



TRANSFORMING VISIONS INTO RESULTS

WHITE PAPER

Communicate for Success



You might be surprised at how many issues in the workplace and in general could be overcome via thoughtful communication. We will focus first on the family business and the issues that can cause family businesses to fail. We will then transition to explaining the importance of communicating to avoid negative outcomes.

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Why Family Businesses Fail



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Why Family Businesses Fail

While some people can't fathom having their mom or dad as their boss, or working side-by-side with a sibling, others really enjoy building a successful business as a family. As you might suspect, however, family businesses face unique challenges.

The following Top 10 list might not make you chuckle like one created by David Letterman, but it's worth reviewing if you work in a family business or are considering joining one. Here are the top 10 reasons family businesses get derailed:

- Fear of conflict
- Avoidance behavior
- Undefined/non-discussed expectations
- Unmet expectations
- Sense of entitlement
- Differences in business philosophy
- Lack of predictability and consistency
- Lack of accountability
- Different rules for family and non-family employees
- Discrepancy in work values

It's fairly easy to run into any number of these pitfalls—and the result is going to be dysfunction. That causes chaos at the office that often spills over into family members' personal lives, since the boundary between time on and off the clock can be a little hazy.

What causes these problems can be anything from power struggles, hidden agendas, and compensation issues to entry/promotion issues, succession planning, ownership challenges/who has power, and difficulty respecting boundaries. Regardless of the issue, however, the behaviors or feelings leading to it are usually the same, and can include:

- Feeling patronized or not taken seriously
- Needing love and recognition
- Lack of trust or respect
- Favoritism
- Fairness issues

Overcoming Challenges

Overcoming Challenges

Are you wondering how any family business can survive in the face of all these potential issues? There are a number of strategies that can be used to overcome these challenges, and at the root of the solution is communication. For instance, every family business should incorporate the following two practices into its operating procedures:

- » **Regular communication.** It's surprising how many times family members feel out of the loop with respect to what's going on in the business. Communication can occur through formal family councils and meetings, where the agenda is business-focused, as well as through informal channels like family retreats, dinners and vacations, where business and non-business topics are discussed.
- » **Regular education.** Never assume family members have the requisite skills in effective communication, conflict resolution, listening, negotiation, assertiveness and other areas that are crucial to business success. Provide ongoing training to ensure all family members have the knowledge they need to add value to the business and do their jobs well.

When conflict does occur, it's important to separate the person from the problem. This is true when resolving a conflict with anyone, but it's especially critical when dealing with family members. Attack the problem rather than the person and focus on your interests rather than your position; make your interests known, but also understand those of the other person...and make it your goal to create a win-win situation based on mutual gain.

Simple conflicts, those occurring in the "here and now," can often be quickly resolved. More complicated conflicts—those with a lot of history behind them that may revolve around family issues—must be approached in a more structured manner, perhaps via rules of governance.

There will be fewer opportunities for conflict if you've clearly spelled out business "rules" such as:

- Entrance requirements
- Paths to promotion
- Salary schedules

These rules of governance provide documentation to back up your positions and also promote a sense of fairness, something that's especially important to the non-family members of the business. Above all, you must treat family members like any other employee, with one major exception: it might be to your benefit to find another way to compensate—through an inheritance, for example—family members who need to stay home because they're non-functional at the business.

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Let's say you're not employed in a family business. That doesn't immunize you from facing communications issues and perhaps having to participate in difficult conversations. The first approach most people take is usually to postpone—which doesn't solve anything and can actually make things worse—for a number of reasons:

- We believe the potential outcome may create discomfort and we're not prepared to deal with the consequences.
- Avoiding the situation feels less stressful than confronting it, so we're controlled by approach-avoidance or passive-aggressive behavior syndrome.
- We tend to "catastrophize" and have irrational thinking about uncomfortable situations. (The reality is never as bad as we imagined, right?)

The bottom line is likely this: most people won't initiate difficult conversations until they're miserable enough to do so. Unfortunately, in some cases that may be too late, especially if the conversation results from a "trigger moment," when it can spin out of control.

Ask yourself what price you're paying by not having a tough conversation, and when you're ready to be proactive, there are just two essential steps you need to take:

- Thinking—deciding/making the difficult decision to have the conversation
- Taking action—learning the skills you need to have the tough conversation and using them

Your thinking process begins by having a conversation with yourself: "discuss" what happened; explore intention, truth, and blame; and understand that the goal of the difficult conversation is to minimize hurt, anger, and guilt while allowing for as much integrity as possible. It's important that your behavior be based on learning, rather than judging. These are some of the issues Marilee Adams, Ph.D., addresses in her insightful book, *Change Your Questions, Change Your Life*. Ask yourself questions like:

- What do I want?
- What are my choices?
- What assumptions am I making?
- What am I missing or avoiding?
- What action steps make the most sense?

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And, most importantly, “How can I turn this into a win-win situation for everyone?”

When you take action, listen non-defensively, hear the other person’s perspective, and acknowledge it—even if you don’t agree. Avoid using global generalizations like “you always” or “you never” and don’t attack the person; instead, describe behavior, provide objective data, and identify your ideal outcome for the conversation.

There are two things to never lose sight of as your conversation moves forward: your preparation won’t necessarily eliminate your discomfort, but minimize it, and your behavior will affect the other person’s, so it pays significant dividends to remain calm and focused on the matter at hand. Whether you’re dealing with a family business issue, an issue at a workplace that’s not family-run or a personal matter, the way you communicate will have a lot to do with how things get settled and everyone involved moves forward.

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About Dr. Denise P. Federer

Clinical psychologist and executive coach Dr. Denise P. Federer is the founder and principal of Federer Performance Management Group, LLC. She brings more than 20 years experience as a clinician, researcher, speaker, author and consultant to her work as a performance coach.

Dr. Federer, who received her B.A. in Psychology from the Honors Program at the University of Michigan and her PhD in clinical psychology from Nova University, is an expert in stress management, health and wellness, communication styles, performance enhancement and motivational strategies. She has extensive experience providing guidance to leading U.S. firms and their executives and in private practice as a psychotherapist to couples, families and individuals—an intense focus that has led to her interest and expertise in peak performance coaching and in the unique dynamics of closely held and family-owned businesses.

Dr. Federer is a member of the International Coaching Federation (ICF) as a credentialed Professional Certified Coach (PCC). She has also received certificates in Family Business Advising and Family Wealth Advising. Her professional affiliations over the past twenty four years include the following:

- National Register of Health Service Providers in Psychology
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