

Business & Careers

Tight family ties can choke firms

Nepotism policies can help ease friction in the workplace

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For four years, Cris Lam and her younger brother, Billy, worked at Toronto's Benmor Family Law Group. They would commute to the midtown office together, and frequently have "family lunch" in a boardroom with another lawyer whose brother was the head of marketing at the same small firm. Beyond that, though, the Lams were conscious about creating a buffer between them at the office, working on different floors and handling different files.

If the tone between them veered on to sibling territory, Cris would close her office door and remind her brother to talk to her like a colleague.

"So long as the work is getting done and the client's needs are being met and everyone knows what the role is, I don't see why [family] can't work together," says Cris Lam, a senior law clerk at Benmor Family Law Group. Although, she adds, "when it gets to the brother-sister thing, the employer needs to know, it gets very complicated."

Indeed, there are advantages to working with someone you know as well as yourself, someone with whom you can bounce ideas around, and who can support you professionally. And it makes sense that partners who invested a lot of sweat equity into a firm may well look to bring in children to carry on their name.

But there are also risks — of alienating or making colleagues uncomfortable, of fuelling a perception of favouritism and driving new talent away. It's a tricky situation that can create conflicts of interests, real or imagined.

"Our advice," says Stuart Rudner, a founding partner at Rudner MacDonald, is "you have to have some policies in place so that everyone knows what the rules and regulations are, including the family members that are brought in."

His boutique employment law firm helps companies draft nepotism policies that don't forbid the hiring of family members, but state that all hires will be based on merit.

Hiring a family member is one thing. It's how they're treated that counts. Rudner says it's crucial that the employee not be in a reporting relationship with the family member. "You never have a situation where one person has control over their income or disciplining," says Rudner, although this aspect is harder to manage in small family-run firms in which the next generation is groomed to take over.

"It's the perception of favouritism that you have to overcome," says Fiorella Callocchia, president of HR Impact, who also advocates for controls in place to ensure conflicts regarding compensation don't occur.

It's important that firms have open lines of communication for all parties involved. Does the partner have certain expectations about how his or her child will be treated? Does the manager managing that child feel empowered to treat them like any other part of the team? How can a firm ensure other staff don't end up feeling like second-class employees, and is the employee properly equipped to integrate?

Callocchia suggests having a conversation ahead of time to lay out the ground rules so that everyone understands how to behave.

"The reality is that people are going to treat them differently," says Callocchia. "How could you not?"

From the management side, treatment may well depend on what kind of position the employee is taking: individuals coming in to learn the business may be in need of more

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mentoring or coaching than, say, a summer student. It's important for managers to know what an employee or his or her parents' agenda is at the outset, says Callocchia. Once they are on board, they cannot get preferential treatment, she said, noting that when a parent tells a manager that they'd like to get a heads-up on how their child is doing, that can put added pressure on the manager. Similarly, if someone is not meeting expectations, managers should take it up with the employee, and not the employee's mother or father.

"Nobody wants to go to somebody's mother or father and complain about them," says Rudner.

If a romantic relationship

blossoms at work, he says firms shouldn't fire an employee, but rather remove the reporting conflict.

Douglas MacLeod, the principle at employment and labour practice MacLeod Law Firm, says there is a provision in the *Human Rights Code* that allows an employer to discriminate against family members when hiring, but not on the way out.

But, he added, if a senior partner in a firm has turned it into a powerhouse operation, it will be difficult to bring in a policy that says they can't bring their child into the fold.

And while some offspring may reek of a deadbeat attitude, riding their daddy's coattails into a plum position, there is also the flip side of

a golden gal, he says, who improves the brand. "She's been training her whole life for this," he says, adding that either way, it's pretty important that they swim on their own.

"People automatically have high expectations for people's sons and daughters," says Callocchia, who specializes in leadership development. "Like it or not, you really have to step up your game and be cognizant of the fact that it's not always an advantage.

"Mediocrity is not going to build your personal and professional brand."

If the child is getting work that he or she doesn't deserve, that may lead to a toxic work environment that will have ripple effects on retention and recruiting. Rudner

circles back to strong policies and open communication. People should have a neutral person, perhaps an office manager or someone in HR, that they feel they can turn to as a recourse. In a day and age when everyone is "struggling to squeeze more juice out of the orange," says Callocchia, firms can't afford leadership mishaps that come from not planning properly.

"I don't see anything wrong in parents helping their kids," says Callocchia, as long as the child understands it's up to him or her to succeed.

"It can work," she says. "There has to be good conversation in advance, good business rigour, clear job expectations, a clear professional code of conduct. Everybody's

expectations have to be discussed in an open way."

Cris Lam says Steven Benmor went to her before hiring her brother full-time at his firm, wanting to make sure that it would not upset staff morale. She acknowledges that it's not always easy to switch off your sibling side in the workplace.

"He felt like he was always living under my shadow," says Cris of Billy, who has since moved on. "I didn't even know that. The recommendation I would have is take a step back and really speak with your family members. How can we work together? When you're caught up in the 9 to 5, you forget, we're all human."

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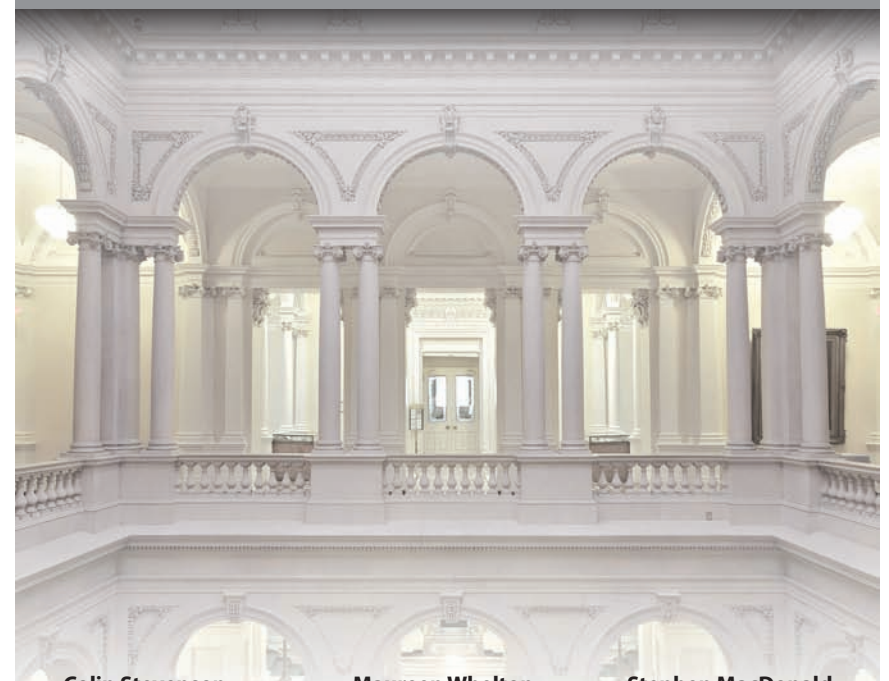
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