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Developing Good Family Business Relations

The underlying success of a business agreement depends on healthy family relationships. Probably more two-generation business arrangements fail because of poor family relations than any other reason.

Good two-generation farming relationships do not just happen. They come about because family members take the time and effort to make relationships work. Both the older parties and the younger parties must understand and tolerate each other's faults. Often the parents tend to be conservative as they get older, while the younger party may be venturesome and willing to try new ideas. Also, disagreements over little things may cause a substantial strain on the relationship.

Work to avoid the pitfalls of trivia - don't focus on those things that generate a lot of emotion in the short-term but don't affect business success in the long-term.

One way to maintain good family relationships is to diversify your interests and give each other space. Each party may need an outside enterprise or leisure activity that allows for getting away from the family operation. The outside activity may be an organization such as a service club, producer organization, or other outlet.

Family Discussions

Do not allow ridicule, punishment, or lecturing in family discussions. Encourage listening, understanding, finding alternatives, commitment to action, and support for one another. Listen not only to what the other person is saying, but also to what he/she is feeling. Being respectful to all family members is important at all times.

Problem Areas

The younger generation often views family relationships from a different perspective than the older generation. These differing perspectives may lead to relationship conflicts. Below is what a survey of farm families considered to be good advice for both the older generation and the younger generation.

Older Party's Perspective

Parents may try to transfer their dreams to their son's and daughter's family and expect the family's home, routines, and child rearing to coincide with the parents' ideas. Parents need to accept that their son/daughter has his/her own life and has married someone of his/her choice, and that their life together is that person's number one concern.

If the young couple lives in the original house or a nearby house, the parents must be careful that they don't give the impression they are on an inspection tour when they come to visit. The parents need to take pride in the young family, including an appreciation of the pleasure their home brings to them.

The parents need to refrain from giving advice about raising the grandchildren - while still enjoying them as their grandchildren. The young couple (or single person) should be free to develop a social life with others their own age.

A daughter-in-law or son-in-law is often made to feel like an outsider and left out of farm decisions. A daughter-in-law is often relegated to being a short-order cook for hired help, a message carrier, or an errand runner. She often lives in an old house, a rented place, or a mobile home. Perhaps it was intended to be temporary, but she often ends up living there for years.

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A son-in-law is often treated as a hired man with little say in decision-making. This is more common in situations where a son also is involved in the business.

Younger Party's Perspective

The son or daughter (and spouse) should accept without resentment the fact that the parents have spent a lifetime developing the business and raising a family. They are now entitled to rest, travel, good furniture, etc.

Marriage spats are normal. But do not unduly burden the parents with your problems or expect them to take sides. If the business arrangement led to the disagreement, do not blame the parents.

If you are going into business with your parents, your spouse (rather than your parents) should be your confidant when working out troubles. Otherwise your spouse will begin to feel like an outsider.

Teach your children to enjoy their grandparents. But do not impose on the grandparents to take care of the children and prepare meals. Be discreet around your children so they are not carrying stories between the two homes.

Giving Advice

Sometimes it is best not to communicate. Parental advice is motivated by excellent intentions. Parents do not want to see their children repeat parental mistakes. But that does not make advice any more palatable to the younger generation. If responsibility has been delegated to the younger party, he/she will look after it the best way possible or suffer the consequences. One of the best aids to family harmony, and one of the hardest to acquire, is a firmly closed mouth. It helps to remind both

generations that it is more important in the long run to maintain cordial relations than to get a few more bushels per acre.

Family Stressors

"In more than 20 years of consulting with farm families, I have learned that their most difficult stressors are other people, not the weather or markets," said Jerry Robinson, former Extension rural sociologist, University of Illinois.

Below are 10 areas, in order of importance, that Iowa farm families identified as causing stress in two-generation farm families.

- Living with tight money
- Farm taking priority over family
- Poor teamwork
- Differing time commitments
- Not being involved in family decisions
- Not being on our own
- Taking more risks than others
- Disagreements over spending
- Receiving criticism from family
- Feeling like hired labor

The same farm families were asked to identify coping strategies. Below are 10 strategies in order of importance that were identified by family members living in two-generation farm families.

- Spiritual belief
- Encouraging each other
- Flexibility
- Problem analysis
- Relaxation
- Diversionary activities
- Acceptance
- Physical activity
- Talk to other families
- Talk with relatives

Additional resources on **Transition and Estate Planning** can be found by visiting the Ag Decision Maker website, <u>www.extension.iastate.edu/agdm/wdbusiness.html</u>.

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