

ETHICAL DILEMMAS IN FAMILY OWNED BUSINESS AND SMEs

Presentation by:

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Presentation agenda



- ❑ Definitions and Setting the Scene
- ❑ What is the Difference/Commonality
- ❑ Highlight Common Ethical Dilemmas
- ❑ Share Real Life Examples
- ❑ How to Overcome the Dilemmas
- ❑ Summary & Parting Shot

Definitions



- ☐ What is a family owned business?
- ☐ What is an SME?
- ☐ What is their Similarity/Difference
- ☐ Most of the Big Corporates were family business and SME
- ☐ Examples

Setting the Scene



- ❑ The failure to transcend generations
- ❑ The GWK/SAL/PDL/DCL Examples
- ❑ The I M Story- from family to stock exchange

Common Dilemmas



1. Founder Syndrome/Paternalism- Ford
2. Family Culture/conservatism
3. No succession planning (JK example)
4. Lack of talent and training (e.g. PE)
5. Poor Communication lead to confusion/crisis
6. Disagreements can be fatal (NS)
7. Lack of clear vision & strategy –hence no growth

Common Dilemmas



8. Lack of clear vision, strategy and hence growth
9. Lack of external view/opinion (JK example/I M)
10. Informality and lack of good business practices
11. No clear roles-thin line (PDL)
12. Inward focus

How to overcome Dilemmas



1. Bureaucracy and hierarchy is good
2. Diversity in Board (I M)
3. Diversity in Management (PDL)
4. Train, train and train (make it part of PE)
5. Plan & Strategize
6. Delegate and seek accountability
7. Involve all employees-value them and show it

Interactive Session

