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When colleagues are family

Avoiding common pitfalls to family business success

By Carrie Madren

EMPLOYEE DYNAMICS ALWAYS present challenges, but when workers are also siblings, spouses, children or parents, the daily grind can become even more complicated.

“It can get really sticky at times,” says Jeff Shemia, Costco member and president of home health-care company Girling Health Care of New York.

At best, families get to enjoy collaborating as they earn their living. In the worst case, “family members can have a sense of entitlement—they may feel like they can’t get fired, so to speak,” explains Shemia, who works alongside his wife, two brothers and in-laws.



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The Johnson and Copley families form the business core of *PickleballCentral.com*.

But by recognizing potential pitfalls and taking steps to avoid conflicts, family businesses can enjoy the unique advantages of time together on the clock.

Navigating rough waters

A lack of boundaries between home and workplace can create tension, explains Janna Hoiberg, Costco member, family business coach and author of *The Family Business* (see “Resources” on page 24). “When you come

home at 7 p.m., usually the last thing you want to do is talk about work,” says Hoiberg. “There’s never an off switch unless you’re intentional about creating it.”

Costco members and spouses David Johnson and Anna Copley of Kent, Washington, who founded *PickleballCentral.com* eight years ago, know the difficulties of shutting down work at the dinner table. “Working with a spouse, you’re with them all the awake hours of the day, so you don’t have the break that a typical family has,” says Johnson. If there are dinner-table tensions, the spouses agree to talk about the issue at work the next day.

Even co-worker relatives who don’t live together must stay aware of pitfalls, including a lack of clearly defined roles and responsibilities.

“A lot of times, in a family business, they don’t have those roles and responsibilities laid out cleanly. People just pick up and do what needs to be done, so things fall through the cracks,” Hoiberg says.

Jobs and responsibilities should be based on an individual’s strengths, Hoiberg explains. That means that detail-oriented people should manage finances, while some-

one who loves customer interaction, not manufacturing logistics, should be in sales. In the end, occasionally it may make more sense to hire a non-relative who can do a job well.

At the same time, make sure to treat non-family workers the same as family members—by offering equal advancement opportunities and pay, for example—or resentment could take root.

Generational differences may kick up some dust, too. Baby boomers who have spent

decades building a business may be reluctant to update daily operations when their adult children begin taking on leadership roles.

“The millennial generation looks at things differently, and when Junior comes up, the parents have a hard time transitioning the business because they’re not sure that Junior will run the business in the same way that they did,” Hoiberg says. That’s true: The younger generation will likely have modern ideas and current technology solutions.

“But that’s also what’s going to allow the business to grow and succeed,” says Hoiberg, “because business is different today than it was even five years ago.”

Finding balance

It takes finesse to find balance between making employee-relatives feel heard and running a professional shop. Garth Watrous is a Costco member who co-owns Head’n Home

CONTINUED ON PAGE 24

Tips for a balanced family business

- Ensure roles and responsibilities are clearly defined by putting job descriptions in writing.
- Match individuals’ abilities, skills and interests to their role in the business.
- Keep emotionally charged family matters out of the workplace and stay professional on the clock.
- Treat family and non-family employees with the same fairness, consideration and respect.
- Make the decision that is best for the business, even if someone’s feelings get hurt.—*CM*

FAMILY BUSINESS

CONTINUED FROM PAGE 23

Hats in Freedom, California, with his father, Gary. Other family members in the business include Garth's mother, Gary's current wife and Garth's wife, uncle and sister-in-law.

To juggle so many opinions, the father-son owners have learned to create a balance between allowing employees to have a voice through an open-door policy and doing what's best for the company.

"Run the business as a business first, and as a family-owned business second," Hoiberg

advises. Bosses must make logical decisions rather than emotional ones, even when family members' feelings are on the line.

In addition, staff at all levels must keep family issues, rivalries and feuds at bay during work hours. If kin can't stop butting heads on business decisions, perhaps it's time to move on, Shemia says. He advises that parting ways with the employee—the employee either quits or is let go—could be the answer.

In the end, family and non-family employees alike must respect the business decisions of the boss. That's where having a tough skin helps: "I don't care that much if someone's feelings get hurt," Watrous says, with regard to business decisions. "Family dinners can get awkward, but you get through it."


Family unity

In exchange for workplace drama, family members bring passion, loyalty and commitment, says Watrous.

"You will trust your family more than anyone else," Hoiberg agrees, which can help the business to grow. Hoiberg has heard numerous family business owners remark that their trust of their employees doesn't rival their trust of their employee-relatives. "They know the family member is watching their back," she says.

In addition, no one knows your personality, as well as your strengths and weaknesses, better than your family, explains Shemia, who tends to be straightforward and jump right in to an idea, while his wife and brothers are more conservative, and skeptical.

"You have to have a balance of personalities in a business to keep things on an even keel," Hoiberg says.

In the end, working together with people you care about can offer job satisfaction like no other. "There's no one I'd rather do this with than David," Copley says. "It is a dream come true to work together." 

Carrie Madren (carriemadren.com) is a freelance writer based in northern Virginia.

Resources

- Janna Hoiberg's *The Family Business* (Harvest Enterprises Press, 2013; not available at Costco)
- *Family Business Magazine*: familybusinessmagazine.com/
- U.S. Small Business Administration's website and local offices. For example: sba.gov/blogs/running-family-business-within-law-0
- University of San Francisco's Gellert Family Business Center: usfca.edu/management/gellert
- Loyola University Chicago Family Business Center: luc.edu/quinlan/fbc/—CM

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