that people you have in charge typically take care of, trust will be damaged between owners and employees and even owners and owners. Consider the Son that complained to his Father about how his direct report, Uncle Billy, had sat him down, like any other employee of the company, and suggested how he could improve his job performance. The Father marched into the Uncle's office with the purpose of defending his son, and the issue became personal, a large fire storm ensued. Cousins stopped talking to cousins, mothers and fathers were angry at each other, siblings were upset, all out of a simple performance review. In a non-family business situation,





the son would never have gone around his direct report to complain to the owner of the company, about his hurt feelings, and no one other than the employee and the direct report are affected. But in a family business.....

Next is to write a job description for the employee. The objectives for the job need to be established and shared with the employee. Make sure the relative can handle the job, so you are not setting them up to fail. Your goal like any other hire is to help the employee succeed and help the company succeed. Make sure time is taken to properly train the relative on their new job. Make sure they understand the rules and regulations the company has. Stress that these rules apply to everyone without exception. Make sure they understand the chain of command or who does what in the organization and who answers to whom. This is a great opportunity to bridge the gap of employee uncertainty by including non-family member employees in training the new employee. This will help both parties get to know each other and the trainer will take ownership in the success of the new hire.

You should also consider for both training and success purposes, to start the relative at a job level that allows them to learn about the company, their job, and succeed. Promotions should be merit based, failure to make them earn the promotion and pay increases, retards their professional growth and the development of their social skills. You could also lose key employees who are passed over or ignored for promotions as family members of lesser skill and experience are promoted past them. Critical important to note is that Children of Entitlement, or those relatives who are giving everything, often are demanding, unappreciative, and uncompromising. This is why so many family businesses fail in 2<sup>nd</sup> and 3<sup>rd</sup> generations, when family members who have not struggled and toiled to succeed, lose sight of the success of the business and focus only on what they should be entitled to from the business.

On a positive note, working with family members can be fun, and energizing as you get to spend time and work with people you know well and love in striving toward common goals and successes. The owner can enjoy creating opportunities for financial success and professional development for those closest to him. Family in a business can insure the continuity of legacy, or continuation of the business as a wealth building, financial security, opportunity for generations of family to come. There are many blessings and pleasures to be had with a family business as long as the owner is ever vigilant about the dynamics of relatives and non-family members working together for the success of a company.

