

## FINAL SCORES



By Andy Lyons, Getty Images

Sweep: Manager hugs Cole Hamels.

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- Baseball, 1, 4-5C

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By Rick M. Schopf for USA TODAY

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## Hiring family or friends can be boon or bust

Communication is key to protect your personal relationships

By Laura Petrecca  
USA TODAY

NEW YORK — Donald Trump did it. So did entrepreneur Mike Repole and nutritionist Oz Garcia.

Though the businesses they run are dramatically different, all have entered the same, often treacherous arena of hiring friends or family to help grow their firms.

Real estate mogul Trump brought children Donald Jr., Ivanka and Eric on as executive vice presidents of development and acquisition. Repole tapped pals from his native Queens to work at his various business ventures, including soft-drink maker Glaceau, snack-food company Pirate Brands and restaurant chain Energy Kitchen. Garcia asked his brother and friends to help him run his wellness company.

As each of these employers knows, hiring friends and family can be a boon or bust for a business.

Employees with a personal connection to the boss "are usually more committed" to the company, says Andrew Keyt, executive director of the Loyola University Chicago Family Business Center. They are often considered trustworthy lieutenants because of that familiarity.

Yet, if those relationships are not well managed, they can result in decayed company morale, severed friendships and frayed family ties.

Garcia's self-titled firm — which markets supplements, health-oriented books and bottled water — has a close-knit group of employees. Garcia's brother Albert is chief operating officer, close friend Randy Corwick is CEO and Randy's wife, Hayley, is director of marketing.

There is a feeling of camaraderie and an open exchange of ideas. But there are also stressful days. "It's an environment where we value each other," Garcia says. "We maintain very clean communication channels, yet it doesn't mean that it's always harmonious."

That core group gelled enough to stay together in spite of the personal and professional road bumps along the way. "I'm happy to report that we're going into our 31st year of business," says Garcia. "We're going very strong with strong bonds between each of us."

## Having heart-to-hearts

But Garcia has also had to deal with one friendship that fizzled after a pal came to work for him. Garcia says that at first it was difficult for him to address his concerns with his friend. And once he brought up his issues, the friend left the company.

As with many entrepreneurial issues, there is no easy-to-follow blueprint on how to work best with friends and family. Garcia says he's gotten a feel for how a friendship will survive in a business environment by working with pals on a project basis, but



"Clean communication channels": Oz Garcia, left, runs his nutrition company with the help of friend Hayley Corwick, brother Albert Garcia and friend Randy Corwick.

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Carol Ryan: "You get to make your own rules," consultant says.

overall, it's simply a learning process of trial and error. "It could turn out bad," he says. "You never really know."

Garcia's approach with his employees — one of open communication and determining common goals — is routinely touted by business coaches.

But it's not enough to go over expectations only during the hiring process, says Joseph Astrachan, executive director of the Cox Family Enterprise Center.

Managers should meet with workers every six months to a

year to minimize misunderstandings as the company grows and employees' lives change. Those regular conversations can dispel employee misconceptions such as "I'm your friend, so you'll just pay me a whole lot better than anyone else," or "I'm your brother, so of course you're going to understand when I take days off to take care of my nephew," Astrachan says.

Having those heart-to-hearts can be tough, says Keyt. But they are vital for business and relationship success.

"It's hard to do because we're not used to having those types of conversations with families and friends," he says. "We're used to a less formal relationship. But having more clarity on expectations can be helpful."

Repole says he has successfully hired 10 to 15 friends.

"The key is setting goals and objectives up early, and really talking about it," he says. "We constantly debrief and constantly recap."

Separating work and personal time also keeps employee friendships strong.

"There is a line. From 7 in the morning to 7 at night, Mike is president of this company," he

## How to handle some sticky situations

Every workplace situation is different, but entrepreneurs and workplace experts provided USA TODAY with some general guidelines on hiring family and friends:

► **Be open about nepotism.** Especially in a family-run business, some employees may get special treatment simply because of their bloodline. That's OK — as long as all the employees know that the business has a culture where an owner's son, daughter or cousin will receive some privileges. "Here's the beauty of a family business: You get to make your own rules," says Carol Ryan, vice president of the Family Business Consulting Group. "But setting expectations (for other employees) is the No. 1 thing."

► **Be aware of morale issues.** If the top rungs of the corporate ladder are occupied by friends and family, other workers may lose their drive to strive for more. "People could think: 'How will I get to the top if this guy's brother is vice president of sales? What future do I have with the company?'" says Deam Roys, founder of executive recruiting company Roys and Associates.

► **Be clear on family roles at work.** Those that hire family members have to decide if they want to be called Dad, Uncle John or boss — and then let their family know. "Each family has to figure out what works for them," says Andrew Keyt of

the Loyola University Chicago Family Business Center. "I've seen some families where a child will call a parent by first name at work and Mom or Dad at home."

► **Be a thorough hiring manager.** "I don't hire a friend or family in a position where they'd be over their head," says entrepreneur Mike Repole. He reviews the education, skill sets and interests of each potential hire. "Just because someone is your friend, it doesn't mean you make them the vice president of sales," he says.

► **Be open about potential changes.** With each new hire — whether it's a friend or not — Repole is clear that their job may change as the company grows. "The skill sets to take the company from \$1 million (in revenue) to \$100 million to \$700 million are different," he says. "(An employee) might need some help, and I might need to hire above them. I explain it to them before they take the job."

► **Be a realist.** Before hiring a family member or friend, consider the worst-case scenario. "I encourage people to ask, 'If this doesn't work, what does that look like and how are we going to get out of it?'" says Keyt. "It's pre-negotiating the divorce, so to speak. Just the process of asking the question makes you think about how could this potentially go wrong — and how are you going to deal with stress."

says. "After 7 p.m., he's Mike from Queens."

Those that work for him know that they will reap the rewards that come as the company pros-

pers. "Success is best when shared," Repole says. "And there's nothing better than sharing success with friends and family."

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