



Enterprising Rural FamiliesTM

Chat This Month

Reminder: The chat this month is scheduled for North America: Pacific Time- 6 p.m., Mountain Time- 7 p.m.; Queensland, Australia: Eastern Time-12 Noon. The topic is “*Complex Roles and Relations in the Family Business.*”

Suggested Progress by Group:

In order to stay current, by the end of this month you should be completed to:

Antarctic – 2nd Week of “Project” in Module 6

Arctic – End of Module 5

Atlantic – Second Week of Module 4

Baltic – End of Module 2

Bering – End of Module 1

Black –

Caribbean -

Coral –

Indian –

Mediterranean -

Pacific -

Contact e-mail for further course information:

information@eRuralFamilies.org

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COMPLEX ROLES AND RELATIONS IN THE FAMILY BUSINESS

Roles are expectations shared by both family and non-family members regarding the behavior of individuals within the family business. They involve beliefs about who does what and ways people ought or ought not to behave. For most people, work and family roles are separate. When at work one enacts roles such as boss, employee, or laborer. Such roles are left at work, and in the family new roles are taken on—parent, spouse, or child. In the family business, the work and family systems overlap, blurring and confusing roles. Individuals are required to assume different, often competing roles simultaneously. A myriad of potential roles must be negotiated—parent-child, co-worker-family, management-labor, boss-subordinate, founder-successor.⁶

Family Roles Develop Early

The roles people play in a family business are often an extension of the roles they play in the family. This can be problematic. For example, each person’s birth order in the family has implications for what they want to do or are allowed to do at work. There is often the expectation that the oldest will take over the business whether or not he or she is the best choice. And, in many families, the roles that each member is expected to play becomes solidified when the children are young. Families may have, for example, the “serious first-born” or the “carefree baby”. While these may have been characteristics the children exhibited when young, the expectation that they will continue to play these roles often plagues children into adulthood. While the youngest may indeed still be the one who enjoys a good time, he or she may also be a highly competent adult, ready to play an important role in the business. It’s important that in a family, and in a family business, members be allowed to become the person they want to be and assume roles that match their skills and abilities.⁴

In addition, most family businesses have deeply entrenched traditions. For example, in many businesses, the mother assumes the role of bookkeeper or secretary when she might be better suited as the investment manager or the supervisor.



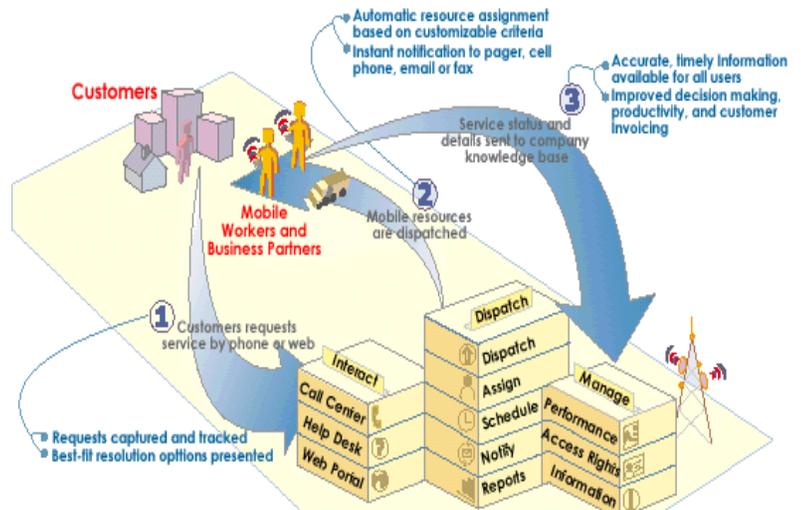
... in a family business ... allow an individual to assume roles that match their skills and abilities.



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Negotiate for Role Satisfaction

Therefore, to create a successful and dynamic family business system, roles need to be negotiated. These roles are negotiated through communication; and how well the negotiation goes will determine the family member's satisfaction with his or her roles. Factors producing satisfaction include clarity of roles, acceptable load or number of roles, consensus among all family members to role expectations, fit between requirement of the role and qualities of the individual family member, and whether the role is seen as important by the individual.¹ The greater the satisfaction with the clarity, role, consensus, fit and importance of roles following the role negotiation, the more positive the family member will be with the assigned role(s). The complexity of family roles is particularly evident in certain relationships.



Roles need to be negotiated in a successful family business.

Founder and Successor

Many individuals and the relationships between them have an impact on succession in the family business. Two key individuals are prominent in this relationship—the leadership founder and the leadership successor. Simply put, if these two get along well then managing succession and negotiating all the pitfalls becomes much easier. Assessing the relations existing between various important individuals and both the founder and successor will greatly help in facilitating succession processes. Does a founder have exclusive relationships with suppliers that are vital to the business? Have good relationships between a successor and important buyers been promoted by the founder and the business?

Several factors influence this relationship:

Communication: Open honest dialogue must ensue if participants are to adequately explore and deal with all the issues that arise during succession planning.

Readiness: When the founder is not psychologically ready to relinquish control the process can be unsuccessful. Conversely, the same is true when the successor is not psychologically ready to succeed.

Life stage: Whether or not both are at the appropriate stage of life to facilitate a transition must be addressed. The founder may not be ready to 'slow down' and neither may the successor be ready for the responsibility of leadership.

Values: Individuals involved in family business succession need to focus on identifying the individual, family and business value systems so that options and solutions which best accommodate the various values can be incorporated.²

Adult Siblings in Family Business

One of the more striking features of family businesses is that family and business role systems overlap. In family businesses parents typically keep control over their children in the adult work roles. In most non-family business families, siblings generally emerge from under parental control when they grow up and leave the house. In family businesses however, the ultimate power that a boss-as-parent holds over subordinates-as-children makes it difficult for the latter to acknowledge and express the full range of emotions that are part of parent-child relations. Expressions of anger or resentment by adults toward their parents may be inhibited when it means biting the hand that continues to feed you.

In addition, since all siblings experience some degree of rivalry; it is an inevitable feature of life in family businesses. To improve the effectiveness of family businesses, learning how to deal with rivalry is crucial so that brothers and sisters are motivated to express their individuality but still cooperate in the best interests of their family business. Rivalry becomes destructive when siblings lack freedom to choose their family roles, when they feel resentment toward one another, and when they have been denied opportunities for learning to solve disagreements because parents intruded in their attempts to do so.³

Women in Family Businesses

Women who choose to work in the family business often hear double messages: “Dedicate yourself fully to the business, but give the family children;” “Be independent and behave like a businessman, but be dependent, take care of the family and be a mother;” “Don’t take the business home, but let’s talk shop tonight.” Role conflicts can be particularly acute. To a woman in a family business, loyalty to the business—generally the force that drove her into it—is fused with loyalty to her family of origin while it competes with the intense loyalty and demands of her own nuclear family, especially if she has children. Naively, many women believe that they should be simultaneously and equally loyal to their family of origin, their family business, to their nuclear family, and to their own selves. There is no way these things can be balanced: they have to let go of something. A greater dedication to one area does not entail disloyalty to the others. This is the reality that women in family businesses need to accept.⁵

Conclusion

Family members who work together must constantly remind themselves that they wear several “hats”, assume many roles and engage in complex interactions. These roles and interactions must be clearly defined and managed so that the family is able to separate the business system from the family system. (Roles and relationships in a family business are explored in greater depth in *Module 1 of the Enterprising Rural Families on-line course*.) For more information on this topic and the management of rural family enterprises, check the Enterprising Rural Families website at <http://eRuralFamilies.org>.

Author: Randy R. Weigel, UW Extension Human Development Specialist

References:

- ¹Burr, W. et al. (1979). Symbolic interaction and the family. In W.R. Burr et al. (Eds). *Contemporary Theories About the Family-vol. 2*. New York: Free Press.
- ²Dunemann, M., & Barrett, R. (2004). *Family business and succession planning: A review of the literature*. Berwick, Victoria, AU: Monash University.
- ³Friedman, S. (1991). Sibling relationships and intergenerational succession in family firms. *Family Business Review*, 4(1), 3-20.
- ⁴Owen, L., & Howard, W. (1997). *Managing the multi-generational family farm*. Ottawa, Ontario, CA: Canadian Farm Business Management Council.
- ⁵Salganicoff, M. (1990). Women in family businesses: Challenges and opportunities. *Family Business Review*, 3(2), 125-137.



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