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Review of working for a family business: A non-family employee's guide to success.

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Book Review

Working for a Family Business: A Non-Family Employee's Guide to Success by Christopher J. Eckrich and Stephen L. McClure. Family Press Publishers, 2004. 82 pp., $19.85, paperback. ISBN: 1-891652-13-3.

Working for a Family Business is an excellent paperback for its scholarly content and practical advice for professionals. This slim volume having 76 pages of text can be read in two or three soundly invested sittings. The overall cast of the book features a well-structured presentation chock full of well-appointed substance. The content is driven by theoretically grounded thinking and made richer by illustrated lessons of experience. The book throws much light on many real-world family business entrepreneurial settings in a way that is instructive, relevant, and sophisticated. It is useful for both scholars and practitioners.

Most Americans would be surprised to know that 37–47% of companies listed in the Fortune 500 can be described as "family businesses" (Astrachan & Shankar, 2003). Eckrich and McClure build on this relevance as a foundation to illustrate how family firms make significant contributions to the worldwide economy and are more flexible and creative with regard to how they conduct business. At the same time, unique and complex issues related to governance of these firms are made clear. This is facilitated over the course of the first few chapters via an articulation of family businesses as hybrid organizational forms with peculiar governance characteristics. In particular, family businesses are described via a series of systems within realms of (1) ownership, (2) family, and (3) business. By presenting these systems in a Venn-type diagram (p. 8), Eckrich and McClure are able to describe many aspects of family business organizations and the individuals who work in them through a simple conceptual model illustrating how these various systems may interact. For example, many individuals working in family businesses are nonfamily members and do not have equity stakes in the business. At the same time, other nonowner employees of the organization may in fact be members of the family. Further, other organizational members may own part of the business but not be part of the family. Eckrich and McClure illustrate each of these roles vis-à-vis one another by tracing out competing demands and responsibilities via their three-part conceptual model. This adds context and order to what is otherwise a confusing set of dynamics. Specifically, overlap between the three realms highlights active relationships that drive family business activity, which is extended into another integrated model of family business governance (p. 10), including (1) family member-shareholder, (2) family council-board of directors, and (3) family-council-president-CEO linkages. Although a full model of governance is outside the book's scope, both models maintain relevance throughout the book in the context of topic areas such as handling conflict, passing the business on to the next generation, "family-first" versus "business-first" organizations, and handling crises (e.g., leadership vacuum, stagnant strategy).

Although researchers of family business will appreciate *Working for a Family Business*, it is

written primarily for practitioners and, in particular, nonfamily employees of family businesses (e.g., Chapter 10 is called "More Understanding of the Soup You're In"). The book delves into some of the specific issues practitioners face and the writing style is informal, solid, and enjoyable. For example, regarding circumstances where readers may have to work with generous founders of a family business as well as their "cutthroat" sons or daughters, Eckrich and McClure explain (p. 59):

> when younger generation family members speak of accountability and make changes that are seen as insensitive to the past sacrifices of employees, the culture is being adjusted. There may be tension between the generations while the culture shift unfolds, perhaps in the form of replacing a vice president of sales that has been Dad's right hand forever. Yet, it is often not as extreme a shift as it is seen to be initially. It may be the case, and often is, that some non-family employees have become less valuable in their roles as the business climate has changed. Younger family members may be eager to have the business perform to its potential and they need a strong organization that responds to their vision of the future. Sometimes they may come across as too strong and may not always use the most diplomatic means when making changes—but recognize that change is coming and it does not mean loyalty is no longer important.

The day-to-day functioning and challenges that occur in family businesses are described in a style that is similarly rich throughout the book, tracing a balance between the realities of family loyalty and the need for business performance. The nonfamily employee is described as an almost necessary lynchpin who helps maintain this balance via an integral strategic role by bridging gaps (e.g., between generations), demonstrating flexibility to younger family member employees (and respect for tradition to older ones), and thereby recognizing and helping all family business employees see the unique nature of change in their organization.

One especially practical aspect of *Working for a Family Business*, offered near the end of almost every chapter, is cut-and-dried simple advice for dealing with the complex issues that can develop in family businesses. Presented in sections entitled, "What You Can Do," these frequently include a table of information or enumerated list of steps. For example, in the case of a "family-first" business that values family loyalty over business strategy and performance, three helpful tactics are presented for nonfamily employees seeking career advancement within the organization. First, by seeking greater trust, responsibility, and compensation without seeking titles, nonfamily employees are able to effectively use loyalty as a strategic lever for their own advancement. Second, by initiating change quietly, nonfamily employees work with the flow and introduce strategic changes that fit with the culture and values of the organization. It is recommended that the "forgiveness route" be followed in circumstances where change is needed—that is, just do it; make the change and, if necessary, ask for forgiveness later. Finally, by always seeking to recognize that being part of the family also means being part of the business, what nonfamily employees should (or should not) do to achieve maximum performance becomes clearer.

Three chapters (5, 6, and 7) include tables at the end entitled "Traps to Avoid." These tables present useful enumerated lists of ways to avoid some of the challenges that can arise for nonfamily employees working in family businesses. For example, one trap to avoid when trying to maximize individual career success is "emphasizing past loyalties in hopes of avoiding difficult change." This can lead to future nonperformance on important strategic issues. Rather, such loyalty (e.g., training a family member to be a better

manager) places one in a better position to engage new strategic challenges (e.g., helping make resource allocation decisions) by raising accountability. This is because, as noted above, family and business are truly part and parcel in family businesses.

A general point made by *Working for a Family Business* is that it takes time to understand a family business. Each one is patently unique. Thus, Eckrich and McClure advise the reader to keep an open mind about the experience of working in such an organization because family businesses are different than other companies. The book does a decent job of making rational arguments that explain why the unique factors of family businesses (e.g., sibling rivalry, nepotism, generational conflict) need not be threatening to nonfamily employees. For example, family businesses tend to be less bureaucratic and more flexible than other companies, and this can provide affordances to handle competing demands from key players in the organization. Overall, the book shows that knowledge of the unique nature of family business can be empowering to nonfamily employees, particularly in the sense of a third party with the potential to add value from an objective, wise perspective. This derives from the conceptual framework adopted by the book, which integrates family, culture, and strategy. Thus, instead of isolating the family from the business, *Working for a Family Business* advises nonfamily employees to integrate the two systems as much as possible. Once this is done (again, it does take time), strategies for staying out of trouble and achieving success become clearer. For example, the reason for not siding with one family member or generation versus another one in a family business is not straightforward when seeing the family and the business as mutually exclusive. Rather, seeing these two aspects of a family business as integrated recasts such conflict as part of the cultural rules or dominant logic of the organization (i.e., not dysfunctional). In this sense, conflict could be seen as a discovery procedure, revealing options that otherwise would not be apparent. By extension, as organizational culture and strategy impact one another, there are now strategic implications (e.g., the conflict may function as a driver of innovation, corporate entrepreneurship, or just finding new ways to do things).

By the time I was halfway through *Working for a Family Business*, I became aware that its greatest strength is its organization. Not only are key points digested into tables and lists (as mentioned above), but section headings are used liberally; they follow from each other and sometimes are even numbered within some of the major sections. This gives the book a very functional cast and its utility is not unlike a handbook or manual. Indeed, it is a "guide" to success written for practitioners, as the title indicates, and the authors do a remarkable job of achieving this objective. As well, there are 13 suggested additional readings and a detailed index of names and topics.

Another particularly strong and positive quality I found in *Working for a Family Business* is its usage of and reliance on conceptual frameworks to explain the complex reality of family businesses. This begins with the models of family businesses and governance described above. Also included is a framework for comparing junior and senior members of the family in terms of fiscal orientation, control, family/business orientation, and family pride (p. 32). That model is also replicated on the inside back cover of the book for easy

reference. These models and their presentation are not as rigorous as those presented in most scholarly publications; however, they are scholarship based (e.g., the governance model draws from in-depth work by Aronoff and Ward (1996)), and they have been simplified to make them clear to readers.

On the whole, *Working for a Family Business* provides readers with a greater understanding of family business as a concept. From this, scholars and practitioners are sure to come away with a broader understanding of how family businesses differ from regular companies. Indeed, it becomes clear that the "rules of the game" in family businesses are different, and so the paths to individual career success are different, too. At the same time, detailed presentation of concrete and real-world factors (e.g., traps to avoid) for achieving success strikes the critical balance between theory and practical know-how that many books "for business people" fail to realize.

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