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## Matthew A. Hunter

Matthew Hunter, the 40 year old CEO of Hunter Design and Development—a 63 employee firm specializing in the design and development of commercial real estate projects such as shopping malls and offices – did not know what to do. Matthew's brother Jack, who was vice president of design in their family company, was not performing well in his job. Jack, 34, had never performed well in his few jobs in his eight years in the company, but he was well liked by employees and had performed well enough for other employees to make it seem like Jack was reasonably capable. In fact, over the years Matthew had asked other employees to quietly help his brother. But for the last year Jack's poor performance had become difficult to cover. In the last three weeks, Matthew had heard complaints from architects outside the company and managers inside the company that Jack was interfering with some important projects—slowing decisions and insisting that he personally meet with clients when he did not understand projects well enough to represent the firm—and that Hunter Design was in danger of losing some important clients. One of the company's advisory board members, in a private conversation with Matthew, had also recently questioned Jack's qualifications to run his department. Matthew had assured the board member that he could manage the situation.

Matthew, who had a master's degree in engineering, entered the family business five years ago (in 1998) when his father Oliver became ill with cancer. Oliver died in 1999. Jack, an architect by training, had joined the company just after graduate school (in 1995) at the insistence of their father and the encouragement of their mother, who had always protected Jack. Their father made Jack assistant to the president to help him manage projects, set agendas for meetings and develop proposals for development projects. After working in the company for a few years, Jack became director of design, overseeing architects on their various projects, but still helped his father in the ways he always had. The company was much smaller then.

When Matthew entered the company in 1998, his father made him chief operating officer and made Jack vice president of design. Oliver awarded Matthew a 20 percent higher salary than his brother. Privately Oliver told Matthew that he was to always help his brother to be successful. His mother, Cassandra, who came to Jack's defense whenever Matthew dared to complain to his mother about Jack's performance, emphasized that same point. When their father died, Cassandra inherited 100% of the company's shares. It was unclear to Matthew how their mother, 64, would pass her ownership of the business to her two sons.

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Senior Lecturer John A. Davis and Assistant Professor Deepak Malhotra prepared this case. HBS cases are developed solely as the basis for class discussion. The company mentioned in the case is fictional. Cases are not intended to serve as endorsements, sources of primary data, or illustrations of effective or ineffective management.

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Matthew liked Jack and had always tried to help him when they were growing up, coaching him in sports, helping him with his school work, advising him on girlfriends and even defending him from their father's criticism when Jack was in trouble at school. Matthew had always heard from his parents that he was the lucky one to whom good performance came easy. This left Matthew with lingering feelings of guilt regarding Jack's inferior achievements.

Matthew had encouraged Jack to work elsewhere before joining the family business but had pretended to celebrate Jack's decision to join their father. Matthew had always encouraged Jack to attend management and personal growth seminars and to get coaching on management issues. Jack attended seminars and sat with executive coaches (and even a few therapists) but rarely put into use the advice from these sources. Jack's wife, Amber, was very protective of Jack and, given her few comments on the subject at family gatherings, seemed to resent that Jack had a lower title and lower compensation than Matthew.

Matthew had never evaluated Jack's performance formally and did not think his father had either.

**Prior to the case discussion, answer the questions below by circling your responses on this page.**

1. If you were Matthew Hunter, which of these would you be most likely to do in this situation? **Circle one.**

Fire  
Jack

Demote  
Jack

Give Jack a warning  
and try to help him

Do nothing and hope  
the problem goes away

2. In a situation like this, how much weight should a business leader give to the needs of an employee (like Jack) relative to the needs of the company? **Circle one.**

1

2

3

4

5

6

7

Consider  
Jack's needs  
above all else

A lot more  
weight to  
Jack's needs

A little more  
weight to  
Jack's needs

Equal weight  
to Jack's needs  
and the  
company's  
needs

A little more  
weight to the  
company's  
needs

A lot more  
weight to the  
company's  
needs

Consider the  
company's  
needs above  
all else

3. How much profit are you willing to lose each year in order to keep Jack in the firm? In other words, how much damage are you willing to suffer before you would ask Jack to leave? **Circle one.**

\$0

\$10,000

\$100,000

\$1,000,000

\$10,000,000

Any amount