

Keeping It Professional When You Work in a Family Business

by Carolyn O'Hara

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Working in the family business can be fraught. When your manager is also your parent, sibling, or another relative, how do you keep things professional? Do you ask to be treated the same way as others, or accept that you will have a different sort of relationship at the office? Do you publicly call your mother “mom,” or your father “dad”? And what about getting candid feedback for your own growth and development?

What the Experts Say

People who successfully work with family often say there is nothing more fulfilling or enriching, says Claudio Fernández-Aráoz, a senior adviser at the global executive search firm Egon Zehnder and an expert on family businesses. These people “consistently speak of a much greater sense of

purpose and meaning in their lives,” he says. But if something goes wrong, the damage can be devastating. Fallout with family over work can cause a tremendous amount of anger, sadness, and shame, says Rob Lachenauer, CEO and cofounder of Banyan Family Business Advisors. “When ordinary people get fired, they get another job,” he says. “When a family member gets fired, they feel they’ve been fired from what they were born to be.” Here’s how to effectively work alongside relatives.

Work somewhere else first

Experience in an outside firm should be a requirement before embarking on your career in the family business, says Lachenauer. You’ll get invaluable training, improve your business judgment, and build your confidence. You’ll also gain much-needed perspective on what you hope the arc of your career might look like. Starting off elsewhere is critical “not just because of what you will learn in terms of capabilities,” says Fernández-Aráoz, “but fundamentally, in getting to know yourself” and understanding “what you want to do as you get older.”

Create separate spheres immediately

On day one when you return to the family business, set a boundary between family time and work time. Letting the two bleed into one another is a recipe for conflict, says Lachenauer. You don’t want to talk about clients at Sunday dinner, or about family drama at the office. “Thinking physically is very useful,” he says. “When you are in the office, you are business people. When you are on the ranch, you are family.” Create house rules about which family matters are permissible to talk about at the office and vice versa. It can be helpful to note which hat you’re wearing before embarking on a conversation. For example, you can preface a discussion by saying, “I’m talking to you as your son right now, not your employee.” If you feel your family member isn’t respecting these boundaries, “bring it up privately and immediately,” says Lachenauer.

Define your role and career path

Make sure you have a crystal-clear understanding of your job description and that others know what role you fill. That way you’ll avoid needlessly stepping on colleagues’ toes or giving anyone the impression that you’re resting on your laurels. Be transparent and proactive about your expectations and goals for the future, especially if you would like to hold the top job in the future. “Succession between generations is a very risky project,” says Fernández-Aráoz, which is why it’s

critical to talk early and openly about rules for advancement and what handing off power might look like. “Recognize you may get more opportunities than others,” Lachenauer says.

“Acknowledge that, and then work your butt off.”

Adopt an office voice

Pay attention to the details of your interactions with family. “Language matters tremendously,” says Lachenauer. Actively listen and use a professional tone with one another – that way you don’t make others feel excluded by your closeness or cause unnecessary squabbles when boundaries are breached. Lachenauer recommends you not call each other by nicknames at work, as it “can signal to other employees that the family relationship takes precedence.” But strike the balance that feels right for you. “You don’t want to behave artificially,” says Fernández-Aráoz. If calling your mom by her first name feels too awkward, for example, don’t strain to do it, but consider using her given name when discussing her decisions with colleagues.

Seek independent feedback

Getting candid input when you’re the boss’s son or daughter can be difficult, if not impossible. “Assume you won’t get good feedback,” Lachenauer advises. He suggests participating in the standard review process but always supplementing it with outside evaluations to ensure that you learn and grow on the job. “Ask for 360 reviews or employ a coach,” he says. The key is to be proactive, adds Fernández-Aráoz. “You cannot wait for top-down guidance.” One smart strategy is to tap an independent board member to evaluate your progress and performance so you can get smart career advice and reviews.

Have a backup plan

When your professional and personal lives are intertwined, your own identity can be overtaken by the daily demands of family and work. For your sanity and future success, it’s critical to maintain outside interests and contacts of your own. That might mean dedicating time to professional networking and enrichment groups so that you keep up with business contacts and develop new skills. It might also mean carving out time for personal hobbies or taking vacations without the extended family, so you have some breathing room away from the business. And as much as it might pain you to consider, think regularly about a Plan B, in the event the family business – or your place in it – hits tough times. “Have an exit plan,” says Lachenauer. “Then it won’t be the end of the world if it happens.”

Principles to Remember

Do:

- Get experience at an outside company first to improve your judgment and boost your confidence.
- Be proactive about asking for candid feedback from someone outside your family.
- Have a Plan B.

Don't:

- Bring family nicknames into the office. Maintain a professional tone whenever possible.
- Completely meld work and family. Keep the two worlds separate.
- Let yourself be coddled. It always ends badly.

Case Study #1: Work elsewhere before climbing the family ladder

Toby Bozzutto's father, Tom, never asked him if he wanted to work in the family real estate management company. But after a few disillusioning years in the music business, Toby wanted to do just that. Tom was surprised at the request but agreed on three conditions: "I had to go work for someone else first," says Toby. "I had to get a master's degree in real estate development. And I had to start at the bottom."

Toby did everything his father asked, joining The Bozzuto Group in 2001 as a development associate. He eventually headed up the company's development business before becoming the company's president in 2013. "I was tremendously concerned that people would think I was entitled or only there because of nepotism, and subconsciously it made me work twice as hard," he says.

Tom and Toby made sure to stay focused on business while at the office. "I didn't have a direct line to him, and he didn't seek me out," says Toby. "It was exceedingly rare that we talked about our family life at work, and if we did, we did it away from everyone else."

Early on, they also attended a weeklong seminar at Harvard University that focused on leadership transitions. "One of the things we learned was that I should never report to my father," says Toby, "and that I should be treated the same as anyone else."

“When you begin to work with your family, the trajectory of your relationship changes,” he adds. “For us, it has been so rewarding and enriching. But it’s hard because business is so deeply intertwined with the personal.”

Toby says he’d be thrilled if any of his three children express an interest in joining the business. But until then, “I’m going to mimic my dad and never bring it up.”

Case Study #2: Set clear expectations from day one

When it was clear that Teddy Winthrop was growing dissatisfied with his career at an executive search firm, his brother Bayard offered him some advice. “He told me to figure out what I was passionate about, to start learning about business, and to become interesting to people who might want to hire me,” Teddy recalls.

This prompted something of an epiphany. Bayard had recently launched American Giant, a U.S. manufacturer of high-quality hooded sweatshirts sold directly to consumers. Teddy admired the organization’s mission and reinvention of the retail supply chain, so he went back to his brother and told him, “I want to work for you.” After mulling it over for a week, Bayard agreed to hire Teddy as an operations coordinator in the rapidly growing startup.

“From the beginning, I was concerned about favoritism,” Teddy says. But Bayard made it clear that Teddy would be receiving no special treatment. Teddy explains that on his first day of work, the two sat down together to set clear expectations: “Bayard said, ‘As your brother, I want you to learn from this experience. As your boss, I expect you to run through walls for me.’ The separation of the worlds was there from the beginning.”

Bayard also told Teddy’s supervisor to give him very direct feedback. “That honesty allowed me to excel,” says Teddy. “I knew when I was doing a good and bad job.” He also benefited from monthly evaluations where he would rate his own performance and colleagues would offer anonymous feedback.

The experience Teddy gained at American Giant proved invaluable when he decided to strike out on his own with a new idea. In 2015 Teddy launched his own company, Edward Field, which also sells American-made products: innovative wallets that hold smartphones. He credits Bayard’s no-nonsense leadership and advice with helping to inspire him.

“Setting expectations early is one of the most important things when working with family,” he says. “Separating work from home is key so you can have a healthy perspective.”

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