

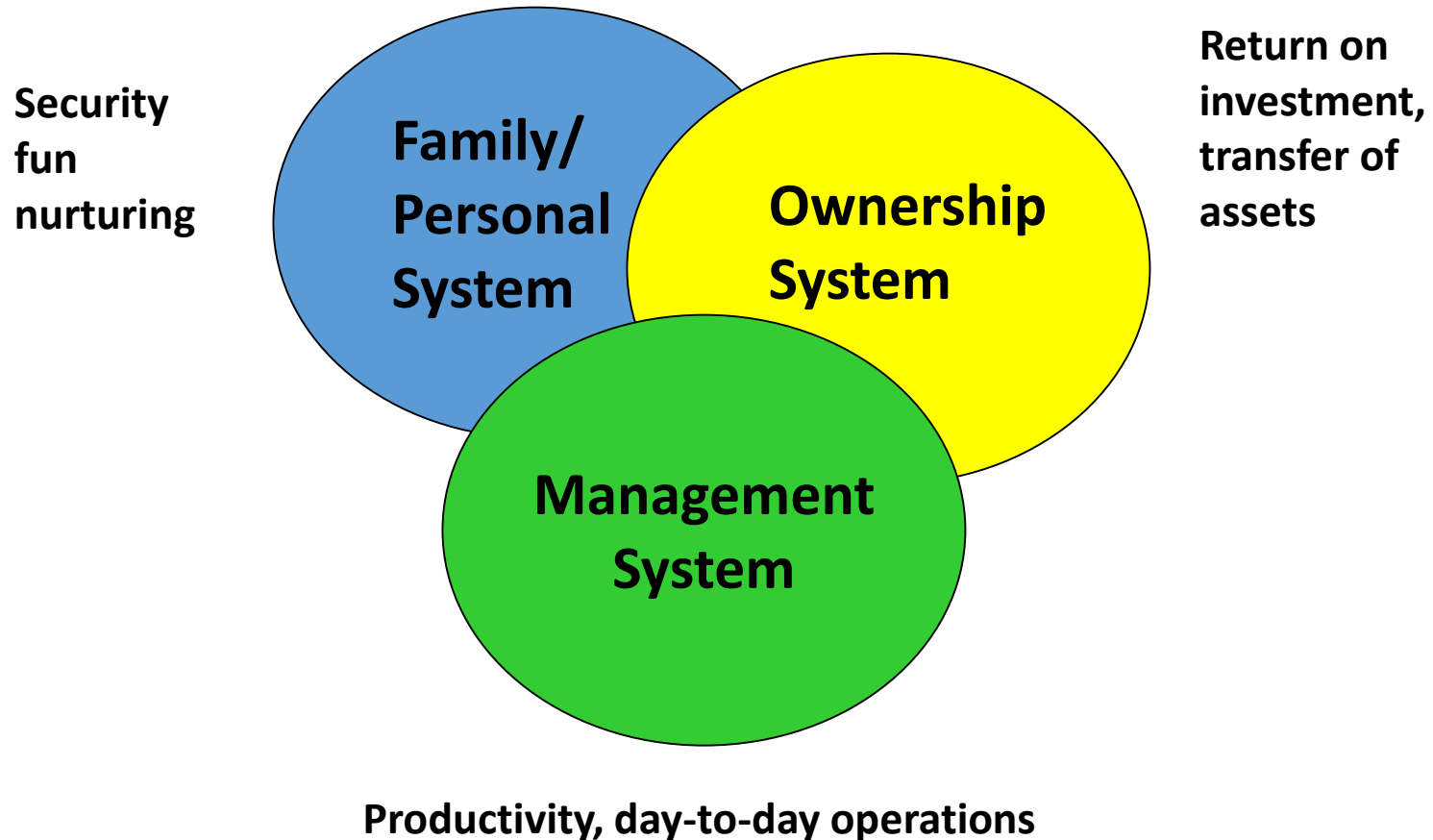


Communication & Family Dynamics

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Complexity of Family Business



“The future of agriculture lies in the hands of young and beginning farmers. We need to find more ways to help them take the reins of the farm business.”

- Canadian Agriculture Minister Gerry Ritz



“Transitioning the older generation from the business is one of the top challenges facing North American Agriculture.”

*- Dave Kohl and Alicia Morris
Virginia Cooperative Extension*



“Ranchers and farmers are telling us their weakest link is not technology nor information. Their weakest link is human relationship management.”

-Robert Fetsch, Colorado State University Cooperative Extension



5 Areas of Risk that Threaten Family Farms

- ✓ Financial
- ✓ Legal
- ✓ Marketing
- ✓ Production
- ✓ Human Resources



Challenges to Family Businesses

- The separation of authority from ownership and management.
- Issues of unfairness in the successor generation.
- Absence of a shared sense of purpose.
- Communication problems.
- Lack of formal structures and processes that manage decision-making.
- Neglect of individual, family and organizational development (Aspen Family Business Group, 2004).



Common Sources of Farm Family Conflict

- Control
- Transfer of property/ownership
- Division of income...fairness?
- Obligations, debts, and risks
- In-law relations and competing loyalties
- Coping differences
- Decision making



Farm Transition Planning

- Much more than estate planning!
- Weaving of Family Life Cycle with Business Life Cycle
- Combines:
 - Career Development Plan
 - Professional Development
 - Retirement Plan



Economic Considerations

- **Profitability**

Pointless to talk about transferring a systematically unprofitable farm or ranch

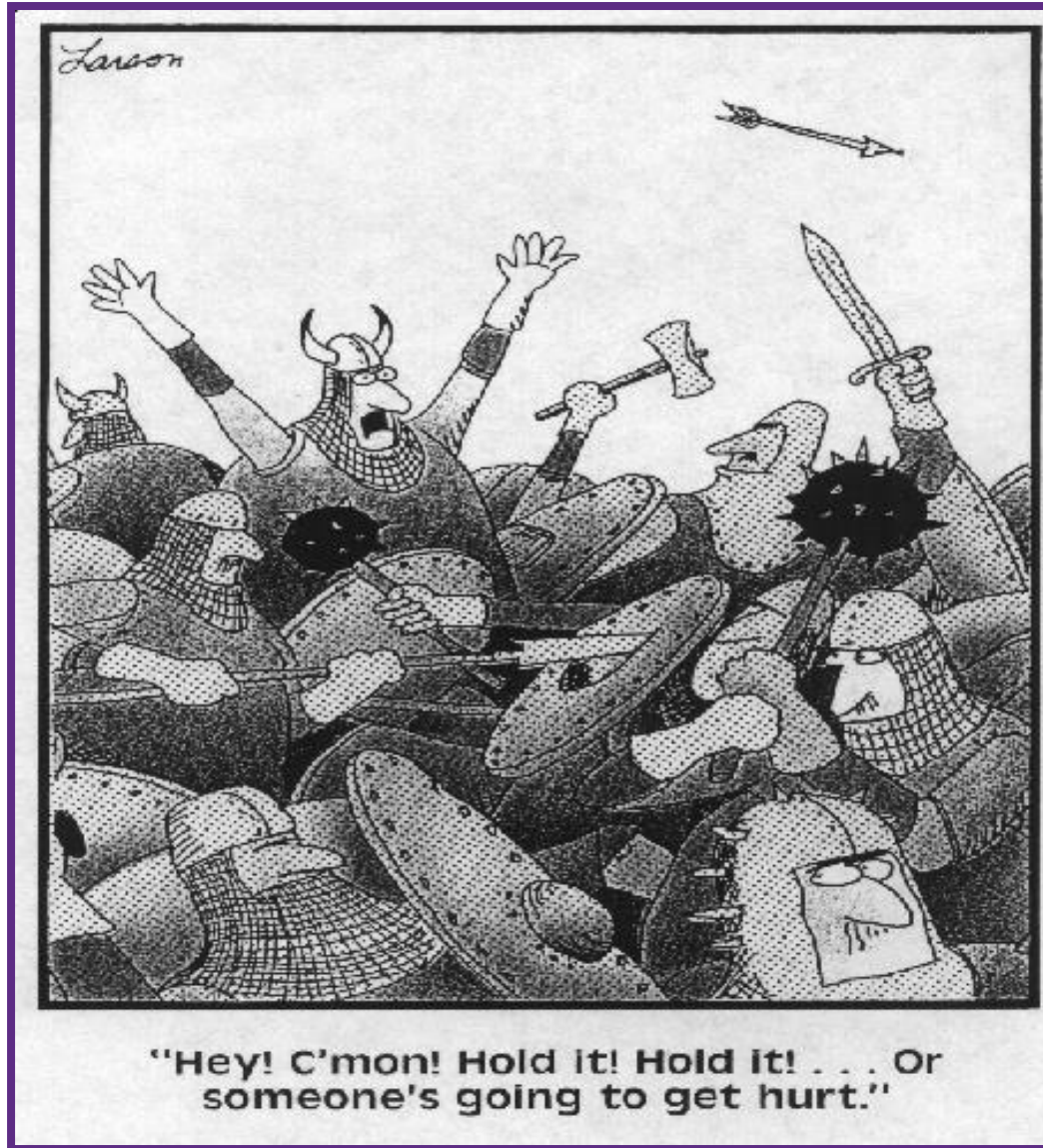
- **Feasibility**

Can we make the payments on proposed expansion plans?

- **Size**

Is the business large enough to accomplish goals?





The Important Point...

These decisions are not independent.

All decisions regarding the “structure” of the business need to be made simultaneously, and at the early stages of the planning process....and perhaps again at major transition points.



Getting What You Want From Your Family Farm Life

- What is most important about having a farm?
- What do you value about family life?
- What issues do you have with other family members? What conflicts are unresolved?
- What do you want to be different in your relations with other family members?
- What do you want to stand for and preserve as a family?
- What issues does the farm business need to address in the next ten years that will significantly impact the family and me?



What's Your Role in the Farm?

- *Board of Directors?*
- *Vice President – Upper Level Management?*
- *Division Director?*
- *Labor? Hourly? Salaried? Don't know?*
- *Investor / Stockholder? (Heir?)*

How are each of these positions affected by off farm work?

Learn to stay in your lane!



Management Principles for a Family Business

- Shared values
 - Shared power
 - Shared expectations
 - Shared activities for maintaining relationships
 - Traditions
 - Willingness to learn and grow
 - Genuine caring and support each other
 - Mutual respect
 - Privacy and well-defined interpersonal boundaries
- Dennis Jaffe, "Working With The Ones You Love"



More About General Communication

How do I get someone to communicate differently?

- The only thing you can change is how **YOU** communicate
 - How **YOU** listen
 - How **YOU** act
 - How **YOU** react
 - How **YOU** interact



The Big R

RESPECT



“Words don’t just come out of our mouths and disappear. Rather, they’re a very important means of connecting and have lasting effects and consequences. We need to be mindful of how we speak.”

-Author Unknown



BUT, how you say it counts more than WHAT you say!

7% WORDS

38% TONE OF VOICE

55% BODY LANGUAGE

100% TOTAL MESSAGE

← **WHAT**
← **HOW**



Thinking Critically About Our Nonverbal Messages

- Analyze your own nonverbal behavior.
- Observe. Observe. Observe.
- Resist temptation to draw conclusions from nonverbal behaviors.
- Connect and relate.



How to Become a More Effective Listener

- Always show respect for the speaker.
- Know when to be a passive listener.
- Know when to be an active listener.
 - Paraphrase the speaker's meaning.
 - Express understanding of speaker's feelings.
 - Ask questions.



Three Ways to Respond to Bids for Communication

- Turning—toward responses.
- Turning—away responses.
- Turning—against responses.



YOU



One More Thing...

Remember to **enjoy** each other
and to regularly **show**
appreciation to each other (*in the*
way the other person likes)!!



And Another Last Thing!

Two Surprisingly Simple Truths for Married Couples

- Happily married couples behave like ***good friends.***
- Happily married couples handle their conflicts in ***gentle, positive ways.***



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