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THE BUSINESS NEWSLETTER FROM AUSWILD & CO
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Handling Underperforming Family Member Employees

"This is really frustrating! He comes in late, leaves early, takes long lunches and does not follow through on his assignments. I don't know what to do next. If he wasn't the boss's son, I would have fired him already. The worst part is, I am not sure how to handle this situation since he could be my boss in the future."

Have you been faced with a similar situation at work?

- If you are a manager in this situation, would you have had the courage to provide objective, honest feedback and put yourself and potentially your job at risk?
- How would you have handled this situation if you were the business owner parent?

Family members are attracted to the family business for a number of reasons. Most of our clients are thrilled to have their offspring involved in their businesses and many have high aspirations for their children. Family members can represent a profound asset especially if they enter the business with humility, adequate training, and meaningful prior work experience. These individuals tend to be a delight to have around and are relatively easy to manage. Conversely, entitlement, arrogance and a less-than-stellar work ethic can be problematic. So what happens when a family member does not carry his or her weight?

Managing this situation can be quite daunting to parents and also those asked to mentor and manage a rebellious family member employee.

Situations like this occur more often than you might imagine – and, the parents of the employed family member are responsible for reconciling this sort of situation. Parents basically have two choices: support the manager by holding their child accountable (and be willing to fire their child if coaching and redirection prove unsuccessful), or turn a blind eye to the situation. Talk about being caught between a rock and a hard place! The fact is, both choices have implications. From a parental perspective there is a risk that family relationships will suffer if accountability is enforced. It can be difficult, awkward and uncomfortable for parents to be mum/dad and boss at the same time. Avoiding the issue of a less-than-productive family member employee can reinforce the child's immature behaviour, impede the child's professional development and also frustrate managers/employees. Indirectly, morale and business productivity can also be impacted.

When it comes to hiring family members, there are some things business owners can do to help make them successful.

1. Hire For the Position – Not the Person

Job openings should be filled with people who have the credentials, skill set and demonstrated performance to do the job. A big mistake many family operated businesses make is forcing a family member into a role that they don't have the desire, qualifications or interest in performing.

2. Set Clear Expectations

Communicating job expectations at the beginning of the employment relationship is the best way to ensure a successful work experience. All employees (regardless of relationship) need to understand what is expected of them and what the consequences will be for not meeting expectations. This should be done when the employee is first hired and then on a regular basis throughout the employment relationship.

3. Defined Job Description

Family members, like any other employee, need to have a detailed job description that articulates key responsibilities, job tasks and employee goals. This description should layout reporting relationships and purpose of the position. When the employee begins they should have someone review the job description with them and provide any necessary training on office equipment or other job functions to ensure they are equipped and prepared to perform job duties.

4. Orientation to the Organisation

Whether an organisation is large or small there is a defined culture and new employees should be given a new employee orientation and information on the “unwritten” rules of the work environment. For example, helping the employee understand office norms, do’s and don’ts and cultural expectations. This helps prepare the employee for a positive work experience.

5. Performance Management

Performance management should be incorporated into all business functions and should be based on objective data. This includes creating job descriptions that are tied to business goals. If family members don’t meet performance objectives they should be dealt with the same as any other employee and should be transitioned out – regardless of whether or not that person happens to have the same last name as the owner.

6. Tough Call

Business owners sometimes need to be make the tough call and put business objectives over family relationships. This can be difficult but is critical to success. When family members are not required to carry their own weight, are unproductive or given special privileges, it can affect the morale of the entire work group. This kind of practice undermines employee engagement and works against achieving business results.

Business owners should work diligently to develop and implement policies for Family Member Employment and Expectations prior to employing any family members. This critical information should then be communicated to all family members so that everyone in the family clearly understands the prerequisites and expectations of employment in the family business. Having clearly defined expectations can minimise emotions and establish protocols when it comes to dealing with family member employees. It can save a lot of heartache and assist in preserving family relationships.

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CONGRATULATIONS to **Jim Hallahan** at Clancy’s Motor Group, Bathurst who clocked up 60 years of continuous service. *Jim you truly are a “legend and stayer”!.....CONGRATULATIONS* also to **Andrew & Tahnee Kittle** (Peter Kittle Motor Co, Alice Springs) who welcomed Harper Grace to the family this month.....*Birthday greetings go to Jan Dolan-Brown, Grace Koureas, Mose Savea and our own Greg Jepsen, all of whom celebrate special birthdays this month. HAPPY BIRTHDAY* to you all.....**CONDOLENCES** to **Hec Finn** and family on the passing of Hec’s wife, Margaret.....and our **BEST WISHES** for a speedy recovery to **Greg Brabham** who recently had hip replacement surgery.