

## *Our Relationship....* And Working Together with Extended Family

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This NebGuide is one in a series of six addressing the personal and working relationships between family members.

Many farm/ranch couples and those in business\* together must work with each other and with other family members. Often several generations are involved with older parents and younger adult children working together on family farms, usually involving in-laws. Regardless of the relationship, it can be quite stressful to love, live and work with family members. The job and personal life are intertwined and involve large time commitments and expectations. It is a unique challenge for farm/ranch couples to find a balance and learn to work together to make the business with extended family manageable, profitable and enjoyable.

### Communication

When family members are in business together, skill is needed to communicate plans, expectations and dreams. It helps all family members when effective communication is a cooperative effort. Families who discuss issues, agree on action to be taken, or compromise when views are different promote healthier relationships in addition to creating a better work environment. When things go well at home, things are more likely to go better at work, especially when the two are closely connected.

Conflict arises when there is miscommunication or a lack of communication. Relationships vary depending on the bond between people, level of commitment, communication skills, personality, temperament and other qualities that may be a factor in relationship building. For example, the relationship you have with your father will be different than the relationship your sister has with your father. This is often difficult to accept. Some people work well together and others struggle to get along. Hurt feelings may occur when favoritism is shown or family members feel excluded or overworked.

\*Farm/ranch and business are used interchangeably in this series of Neb-Guides and may apply to a farm, ranch or a farm-related business or business in a rural area.

### Income Expectations

Most people in business are concerned about providing an income for themselves and their families. It is natural to expect a return on investments (i.e. time, work, money invested, sacrifices made for the business). Some family members may be willing to sacrifice their well-being for the sake of the business. Individual differences in values or expectations may cause conflict, especially if there is difficulty in “making ends meet.” There is an underlying work ethic or philosophy that farming is a 24-hour job with little or no relief. No one pays self-employed workers, farmers and ranchers benefits such as vacation time, sick leave or health and retirement plans. In many cases family members work off the farm to generate income for living expenses and benefits such as health insurance.

You may need to ask some tough questions about income:

- Is it possible that you are not making as much money as you should for your investment?
- Is it possible that you are not getting paid the amount you need to live on?
- Is it possible that others in the business are getting paid more (or less) than you?
- Are you being realistic with income expectations for the business?
- Can the business adequately support the families currently involved?
- Are you willing to sacrifice income for a valued lifestyle?
- What might be some alternatives to generate income?
- What needs to be done to remedy the situation?
- How realistic are your short-term and long-term goals?

When decisions are being made, generation gaps may become more evident. One generation may want to be more saving, conservative or cautious, and another may want to take more risks with management practices. Issues such as these may cause conflict between parents and adult children or between spouses and siblings.

Because farm income is variable, the budget and business plans must be flexible. However, in most cases, expenses are not flexible; they must be paid. This factor alone creates stress and hardships on families wanting to hang on to a family business with endeared values and tradition.

Separating farm and family finances is an effective way to record business and personal expenditures and track where money goes. In addition, when farm and family finances are kept separate, blaming and distrust are minimized. While money issues often are a major cause of relationship problems, some problems can be avoided by planning, talking with others and being honest. At the same time, you need to provide for yourself and your family. Use good judgment and common sense in decision making and consider your family's needs as well as your own.

### Decision Making

When you are in business, you likely will want to be involved in the decision making. Most business partners want an equal vote or say in what should or should not happen with the business. Does your vote count equally with others in the family business? If you are an integral part of the family and the business, then your vote should count equally or in proportion to the financial support vs. work support/manual labor. These decisions should be made prior to working together and when partners are added or leave the business.

Family corporations may have an elected head who serves as the manager or president. Weekly or monthly meetings provide an opportunity for families to communicate and take care of immediate business in addition to making plans. Meeting guidelines should be determined at the beginning and all members should have a say or vote as predetermined by the group. Concerns or grievances should be addressed by the group and recommendations considered. Even though meetings may be difficult initially, they may help remove barriers in communication and assist in resolving differences. However your family decides to operate, fairness needs to be the objective both in your business and personal lives.

### Authority/Assertiveness

In most family businesses, someone is given (or takes) the authority to be "in charge." Often this position is given to the senior family member or the one with the most experience. It may be the family member with the greater financial resources or managerial skills. This person may serve as the manager and take care of important tasks but in other cases may simply schedule meetings. Regardless of the leader's job description, this means that someone else usually is "new" into the business or does not have as much authority. This may be younger adult children or a daughter-in-law who marries into the family business. This position often is difficult to negotiate. Even when an individual has been involved in the family and business for years, authority may be difficult to

gain. Few businesses operate in an egalitarian manner where all partners have equal say and respect.

Assertiveness is needed by the person with lesser authority to negotiate and take care of important matters. Too often this person is not included in the communication loop. Problems may surface because this person was not regarded in initial discussions or decision making. In many cases, this is the new in-law joining the family business. The senior member or person given authority must be democratic in considerations with all family members. Others involved in the operation should make a sincere effort to include new members and treat all family members with respect.

### Mutual Respect

Regardless of the relationship between individuals, all family members should be respected. This is difficult when there is tension or disagreement or when someone is "caught in the middle." However, for a family business to survive and then thrive, respect must be present. Learn how to "fight fairly" by tackling problems instead of people. Try not to let situations escalate out of control. If you treat others the way you wish to be treated you likely will respect them despite troublesome or difficult issues.

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