



# **CHALLENGES OF FAMILY BUSINESSES HIRING NON FAMILY SENIOR EXECUTIVES.**



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## FAMILY BUSINESSES CAN FACE VARIOUS CHALLENGES WHEN HIRING NON-FAMILY SENIOR EXECUTIVES.

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Here are some of the common challenges:

### **Cultural fit:**

Family businesses have their unique culture and values that may be different from other organizations. Non-family senior executives may not be familiar with the family business culture and may find it difficult to adapt to the business's way of doing things.

### **Trust issues:**

Family businesses often have a strong sense of loyalty and trust within the family members, which may not be extended to non-family senior executives. This can create a sense of mistrust, particularly if the new executive is brought in to take over key responsibilities that family members have held for a long time.

### **Communication challenges:**

Family businesses often have informal communication channels, which can be difficult for non-family executives to navigate. This can lead to misunderstandings and miscommunications that can impact the business's operations and overall performance.

### **Resistance to change:**

Family businesses may resist change and be slow to adopt new ideas and strategies. Non-family senior executives may bring fresh perspectives and new ideas, but they may face resistance from family members who are resistant to change.

### **Compensation and equity:**

Family members may expect to receive a larger share of the business's profits or equity, which can create tension when non-family senior executives are brought in and offered compensation packages that are more in line with market rates.



Overall, family businesses face several challenges when hiring non-family senior executives. To overcome these challenges, it's essential to establish clear communication channels, set expectations and goals, and ensure that the new executive understands the business's unique culture and values. Additionally, it's important to have a clear plan for succession that takes into account the role of non-family executives in the long-term success of the business.



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