

Version Date: 6 Feb 2014

FAMILY EMPLOYMENT POLICY WORKSHEET: DISCUSSING THE PROS AND CONS OF OUTSIDE WORK EXPERIENCE

The purpose of this work sheet is to help business owning families to carefully explore the topic of whether “outside work experience” should be mandatory for all family members before they can apply to work in the family firm. This work sheet should be completed by all relevant family member stakeholders either as part of a family meeting, or before the family meeting. Once all family members have completed the work sheet then the scores can be compared and the work sheet should be discussed by all at the family meeting. The end result of this discussion can then be incorporated into a written family employment policy.

Instructions

Please circle a number from 0 to 5 to indicate if you disagree with or agree with the statements listed in each of the four Parts to this worksheet.

0 = Disagree, 1 = Can live with the statement, 4 = Agree with the statement, 5 = Very strongly agree.

Part 1(A) – What are the <u>benefits</u> of first having outside work experience?							
Young adult family members who work <u>outside</u> the family business for between 2 to 5 years before they apply for a job in the family business receive the following <u>benefits</u> as a result:							
		Disagree ...can accept the statement . agree ...V strongly agree					
		0	1	2	3	4	5
1	They get to learn the grass is not always greener on the other side of the fence.						
2	They can make their early mistakes somewhere else where they are not being watched by everyone.						
3	This helps them learn to be an employee, and to learn about business in general.						
4	It gives them a chance to stand on their own two feet, to have to learn to look after themselves, and to mature into adults; in short it helps them to grow up.						
5	When they work outside of the family business, they can be judged for who they are, not for who their family is; they can trust the feedback that they receive.						
6	It is important for young adults to build a sense of self-esteem to know that they can succeed on their own, and that any successes are because of their own effort, not because of the family name.						
7	They can learn new ideas and new way of doing things which they can later bring back to the family business. They can learn specific skills (e.g. investment banking or asset management skills) that they could not learn from the family business.						
8	We are facing increasing globalization of business. The next generation need to have the skills to lead their families in new directions in the future while respecting their legacy traditions.						
	Add up the score for each of the above questions to get a Total score for Part 1(A)	Part 1(A) Total =					

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Part 1 (B) – What are the <u>disadvantages</u> of first having to get outside work experience before you can join the business?							
If family members work outside the family business before they can apply for a job in the family business there are the following <u>disadvantages</u> from doing so:							
		Disagree ...can accept the statement . agree ...V strongly agree					
		0	1	2	3	4	5
1	If they do not go straight into the business, and other family members of their generation do, the latecomers will be at a disadvantage. All the good positions will have gone by the time they enter the business.						
2	If the next gen first go and work outside the family business, there is a risk that they will never come back to join the family business, and it is critical that there are family members who can lead the business in the future.						
3	If the next gen first go and work outside the family business, there is a risk that they will learn the wrong values.						
4	The things that they learn may not be relevant for working in our family business when they come back.						
5	There might be conflicts because they learn a different way of working and doing things than we use here in the family firm.						
6	They would have greater exposure and more opportunities if they join the family business straight away where they can immediately start in a more senior role.						
7	While they are away, they won't get special treatment. They won't get mentoring from family members.						
8	There is no guarantee that they will take the work very seriously while they are away. It could all be a waste of time.						
Add up the score for each of the above questions to get a Total score for Part 1(B)		Part 1(B) Total =					
<u>Now calculate the Net Score for Part 1</u> by taking the Score for Part 1(A) and subtracting the Score for Part 1(B)		Net Score for Part 1 =					
i.e. Net Score = (Part 1(A) score – Part 1(B) score)							

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Part 2(A) – What are <u>the benefits</u> of going straight into the family business after your studies are over?							
If family members go straight into the family business after finishing their education (i.e. as full time employees) it has the following <u>benefits</u> :							
		Disagree ...can accept the statement . agree ...V strongly agree					
1	The best persons that the next generation can learn business from are their parents / uncles / aunts etc.	0	1	2	3	4	5
2	The best persons to teach the next generation the right values and principles are their parents / uncles / aunts etc.	0	1	2	3	4	5
3	We have plenty of good experienced non family managers that they can learn from in our own business.	0	1	2	3	4	5
4	Family members need to start at the very bottom and to work their way up.	0	1	2	3	4	5
5	I /we need them to help out in the business asap. I/we can't wait any longer.	0	1	2	3	4	5
6	Bringing the next gen straight into the family business gives them a chance to bond with the non-family executives that they will have to work with in the future.	0	1	2	3	4	5
7	This is what happened to us / this is how we learned the business – and we have been successful; this is the way things are done in our family.	0	1	2	3	4	5
8	It is critical to ensure that there are family members who can be groomed to be the next generation of family leaders. We cannot risk them being allowed to go somewhere else.	0	1	2	3	4	5
	Add up the score for each of the above questions to get a Total score for Part 2(A)	Part 2(A) Total =					

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Part 2(B) – What are the <u>disadvantages</u> of going straight into the family business after your studies are over?							
If family members go straight into the family business after finishing their education (i.e. as full time employees) it has the following <u>disadvantages</u> or risks:							
		Disagree ...can accept the statement . agree ...V strongly agree					
		0	1	2	3	4	5
1	If the decision is made while they are young, there is a risk they will quit the business when they get older because they will not have genuinely made their own commitment to be in the business.						
2	There is a risk that young inexperienced family members may not understand how to navigate their way around the family business, and if it is a bad experience for them they will quit.						
3	If the new family members come into the business and act like they are the “sons of the boss”, not employees, this can upset and demotivate the non-family employees and managers, (who might, in extreme cases, decide to leave).						
4	Young adults need the chance to try out different options and to explore different possible careers so that they can settle down when they start to reach their thirty's.						
5	If the next gen are going to work in the family business for the rest of their life, why not give them a chance to experience something different before they come back into the business.						
6	At that young age it is hard for sons to learn from their fathers.						
7	If the parents or family members are too busy the next gen actually won't get the guidance and feedback that they need. (It is very hard for a young family member to get regular professional feedback and performance assessment and career path planning in a family business.)						
8	There are other ways for the Next Gen family members to help out the family apart from having to take on an employment/management role.						
Add up the score for each of the above questions to get a Total score for Part 2(B)		Part 2(B) Total =					
<u>Now calculate the Net Score for Part 2</u> by taking the Score for Part 2(A) and subtracting the Score for Part 2(B) i.e. Net Score = (Part 2(A) score – Part 2(B) score)		Net Score for Part 2=					
Finally, which is Greater? <u>Circle</u> the Part with the highest net score		Part 1 / Part 2 has the highest score					

Scoring:

1. If the Net score for Part 1 is greater than the Net score for Part 2 this points to there being more reasons in favour of a practice of ensuring that family members have the opportunity for outside working experience before they enter the family business.
 - *This points to a family employment policy rule which requires several years of outside work experience before being eligible to apply for a job in the family firm.*
 - *However, the family meeting should still consider if there are any strategies that could be adopted to avoid the kinds of “downsides” listed in Part 1(B).*

2. If the Net score for Part 2 is greater than the Net score for Part 1, this points to there being more reasons in favour of having the Next Gen come straight into the business.
 - *In this case the family meeting should consider what strategies can be adopted to avoid the “downsides” listed in Part 2(B);*
 - *The family meeting should also consider what strategies they can adopt to still achieve the “benefits” listed in Part 1(A) even while going straight into the family business; and*
 - *It can also be helpful to look at examples of how other similar family firms have addressed this issue.*