



Working in a family business

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Miruna Radu Lefebvre, Chair of Family Entrepreneurship and Society at Audencia Business School, France, on working in a family business

A few months ago, just over 100 French students studying a wide range of programmes such as business studies, communications and architecture, took part in a survey on employment in family firms. Family businesses are by far the biggest employer in France touching on sectors from centuries-old winemaking to newly-launched high-tech outfits. However, despite this plethora of family-run companies, such employers are facing a real challenge: that of recruiting just the sort of profile embodied by the students surveyed.

The problem seems to be, in part, one of size. After wide-ranging and often costly diplomas, the young managers and specialists who graduate in general tend to prefer larger companies to smaller ones. They also seem to share what can only be described as a rather distorted image of family businesses. By asking them to participate in a survey on the subject our aim was to identify the particular issues that students put forward when explaining why it would be problematic for them to work in a family firm.

The answers received highlight several drawbacks and difficulties that these future high-flyers imagine commonly occur in family businesses. The two most cited problems are the fear that family involvement would slow decision making at top management level, limiting flexibility, and secondly, that the company would risk disappearing altogether should strong family conflicts erupt.



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But, worryingly for family firms, these perceived problems were not the only ones to merge from the research. The students' feedback also brought to light what they saw as a high risk of nepotism in the recruitment process. They were also anxious that in a family firm it would be hard to be hired or promoted to strategic management positions without being a family member. In addition, they were worried that salaries in family-run businesses would be smaller than those in non-family firms, reasoning that family firms tend to take only moderate financial risks and look to protect the family money.

Clearly, the image family businesses give as recruiters is not a particularly positive one. To find out more, interviews were carried out with family business owners / managers and with business support professionals, with the aim of confronting their perceptions with the reality of family business practices. The results confirmed certain notions but debunked the vast majority.

The interviews showed, for example, that nepotism was acknowledged as part of the history of family firms. However, many stressed that current businesses functioned on the same lines as non-family companies, recruiting and promoting competent staff who demonstrated the required skills to fulfill the company's objectives. Indeed, family business CEOs explained that they needed external managers to ensure their survival and boost their market competitiveness. They also stressed that family and non-family employees had equal promotion possibilities and that they received similar wages. Some of the business support professionals noticed that the vision of family firms put forward by students was "a caricature" and a misrepresentation of actual family firms. "It is an image that might correspond to our economic environment 20 years ago", argued a very well-known and successful family business owner-manager of a multigenerational food company.

Is it possible to challenge this traditional image that hinders family business recruitment of young, qualified professionals? In France, family firms are increasingly aware that they should communicate more about their identity, their objectives and their history to attract young employees. They know that they suffer from a public image that associates them with moral values such as proximity and benevolence, but also connects them with expectations of poor economic performance and limited innovation.

One solution would be to teach more about family business in business schools. Even in France, where family firms thrive there are very few courses on this topic. Students therefore know little of their defining features and challenges. A positive educational trend would also be to use family firm case studies on management courses so helping students discover the particular environment and performances of these companies. In parallel, we need to encourage internships in family firms as an effective way to fight negative stereotypes and promote careers in such businesses as a viable choice for young managers.

It is potentially a win-win situation. Family-run companies need young managers' energy to develop, young professionals need the solidity and know-how of family firms to enhance their business knowledge and skills. Working in a family firm? French family firms claim that it may be an excellent opportunity to start a career and achieve success, even when you are not a family member!

