

The Perils and Rewards of Executive Friendships

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By Mortimer R. Feinberg and Aaron Levenstein

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The president of a savings and loan company calls friendship with subordinates "a high-risk, low-reward situation" that jeopardizes both parties. "How," he asks, "would the subordinate be perceived by his peers if he has a close relationship with the boss?"

The head of a leading food distribution company says: "I never made friends in the Army as a captain and I don't in my company. If you get too close. It is difficult to separate yourself when they get killed or, in the company, when you may have to fire a friend. However, don't quote me by name because I don't want people to think I'm an aloof S.O.B."

Executives, like all humans, need friends. They need confidants with whom they can let down their hair, reveal personal uncertainties that periodically assail even the most stalwart spirits and seek advice and encouragement.

Yet friendship between superiors and subordinates is problematic. Emerson's epigram, "to have a friend, you must be a friend," neatly underscores the reciprocity involved in the relationship. Friends do not mete out "rewards" to each other on the basis of "to each according to his just desserts." But executives must.

Inevitably the time comes when the executive must say no in circumstances where the friend would say yes. For executives, saying yes too often is a costly business. No matter how deeply personal the relationship between superior and subordinate, the moment of truth may eventually call for the turn-down, the refusal to grant a pay increase or a promotion, the criticism of work poorly done, the decision, perhaps, to terminate.

Friendship has difficulty surviving in the competitive atmosphere that often colors internal company relationships. A former vice president of a textile manufacturing firm says: "In a competitive situation, with people competing for the narrow, limited number of positions at the top. It's best to separate yourself from too much personal contact. This doesn't mean that you should be aloof; rather be open, taut about business subjects but keep your fears and personal problems to yourself."

To reveal them may make you vulnerable to someone who may be your rival tomorrow. At the very least executives fear that by such a display, even to a friend, they may undermine the image of strong leadership their subordinate needs and wants. Far safer to remain silent about the trouble with the wife or the arrest of a son in a marijuana bust.

Moreover, some who are considered friends often turn out to be sycophants who want to be close to the seat of power. Retired executives often find that their erstwhile golf partners suddenly start playing tennis on Sundays. The suspicion that would-be friends are merely self-seekers leads some executives to avoid all friendships and to settle for socializing. Other executives, however, reject emotional celibacy and view friendship itself as one of the rewards of an active business life.

The president of a large communications enterprise thinks he has found the way to accommodate his personal need for friendship with his organization's need for tough-minded control. "I can drink with a man at night and still criticize him in the morning," he says. But apparently this is passable only because he is highly selective. "I have never had a friend whose professional competence I could not respect. Once that element is present I can level with him on his performance."

In fact some executives find it easier to hold a criticism session with a friend. They believe that criticizing constructively is itself an act of friendship that serves both the friend and the organization.

"The hardest task I ever faced," says the CEO of a major aerospace firm, "was to deal with a close friend who worked for us and who became an alcoholic. After we paid all the bills for his unsuccessful hospitalization to 'dry out' I had to let him go. But sometime later, he came by to thank me for forcing him to get his act together. We are still close friends."

Newly-promoted executives often face the issue of retaining friendships with people who were formerly peers. Those who refuse to end the relationship note that they cannot continue "friendship as usual." Out of their experience, these guidelines emerge:

1. Sooner or later, preferably sooner, sit down and have a frank discussion of the new circumstances. If necessary, certain topics may have to be viewed henceforth as "off limits"-for example, reports on inner-circle conferences, confidential information about other employees, subordinates or peers. Where confidences are still exchanged, their "classified" nature must be strictly observed.
2. Discuss the areas in which friendship is not to be invoked-for example, evaluations of performance, the making of assignments, opportunities for training and development. Neither individual can benefit ultimately if others can conclude correctly that favoritism is occurring; both will lose the respect they need if they are to do their jobs.
3. Both individuals must be prepared to pay a price for the friendship. There may be snide remarks, but if the friendship is valued, that is a small enough price. When the comments are unfair, the friendship can continue undisturbed.
4. But if a friend compromises his superior, it should be clearly understood in advance that the consequences may be more severe than usual. When one of President Johnson's aides became involved in a homosexual scandal, he was promptly banished from the White House. After Mr. Johnson left office, the friendship was resumed.
5. Above all, true friends recognize that they must protect each other and forestall undeserved criticism. President Truman lost much ground because of what came to be called "cronyism." The special relationship of friendship on the job must be circumspect -- conducted with a due respect for the feelings of others.

Such policies reflect an important fact about the nature of friendship itself. If the relationship is its own reward; its purpose is not utilitarian. The issue among friends is not how they can use each other but how they can serve each other. Nothing in this concept need contravene the purpose or the effectiveness of a business relationship involving friends.

Aristotle said that friendship is "indispensable to life." The executive who attempts to dispense with it in business, the activity that consumes most of his waking hours, would be seriously impoverished.

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