Reed Hastings, CEO of Netflix, has famously railed against the idea of calling his company culture a family, opting instead for “high performing team.” It’s hard to argue with the success of Netflix’s culture. It’s the subject of many case studies and has been written about extensively for some time.

I’m not here to tell you Reed is wrong. I’m also not about to advocate for nepotism.

Another shot at the family analogy was taken in a Nov 2019 Forbes article by Denise Lee Yohn, “Stop Saying Your Company Is Like A Family.”

Denise is a brilliant strategist and author who has written compelling books on brand, culture and strategy including What Great Brands Do and Fusion. She’s been on my podcast several times and I have the utmost respect for her.

She makes a number of strong points against the family model. From her article:

Today, trying to run your organization as a family — or even merely saying that you do — will hold you back, and may even backfire. Your company is not like a family because:
• **You have to let people go.** There will inevitably come a time when, whether through firing or layoffs, you’ll have to terminate some employees’ employment. If you tell people they’re your family and then you let them go, they will consider you a hypocrite – and they’ll be right.

• **You must set and use performance standards.** To compensate, motivate, and develop employees, you must objectively assess employees’ performance relative to clearly established metrics and to other employees’. These are leadership, not parental, behaviors.

• **Your organization should aim to fulfill a higher purpose.** Like parents, business leaders are responsible for people development; but you’re also responsible for much more. You should also be driven to create value for customers, communities, and perhaps even the world at large — and you should be focused on leading your employees to a goal.

• **Your employees don’t want or expect your company to be a family.** They understand jobs aren’t permanent and most don’t want them to be. They expect a fair exchange of value with their employers as long as there is a fit for both parties.

• **You can end up with unhealthy attitudes toward your employees.** Thinking of your company as a family often leads to treating your employees as children. Today’s employees don’t want a paternalistic leader telling them what to do or making decisions for them. They want to be trusted, empowered, and involved.

She goes on to advocate for a model of seeing your company as a sports team.
One of the nice things about teams, is that they are voluntary. The benefit of that is the people on the team can feel a sense of belonging to something that they’re not obligated to, like a family.

This voluntary sense of belonging shifts the locus of control which can lead to a greater sense of satisfaction and motivation when compared to a situation where the individual lacks choice.

But before you abandon the family analogy…

You need to understand that there are plenty of issues with the Sports and High Performing team analogies. Depending on how people relate to the sports team analogy, including their sports fandom or player experience, they may bring all manner of baggage into the picture. Some sports coaches are revered for being tough and loud, while others soft spoken and encouraging.

Some teams succeed on the basis of overwhelming athleticism or star players, others because of teamwork, and some because of outstanding strategy. The sports team analogy presents just as many obstacles to success as family.

Additionally, there are plenty of different versions of high performing teams. While the Netflix culture deck does a nice job of clearly defining the behaviors that they value, the model of high performing teams may take different shapes out in the wild once adopted by
other companies. At the time of writing this book, Amazon would be considered a pretty high performing team, but their warehouse workers are often held to such high standards that they don’t make time to go to the bathroom and instead pee in bottles. You probably wouldn’t do that to family.

**How about the military?**

If you read or listen to enough Jocko Willink, you may be convinced that military analogies really work best. I am a huge fan of Jocko’s work and *Extreme Ownership* is a must-read in the Leadership category. That said, I am also still willing to admit that in my eyes military analogies often feel too aggressive rather than diplomatic. Besides, sometimes the stakes just aren’t high enough for stories of tanks and RPGs to resonate.

Yet so many of the books on leadership and strategy are related to war. Inevitably there is mention of bad guys, and evil doers, and enemies. In modern day leadership conversations, we are not bound to look at everything as a war. In that case, we should question whether or not it is helpful, or should I say more helpful, to view competitors, or insubordinates, or people who oppose us as enemies.

The way in which one deals with an enemy is vastly different than the way one deals with a family member who is behaving badly or a friend with whom you have a dispute.
For what it’s worth, I advise that you maintain the smallest possible number of
enemies. The closer you can get to zero, the better.

This is not to say that you will not face adversity or struggles.

It is not to suggest that you can avoid making enemies. It’s also not to suggest that everyone
will like you or be your friend. Enemies are an inevitability in life except for those who take
no positions or firm stances on anything. Those people are simply agreeable, which is
different from being loved. To be loved requires conviction.

When you set the goal of having zero enemies while still carrying the responsibility to lead, it
simply shifts the frame with which you deal with challenges.

In war, enemies are often to be dealt with. In other words, they are to be eliminated. An
alternative strategy suggested in older books of war and strategy is to turn enemies into your
captives and either treat them badly or well enough until such point in which they choose to
serve you. Good luck trying this in business.

Instead approach these interactions as friends. When friends argue there’s an underlying
respect message preserving the friendship. Even in bad fights, people have a tendency to
come back together out of respect for the time being shared together. They look for what they
love in one another and overlook the bad order to continue on. No, you should not hold onto
bad friendships, nor should you hold onto bad employees, nor take your competition lightly.

What is most important is that you seek to minimize the number of enemies you have by way
of your conduct. If you address people and issues before they become magnified and grow out
of control, you have the ability to minimize its negative impact.

But speaking of the military, take a moment to think about the Marines. Marines, and other
military, often refer to themselves as “brothers.”

Why do they do that? Why not teammates? Hmmm...

Family Bonds

Marines call each other brothers because the bonds of family are the strongest bonds that
humans have. We will watch out for and protect our families above all else. It’s how our
species survived. Families offer something that sports and military teams often cannot; a
sense of support that is included by default. Families can often go through greater ups and
downs than teams and yet remain by each other’s sides. While I don’t think you should go all-
in on it, there are major benefits to thinking of your company like a family when you consider
the special place that families have in our lives.

For years, my friend Bart Mroz, CEO of SUMO Heavy has likened his business to a family:
“Your team is a family. Decisions have got to benefit everyone, you can fight but at the end of the day you’re on the same team.”

This mindset of a workplace as family and friends is not without its challenges. Creating clear lines of differentiation to distinguish when you are friends and when you are co-workers is no easy task. While friendship can help create a closeness and familiarity that makes working more enjoyable, it can also cross boundaries that are not appropriate for the workplace and can make people uncomfortable.

This is not your actual family. You should not feel comfortable telling your boss or your subordinate the same things you might feel comfortable telling your siblings. The idea is that you should have a baseline of respect, resolve to settle differences, and take care of each other the way you would your own family.

**So, what is the right model to think of your company?**

My perspective, there is no single right model. I think the best way to approach your company is to create a blend of the best aspects of each. The truth is, across each of these examples, there are some common factors:

- Trust
- Communication
- Commitment
- Common Goals
- Collaboration

When I think about my teams, I have tended to think of them as a blend of family and a high performing team. It is my job to protect them in business as I would my own family but also to inspire and grow them as a professional. This is precisely where one needs to be careful.

**Where the family model goes wrong**

Many companies get in trouble with the family analogy because the boss starts being parental, or everyone starts getting too deeply involved in each other’s lives like that one Aunt who can’t stop gossiping. These are not your kids. You don’t get to scold them.

| These are familial bonds, not familial roles. |

I believe there is one way to lead that is the most effective and it’s not set in a particular style. The way to lead, is the one in which every member of the team has the highest sense of personal satisfaction in the work they do because it aligns with their own values, and their work environment contributes positively to their lives.
Lead so that every team member has the highest sense of personal satisfaction in their work because it aligns with their values, and their work environment contributes positively to their lives.

In the best work environments, people are happy to come to work, they work well with their teammates, they respect their leaders, and they work hard because they are motivated toward their goals more than they fear punishment for mistakes. I believe this is best achieved through a blend of supporting one another like family and working together as a high performing team. Each team member is willing to sacrifice for the team, because every other member of the team is willing to sacrifice for them:

- In this cut-throat world, isn’t it a nice idea to enjoy coming to work?
- Wouldn’t it be nice to whole-heartedly respect your co-workers and leaders?
- Wouldn’t it be great for everyone to be truly invested in the team’s success?

So, maybe we stop arguing the semantics of what we call it. Maybe we should just opt for care, trust, and safety.

What do you think?