

Who's Responsible for What in Career Development

By Amy Schuman, The Family Business Consulting Group, Inc.

Nothing could be more important to the continuity of a family business than the preparation of next generation leaders — both family and non-family. Yet, career development is often neglected in family firms. Family business founders and CEOs frequently take an attitude of sink or swim toward the next generation. That's how I did it, they may say. Most family business leaders want to nurture next generation development, but do not know where to begin.

Sink or swim is unlikely to provide an expanding and increasingly complex business with the leadership required for continued success. Talented leaders may emerge on their own, but the odds don't favor that result. To improve the chance of survival and success across generations, a family business should engage in a deliberate program of planned, strategic career development.

Who's Responsible for What?

Nearly everyone plays a role in career development in a family business. Here is how those roles shape up:

The family serves as the guiding light. It provides the overall vision and values that frame the entire process. If the family holds a strong belief in work-life balance, it might encourage family members to consider working part-time while their children are young. By contrast, another family might say, Anyone who chooses to work part-time will never be seriously considered for a top management position. Another family might place great emphasis on community involvement, saying, We expect our leaders to serve the community in some way. If so, voluntary activities would become a part of career development.

The family also establishes, hopefully in writing, the policies that govern employment and promotion of family members in the business. An employment policy

sets forth answers to such questions as: Do we always want to develop a family member as the CEO, or will we select the best person for the job, family member or not? Do we want to actively encourage the next generation to work in the business? What are our requirements for family members who want to join the business? What are our criteria for promoting family members? Shall we make internship opportunities available early on to kids, whether or not they are motivated to work in the business?

If a board of directors has been charged with the responsibility of choosing successors for the company's top leadership positions, family members need to resist lobbying the board. It's important that they accept and support the board's decisions, even when outcomes are not precisely what family members hoped for. If there's no board, a fair career-development process itself helps to lessen family politicking around promotion decisions. However, the family needs to agree to abide by the results of the process and to avoid behind-the-scenes maneuvering. It helps to devote time at family meetings to explain the career-development process so that family members fully understand and give it their full support.

The board of directors holds the company's top management accountable for defining competencies needed for the future and for making career and leadership development a priority. It supports management's efforts to devote adequate resources, time and attention to the process. It shows its commitment and intent by regularly asking about and discussing leadership and career development. Board members regularly check in on the topic with the CEO and other key executives by asking, What are you doing about developing your successors?

Where active boards exist, they have the final responsibility to select successors for key company positions. Board members can make it known that they want to interact with high-potential candidates who have the performance record, skills, knowledge, and experience to fill future strategic needs. Indeed, presenting to the board is an outstanding developmental experience.

The individual that is, the person whose career is the subject of development is responsible for his or her own learning and growth. If that's you, it means pursuing development and growth through education, job experience, and community service wherever you can find opportunities to stretch yourself. You must understand yourself; define your talents as you see them, think about what you really want and what makes you happy. Seek feedback and act on it. Be willing to try something new and be willing to change. Be open to the fact that you can change even if you're 50 years old or more. It's never too late. Even if you get discouraged and upset, try to maintain a positive attitude. One family member became very discouraged by the feedback she received but she finally made the decision that she wanted to continue with the process. I can do better and I want to do better, she said. She knew the responsibility was in her hands.

The organization, meaning top management in the family business, is responsible for initiating, designing and implementing a career-development process that will assure future leaders for the organization's needs. Top management may delegate the actual responsibility to someone else, such as a human resources director, but management is ultimately accountable for results. Management must define the key competencies called for by the company's strategic plan. They must make development and growth opportunities available and budget for them. Management makes sure that people get support for their education in terms of time and financial resources. Management also makes sure people are mentored and coached as needed. And, most important, management sets the bar by providing honest, constructive feedback to individuals who report to them.

The Role of Non-Family Executives

The support of non-family executives is essential to successful career development in family businesses. In

many family businesses, family members are expected to hold top positions. In these cases, non-family managers must understand and accept with grace the fact that they will never be CEO. They must truly be devoted to the development of the next-generation of family members. These non-family executives are to be prized and shown appreciation by the family. The teaching they offer and the feedback they give to young family members reflects incomparable generosity. Reward such non-family executives well.

Be aware, however, that this kind of support for career development is not always present particularly when it comes to preparing family members for future leadership. A non-family manager may not have his or her heart fully engaged in the process of bringing young family members along in their careers. Often such non-family managers cling to an ill-founded belief that they will one day be CEO, no matter how clear the family thinks it has made themselves that only a family member will hold the top position. When non-family executives nurture this illusion, they may sabotage the development of high-potential next-generation family members. They may assign family members to tasks beyond current abilities or withhold support or information needed for success. Non-family managers also have been known to foster dissent or gossip worrying parents unnecessarily.

Be clear with non-family executives when the family has set a goal of keeping family members in the top spot. Be prepared to take action if a non-family manager doesn't get it and, as a result, undermines the career-development process.

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Amy Schuman is a senior advisor with The Family Business Consulting Group, Inc. She can be reached at 847.329.9880 or schuman@thefbcg.com.

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