



It's **your** reputation...

Family business guru **Greg McCann** explores the key factors behind a reputation– credibility versus entitlement

As an emerging family business professional, your biggest asset is your reputation, and that of the family. In the last issue of *GENERATION* we discussed the importance of being aware of how your behaviour impacts upon your reputation. If your social intelligence is about maintaining your reputation, then in this article we look at the most important way, over the long run, to protect and grow that asset – this is done by earning credibility and avoiding an attitude of entitlement.

Credibility is important for every professional, but why is it even more important if you are a member of the next generation from a family business? If you work at the business your family owns, especially as a member of the next generation, you are at great and constant risk. Many people will presume, before they even meet you, that you have not earned your position, either through qualification to undertake the role in the first place or retention of the role through actual performance.

I remember working in my family's business and a manager introduced me to someone merely as "This is Mr. McCann's son", no name. A small gesture but it conveyed to me and unfortunately to the other person that I was only there because of my family (entitlement), not because I had earned the right to be there (credible).

What is credibility?

Credibility has both an internal and an external component to it. You need both. I contend that as a family business professional you can only be successful and happy if you have both aspects of credibility. The internal part is a sense of self-confidence. The external part is having the key people in your life being able to validate that sense of self-confidence.

Consider people that have self-confidence, yet no one else holds the same high opinion of them – you don't think of them as successful do you? They are fooling themselves – not

a situation you ever want to find yourself in. On the other side of the coin, people that have the respect of their peers but still lack self-confidence don't feel legitimately successful or happy either. The key path to cultivate your credibility is to earn it and there are a number of ways to test your mettle and increase your credibility.

In most cases, the enemy of credibility is entitlement. Entitlement is an attitude of believing you have a right to something without earning it. Now there may be some things in your life you are entitled to: basic human rights, parental love, and the privilege of paying taxes, forgive me for that last one!

More seriously, talking about what your family business entitles you to is a very important discussion to have. It builds from what I consider the core questions: how does this family benefit from owning this business and how does this business benefit from having this family involved? I also believe that each generation must collectively answer these questions anew. Is there an attitude of entitlement from you or your generation (e.g. since our family owns the business, everyone in the family gets a position regardless of qualifications or performance)?

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Entitlement erodes not only your credibility, but almost inevitably erodes the reputation of the business. How do you respect a company that hires and retains people who do not deserve their position? Consequently, this also tends to erode the reputation of the family. How can we trust the



Smith family if they use such poor judgment in managing a business? This highlights two critical points:

1. In a family business everything is inter-related and so everything tends to impact everything. Thus you need be even more mindful of your behaviour.
2. In a family business, as in so much of life, merely because you can do something does not mean you should.

Let's look at an example. Assume your family owns a major sports team. They give you a position playing on the team, not because you were good enough, but because they could. You can quickly imagine how quickly the fans, the sports writers, competitors, and your own team mates would see what was going on. This attitude of entitlement would destroy your credibility as well as that of the team (i.e. business) and your family. Perhaps a little dramatic by way of an example, but the dynamics are exactly the same.

Start by realizing that your attitude is everything. Get clear on what you believe you are entitled to in your role as a member of the next generation of your family. What is your ongoing practice to cultivate your credibility? Who can give you feedback, objective feedback (a topic we will discuss in a future article) on your actions, words, and relationships and whether they are earning you greater credibility or conveying an attitude of entitlement that will quickly erode your credibility?

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Finally realize that credibility must be earned – no one, not your parents, not your spouse, and certainly not your mentor can give it to you – it's all down to what you do and the way that you do it.

Testing your mettle

Start with realizing that personal and professional growth only comes through some level of struggle. Here are some basic steps to make sure you are both earning and protecting this vital asset.

1 Start with some personal reflection and then discussions with your family. What does being a family member entitle you to? Does it mean you have automatic rights to a position or ownership? Do you get to start at an executive level even if not qualified? Do you get wealth (or salary or other compensation) without earning it? How about leadership or control of the company? Are there qualifications required beforehand or responsibilities in terms of performance of these roles? Consider the short and long-term consequences of your choices on yourself, your family, and the family business.

2 Consider if practical, getting outside experience. This not only helps you feel that you can succeed on your own, building self-confidence, but also helps other people validate that self-confidence.

3 If you are in your family's business, consider having a non-family supervisor, written performance reviews, and even a management development plan. Such a plan should have challenging assignments, training, and even mentorship. It should link your goals with those of the family business. What do you want your CV to look like in five years time and can you work towards that vision with clear benchmarks, objective feedback, support, and even a nonfamily mentor.

The next step

No-one said that being involved in a family business was easy and recognising the need to develop and sustain a reputation within the family business environment is the first step. Once you become aware of the impact that what you do and say has on those around you and what they think of you, it will become easier to address the challenge of developing your presence and reputation professionally within the work environment. Insert a G in a box to signify the end of the article.

Greg McCann is a full professor and both the founder and director (1998-2006) of Stetson University's Family Enterprise Centre. He is also the founder of the family enterprise consulting firm of McCann & Associates which helps families in transition, with a focus on the next generation. He is the author of the new book, *When Your Parents Sign the Paychecks*, a book intended for the next generation from families that own and operate businesses which is now available. **G**