

## Helping Family Businesses Prosper Across Generations



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### Tips for Passing on Shared Values

By Craig E. Aronoff, Ph.D. and  
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*Excerpted from "Family Business Values: How to Assure a Legacy of Continuity and Success, Family Business Leadership Series, No. 12"*

Where do values come from, and how do they take root and endure in families? **Families begin transmitting values very, very early, often before consciously realizing they are doing so. Parents teach values mainly by living them. This process begins almost at birth.** It may be intentional or unintentional. After the husband-and-wife owners of one family business greeted the birth of their youngest child, they brought their older son, then five years old, to the hospital to see the new baby. The little boy expected to see his mother with the infant in her arms. Instead, when he entered her room, he saw his baby brother lying in a bassinet beside her bed. His first image of his mother after this historic event was of her lying in a hospital bed cradling not an infant, but a duplicate invoice book. She was making sure all the family business accounts were up-to-date. The value at work: It doesn't matter what else is going on in your life. You do your work. Obviously, neither parent in this case had consciously decided to teach their son that lesson. But it came through loud and clear.

Children are not only keen observers, but avid questioners on matters relating to values. Their innate desire to make sense of life often emerges in "why" questions. Why do you go to work? Why do we go to church? Why do I have to do (fill in the blank)? As annoying as children's questions may be, the answers often unearth core values. The children are looking for principles to help them shape their own behavior, and ultimately, their choices, in the future.



**Among adults in the family business, core questions about values often take similar form. Why do we work so hard in the business? Why should we make financial sacrifices so the business can grow? Why should we strive so hard to hold the family together? None of these questions can be answered by whipping out a profit and loss statement or a one-minute management guide. The answers can be found only in the realm of values.** Families who take time to teach children the "why" of achieving the goals they desire, rather than simply the "what" and "how," are far more likely to produce adults capable of answering these questions and sustaining family business ownership. This teaching should begin at as young an age as possible. Various families handle this process in various ways.

#### Passing on Shared Values:

Once consensus is reached on shared values, families can use a variety of techniques for bringing them to life and passing them on:

- **Writing Family Creeds:** Some families work together to create values statements, mission statements, mottos or codes of conduct. These written documents are good reminders for everyone, and the process of writing them reinforces the values they express. Some families write their creeds beautifully in calligraphy or have them professionally printed, then frame them and hang them at strategic places.
- **Holding Family Meetings:** This can be an excellent medium for teaching values and putting them into action. Some families begin family meetings



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continued

around the dinner table when children are young, with a goal of teaching values. Other families with older children spend time discussing such questions as, “What responsibility do I have to give back some of my wealth to the community?” and “What philanthropic goals do we believe in?” (For information on family meetings, please see No.2 in The Family Business Leadership Series, “Family Meetings: How to Build a Stronger Family and a Stronger Business”.) The act of gathering as a family in itself encourages members to recognize the principles and beliefs they share.

- **Telling Stories:** Again, family stories and parables are an excellent way to pass on established values in families of all kinds and sizes. Family leaders can make a point of including family stories in informal conversations or talks at family gatherings of all kinds.
- **Arranging Fireside Chats:** Members of the senior generation in some families hold fireside chats with the youngest family members, talking about values and stories that illustrate them. Although parents can do this with their own children, these sessions are particularly powerful when grandparents sit down with grandchildren. “What does integrity mean to you?” the elder may ask the kids. “Let me tell you some stories.” Or a senior family member may hold a Socratic discussion, drawing out and shaping the children’s views through careful questioning. Videotapes of these sessions can be a powerful teaching tool for future generations.
- **Conducting Educational Seminars:** Other families hold educational seminars on values. Family members may meet to discuss trust or the entrepreneurial spirit, for instance. They may bring in a speaker or discussion leader to enrich and guide the talks. The content of these gatherings can be tailored to suit any age group, including children. Another technique is to have one family member talk about a particular value and how it shaped his or her life.
- **Organizing an Active Board:** Experienced independent family business directors, such as other business owners, can help the family work on values. Directors may serve as a resource or sounding board for family ideas and questions on values. They can encourage family leaders to undertake values education. And as respected, objective advisors to family shareholders, they can provide

examples of values in action. (For more information on active boards, please see No.8 in The Family Business Leadership Series, “Family Business Governance: Maximizing Family and Business Potential”.)

- **Setting Up a “Family University”:** Structuring a learning center for family members can be an effective route to values education and development. The family university may or may not have a physical location. Either way, it serves as a vehicle for organizing seminars, talks or ongoing programs for family education and development. Topics may include communication, listening, decision making or conflict resolution skills, as well as work on values. Whatever the focus, the mere existence of a family university can symbolize the value a family places on education and development of people. Families that sponsor shared learning often have the same kinds of programs operating in their businesses, in the form of training and development centers or company universities.
- **Introducing Children to the Business:** Senior members of some families take children on business trips and make a point of showing them examples of the family’s values at work in the business. Others have children attend store openings and hear family members make speeches about the guiding principles the family instills in the business.
- **Writing an Ethical Will:** Some leaders of family businesses are embracing an ancient custom: “Ethical wills.” These documents express the author’s view of life’s meaning and articulate a hoped-for legacy of values and beliefs.

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