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PROBLEM SOLVING: DILEMMAS

Honesty is more than sums of the partnership

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Dear Susan,

My partner and I are new to self-employment, having been in business for just 10 months. She looks after the finances and I do the programming. Recently, she gave me the year-end statement, and I asked for clarification on some of the figures. She became defensive and I felt that she was thwarting my efforts to see the receipts. Upon investigation, I discovered that she had given herself a \$2,500 bonus in December, but had applied my \$2,500 bonus to offset my expenses. When I queried this, she said that I could have had the same bonus any time I wanted. I didn't know that she had taken a bonus or that I was entitled to one, and feel she should have mentioned it to me. Perhaps I should be more involved in the business aspect, but is there anything else I can do to avoid feeling betrayed in the future?

- *Partners Two Ways*

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Dear Partner,

The American architect Frank Lloyd Wright once said that the truth is more important than the facts. And the truth seems to be that your partner feels that she is not getting her due and has decided, without telling you why, to even out the score.

It's distressing - even galling - but if she feels hard done by, then that is the truth. She may feel that she is not paid equitably or that she is being worked too hard. There are all sorts of reasons why she paid herself without rewarding you. Of course, greed comes to mind, but the most likely reason is that you unwittingly sideswiped her and she gave herself a bonus as a payback.

Your mission is to probe gingerly, without going on the offensive, why she needed to do this. Was there a promise that wasn't fulfilled or some way she feels shortchanged? What's important is that you agree to talk over problems and big expenses on a regular basis so that you can avoid these surprises in the future. And if you can't agree to a regular chat to prevent snafus, then I'm not optimistic about the future of the partnership.

Becoming more involved in the financial details is not the way to go: If the relationship has soured and there's no trust, then more oversight likely will lead to more sneakiness. At first, I thought that establishing policies and procedures might prevent these jolts, but Joseph Astrachan, a small business expert at the Coles College of Business at Kennesaw State University in Georgia, says

making such rules is not a panacea. "The research on laying things out in advance shows that it has little impact. If in the process you establish a better relationship, then it works. It's more about having a trusting relationship so you don't violate the rules, whether they're implicit or explicit."

What does reduce dishonesty, according to MIT behavioural economist Dan Ariely, is a simple moral reminder. When he allowed two groups of Harvard MBA students to reward themselves for correct answers using an honour system, the group that had been asked to recall the Ten Commandments or an honour code before writing the test didn't cheat (the other groups cheated a little).

So looking over your partner's shoulder, or establishing accounting procedures might not work as well as one of the oldest tricks in the book: talking over what's right and what's wrong - and making sure neither of you forgets it.

Dear Susan,

I am a young financial professional gainfully employed in a family business. Although I am not a member of the family, I am engaged to the brother of the two managing partners (he's the third sibling). They introduced me to him, but he does not work here himself. Should I quit the job before we get married?

- *The Bride-to-Be*

Dear Bride,

I'm not sure why you would leave the job now unless your future husband intends to join the firm too, or you're already planning for a divorce. Both scenarios mean that you might soon be unemployed.

In the first case, couples who work in family businesses have a wobbly track record. About a third of these businesses implode or the partners no longer work together after three years, according to a 2006 study by Glenn Muske, a business professor of Oklahoma State University, and Margaret Fitzgerald a professor at North Dakota State University. The key factors are the size of the business and the age of the couple's children. If the entire household income is tied to a family business venture - especially a startup - then the prospect of both spouses being employed in the business is often deemed too risky once children arrive. An unpredictable income in an uncertain business environment is no guarantee that diapers, child care and a new pair of shoes every six months can be paid for - so one parent bolts in order to diversify the family income stream. The study adds to the mountain of evidence that couples who work together often don't last - as co-workers, that is. And in the case of divorce, it's the rare person who wants to work with her ex-in-laws. You'd have to be a saint or a fool to face reminders of where you went wrong every day.

Still, jumping ship to avoid conflicts that don't yet exist seems overly skittish. Except for celebrities who sign prenups, few fiancées anticipate how they'll handle hostilities before they've even tied the knot. If you like your work and will soon have to pay a caterer, leaving your job will create more problems than staying.

*Susan Pinker is a psychologist and author of *The Sexual Paradox: Extreme Men, Gifted Women and the Real Gender Gap*.*

Caught in the Web

With 75 million people registered on Facebook, 200 million on Myspace, and countless others hoping to meet the perfect partner on sites such Lavalife and eHarmony, there's a high likelihood that an employee, boss, colleague, manager or student might happen upon your personal Web page. What issues has an online persona raised at work? Sends questions to Susan Pinker:

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