

**MAST**  
**Human Resource Management**

## **6. Managing a Family Workforce**

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## **Why are working relationships important?**

You live with these people

This is your livelihood

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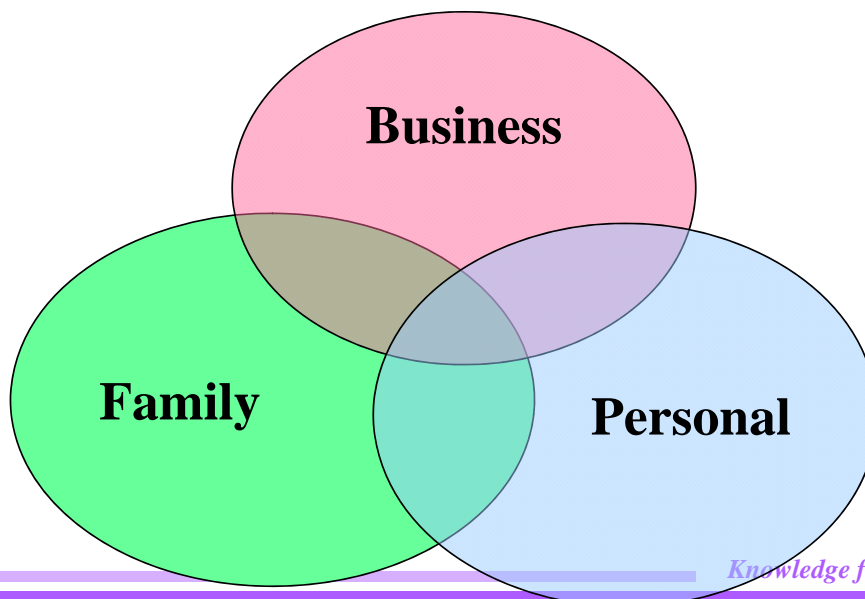
## Reasons I must be crazy for talking about this...

- No one should ever call herself an expert about families--even their own
- The only thing more personal and volatile than families are family businesses
- There's no typical family--no typical family business
- When it works--it's beautiful. When it doesn't work--it's ugly!

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## The 3 Roles in a Family Business



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# Finding The Balance

- Job Descriptions for every person/every role
  - Wife/ Mother/ Financial Manager
  - Husband/ Father/ Production Manager
  - Son/ Husband/ Production Assistant

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# Compensating Family Members

- Yes, you have to do it!
- Compensation packages should be equitable

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# Equity

- Internal Equity--fairness between employees in the same business
- External Equity--relative wage fairness between many farms or businesses.

*If either internal or external equity is violated  
employees will adjust their performance*

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## Internal Equity for family members

- This is an important when comparing family member employees to non-family labor
- It's also vital when comparing family members who are or are not involved in the operation
  - Consider your estate plans
  - Consider your transition plans

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# Family Communication

- Family and Business Communication
  - remove the communication barriers
- Communication forgives most sins
  - the “hazard lights phenomenon”
- Teach newcomers the language
- Get things in writing
  - handbooks
  - evaluations
  - job descriptions

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# The Communication Test

- Every person within your business should be able to make the following 4 statements:
  - I know what to expect.
  - I know what’s going on.
  - I know how I am doing.
  - I know how we are doing.

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# Concluding Comments

- Family-based businesses can be incredibly efficient, rewarding places to work
- Remember why family members have chosen to be a part of the business
- Know who you're mad at
- Consider your estate planning and transition planning needs
- Compensate fairly and equitably

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## Questions?

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