



## Divorce Impacts Businesses as well as Families



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There are daily articles and online posts about the impact of divorce on families. Divorce, particularly high conflict divorce, can also impact businesses. Here are five common ways that a business can be affected when an employee is going through a divorce:

**Reduced focus and productivity.** The emotional toll of divorce can distract employees and contribute to less focus and attention and increased errors.

**Missed work.** The emotional trauma can impact health and increase absenteeism. The time demands of the legal process, as well as potential increased demands for child care when parents separate, can cause increased tardiness and absenteeism.

**Legal discovery.** When divorces are high conflict, formal demands for extensive document production can be directed at the employer. In some cases, management or business owners are even compelled to testify regarding payroll, benefits and personnel issues.

**Payroll, benefits, and tax issues.** Divorce impacts benefits, insurance coverage, payroll deductions, and potential child support or spousal maintenance income assignments.

**Business valuation disputes.** If one of the spouses has an ownership interest in the business, there may be demands from lawyers or hired experts for appraisals, accounting records, or other business internal documents to support legal claims.

The common thread in each of these business disruptions is not the divorce itself, but the conflict inherent in litigation. These negative impacts on businesses can be minimized if spouses choose processes such as mediation or collaborative divorce which are designed to minimize conflict. Business owners should be aware of these options to help employees make positive choices and lessen the cost of divorce for their employees and their business.