

Staffing and Recruiting for the Family Office

Editor's Note: This is the first installment in a two-part series on staffing and recruiting for families and family offices. The topic was suggested at a private family office only roundtable in Denver, Colorado earlier this year by a family office looking to add staff in both the office and in homes of the family after experiencing a large liquidity event. To request specific content or to hear from experts, please send an email by clicking [HERE](#).

FON Content Director Kristen Oliveri sat down with Teresa Leigh, the founder of Teresa Leigh Household Risk Management LLC to talk about how to properly hire for private family homes. She also shares with the family office community the pertinent questions family members or executives should ask at the very beginning of the process.

With close to 30 years of experience in household and domestic staff management Teresa is an expert in the process of identifying problem areas within a family's home and offering solutions. Every process must begin with first identifying the job description for the person- or people- the family needs to hire.



Teresa Leigh, founder Teresa Leigh Household Risk Management:

It all starts with the job description.

I went to visit a family a few weeks ago, who were perpetually frustrated by the consistent turnover of their household staff. We had a lovely dinner together allowing us the time to truly talk through what the real needs of the job were and what had clearly not worked for the family in the past. I listened carefully to their frustrations and experiences before my firm would ever attempt to suggest a solution, for experience has taught us that listening is key and a well written job description is the beginning of that success.

I believe the job description is paramount, it becomes in a sense a 'work order' for finding the best new employee. Take for a moment, that within the private service industry of household and property employees, there are over 52 different job titles and accompanying skill sets, all unique to that particular job.

When I first meet with a family or individual they often think a household manager is their next hire, often because this is a term their friends have used or simply because a manager working in the household seems to make the most sense. However, experience and expertise has taught us that in this situation, an Executive Personal Assistant who works in the home might better suited for this job. You may begin to see that the job need, job description, to correct job title are all intricately connected.

Unfortunately for families traditional staffing agencies may put forward candidates based on the requested job title and not on an accurate understanding of the job / job description, many agency personnel have never worked in a private home or personally visited with the family. It is near impossible to successfully place employees into a household without first understanding the employer and the job. Plus, it is a terrible shame to waste valuable time and resources when there is another more highly efficient way of hiring your staff.

Another example I would like to offer is the differences between a companion and a caregiver.

Families might ask for an employee to sit with an elderly parent and keep them company or drive them to social events, but what might also be asked of the employee is the monitoring of the daily medications, preparing meals and bathing the parent. This offers many complexities to the job, is it companion, caregiver, or a nurse?

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Family offices executives should begin with the following steps before beginning the hiring process:

- List 15 different tasks that the employee will need to perform. While many will say “I just need someone to handle it,” that will not be helpful in executing a successful long term hire. Specifics are key.
- Ask: What is the family willing to give the employee immediate access to? E.g., credit cards, cell phones, schedules, cars.
- Ask: Is there longevity in this position? Write down five things the employee might need to add to their job description in the next five years, keeping in mind the family might grow, add a new residence, etc.

Currently, the most expensive risks faced by families is the risk of violating the ever changing state and federal labor laws for their employees. Families often misclassifying hourly employees for salary employees and do not pay over time. Many household employees have sued for overtime wages and won judgements against their employers. Additionally, it is important to note that there are individual state labor laws that will require careful management, case in point; if a household employee is required to work 8 months in one state and 4 months in another due to employers travel and is paid on a company payroll in another, what state law prevails and what is needed to reduce the risk of violating state labor law?

A prudent safety concern for families, is the vetting process of candidates and staff. It is a little known fact that staffing agencies, as part of their ‘hire quick’ business model, will introduce candidates to high-net-worth families before performing any due diligence or reference calls. Shocking but very true, agencies are focused on the hire and not on the risk.

It’s also important to note families generally do not understand the difference between the online background check for \$99 or something much more thorough that will cost more. The low cost background check will not give you the information needed to make a sound hiring decision. Case in point: a HNW family hires from an online service and checks the box ‘background investigation’ included for \$25.00, after the employee was on the job for 30 days. They were asked to drive as a part of their job, but it was then discovered the new employee did not have a driver’s license due to the fact it has been revoked for repeated DUI’s in another state.

Even though it is the year 2015, it’s still the Wild West of identification and IDs, people can easily take on someone else’s identity. Families need to be very diligent of who they bring into their homes and near their children.

Finally, families would be wise to have a clear distinction between the family office payroll and their household and property staff, families familiar with the modern complexities and difficulties of managing staff opt for a separate LLC for household staff and hire a specialized HR management team who provides the family with the expertise of household employees and those quirky 52 different job titles.

What do you think?

How has your family office handled staffing issues for private homes for the matriarch or patriarch of the family? Have you had good or bad experiences with household staffing? To chime in on the conversation feel free to utilize the comment section below. To be connected with Teresa directly, please send Content Director Kristen Oliveri an email by clicking [HERE](#).