

Got Culture? Family Culture as the Multi-Generational Glue

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One of the basic objectives of advising family enterprises is to assist the family in creating a continuity plan that maintains the family as the “trans-generational engine” for wealth creation over multiple generations. As a lawyer with a blue personality profile, I struggled with how to process this concept when I was first introduced to it as it did not fit within the legal structures and constructs with which I was familiar. Intellectually, I could (kind of) understand what was being presented, but had difficulty fitting the concept into my legal tool kit. I tried to pass it off as my incomplete mastery of the “content–process” balance the FEA approach required me to achieve, that balance between my technical legal skills and the process of working with the family, and clung to the belief that as I became more familiar with the FEA concepts, I would be able to understand what a “trans-generational engine” really means.

As I became more familiar with the FEA concepts, I did indeed begin to feel more comfortable with the “content–process” balance. However, I was still left with a nagging doubt that I did not fully understand how even the FEA concepts and tools could be used to create a multi-generational family continuity plan. I could see how the concepts and tools are vastly superior to using just a legal tool kit, and I could also see how useful these FEA concepts and tools are in working with family enterprises. Yet I still had difficulty seeing the “big picture” of how a family continuity plan created by today’s family members, with or without my assistance as an FEA designate, could survive over multiple generations. It was the multiple generations thing that I was stuck on.

It is from here that my intellectual journey began.

Looking at family enterprises, I believe that it is not wealth that continues through the generations, it is the family. Wealth is a thing: family is everything. If wealth is the most important feature of the continuity plan, then why not buy a tonne of gold and drop it into the middle of the Pacific Ocean. In a thousand years that wealth will still exist, albeit at the bottom of the ocean, but it will still exist. Mission accomplished? I think not. But you say, that is a false analogy since even though the wealth existed at the bottom of the ocean, the family would not be able to enjoy it. Aye, that is the rub, the *family* would not be able to enjoy it so we come full circle back to the family. If the family (however it is defined by that particular set of related individuals) does not exist, then the whole exercise is moot irrespective of how much monetary wealth exists. I believe it is the family that is the most important feature of a continuity plan and not the wealth.

Since the family is the most important feature of a successful continuity plan, I began to think about what it is that holds a family together. Was it “core family values”, or a “family constitution”, or clarity between the 3 circles (family, business, ownership), or one of the other FEA concepts that I learned? As I considered this deeper, I started to come to the realisation that the FEA tools and concepts are tools and concepts that assist in the process, but do not address the more fundamental question of what binds the family together over multiple generations. The FEA tools and concepts are much better suited to create a family continuity plan than merely relying on my legal tool kit. OK, I get that. But there was still something missing, or so I thought so I continued down this path of inquiry.

It is here that I began to think about the concept of culture in the family context.

As culture is difficult to describe in a definitive way, it is not surprising that there is little empirical research on the culture of family enterprise.¹ This tidbit of information encouraged me to continue on my journey of introspection, learning from the experiences of others, pulling this information together into a more coherent form, and hopefully ending up in a place where I could understand a little better how culture might be applied to creating continuity plans for family enterprises.

So what is culture? There are many definitions but I used the following for purposes of my analysis.

“Culture is that set of philosophies, values, rituals, customs, practices and other activities or beliefs which as a whole, a particular group of individuals recognise as the hallmarks of an identifiable and unique community. It is the measuring stick by which individuals know whether they belong to a particular community or not. It is the voice of past generations speaking in the present to the current generation regarding who the community is, not in the sense of any ancestor worship, simply as a common connection between generations. It is something greater than the individual or mere wealth that the individual identifies with and wants to be a part of. It is the feeling of belonging.”

Culture is not a rational process nor does it arise from a common agreement of the community. It is usually idiosyncratic and even unintelligible to individuals who are not part of that community. Nonetheless it is recognisable to members of that community and more interesting (at least for purposes of this discussion), it is the only force powerful enough (other than religion) to be able to bind a non-state community together over multiple generations—something that is strong enough to be trans-generational.

My first memory of thinking about culture was growing up at home. I was a prairie kid raised in Southern Alberta. Nothing unusual in my upbringing,

except exceptional parents, and I grew up with the sights, sounds and culture of Southern Alberta forming part of who I am. I even learned how to chew tobacco, but that is a whole different topic which is beyond the scope of this discussion. Although our household was a fairly typical Canadian working class one, I always felt that my father had traits of “old Japanese” in him, even though he was born in Canada. As I think about it now, I cannot really describe what that means, only that it was more of a feeling. At the time, it was a passing observation and I did not dwell on it.

Another early memory of culture that sticks in my mind was comments made by a grade school friend, Vladys. We were only about 10 or 11 but he went out of his way to tell me that his family was from Lithuania and he took pains to explain that it was culturally different from the rest of the USSR. Even at that age, his desire to tell me about his cultural identity struck me as being something quite profound. We didn’t dwell on it and probably continued on to go outside and ride our bikes or dig up an ant hill. Kids, eh?

My next memory about culture was when I went overseas to work. My first years of law practice in the early 1980’s coincided with a particularly nasty economic downturn in the Albertan economy which was a good learning experience but not much fun. Still having an itch to see the world, I packed up my practice and headed overseas with my then girlfriend, now wife of over 30 years. Now that was fun. As my heritage is Japanese, I wanted to learn something about Japan and even learn the language. In hindsight, perhaps the influence of what I felt in my father ignited this interest.

Being young, ever confident in my abilities and very naive, I thought that I could get a good handle on the Japanese language in 6 months. So we planned to go to Japan for 6 months, learn Japanese and then continue on travelling before returning to

¹ Values in family enterprise, Ritch L. Sorenson, SAGE Handbook of family enterprise, London 2013 at pg 477

Canada. 6 months—hah! While sweating over the introductory lesson books which were geared for about a 5 year old, I learned that one of the early Jesuit priests who went to Japan in the 16th century called the Japanese language the “devil’s tongue” since it was so difficult to learn. Good call I thought as I mopped the perspiration from my brow.

I did not speak Japanese when I went to Japan so I was “tabula rasa” when it came to the Japanese language. I struggled with the language but ultimately was able to memorise the “Joyo” kanji and learn enough Japanese that I could even read legal texts. Through this struggle, I came to realise that the Japanese language is imbued with culture. If this is the case with the Japanese language, it is likely the case with other languages also. More on this later.

6 months turned into 2 trips out of Japan to change my visa status, getting married, having children and 7 and a half years in Japan. It was a life experience and a cultural experience.

How Deep It Sits

When I went to Japan, I fully expected to experience culture shock, and I did. It is hard to describe in words what culture shock truly feels like and I believe that that is the first clue as to why culture is so different. It is not an intellectual concept or something that can be fully described in words. It is something deeper than the intellect that must be experienced first hand to be truly understood. After about 6 months in Japan, the initial feelings of wonder, stimulation, adventure turned into other deeper emotions, not entirely positive... but I was expecting culture shock although I did not know what it would feel like. This in and of itself would not have left a particularly strong impression on me.

However, what caused me to first start truly thinking about culture was when I returned to Canada. Since I am Canadian, born and raised in Southern Alberta, I did not expect or even think about having any issues of culture shock when I returned to Canada. Sure I had lived in Japan for over 7 years, but hey, I am Canadian. What I did not realise was that some

of the Japanese culture had seeped into my marrow so when I returned to Canada I experienced reverse culture shock. I tried to explain this feeling to family and friends upon my return but could not express the feeling in words other than an “emotional and psychological” malaise that I could just not shake. I got through this phase fine but it did take a couple of years to get it out of my system. This experience stuck with me and was the first experience which caused me to reflect every so often about what culture is and how deep it sits in a person.

Wealth Is Not Culture

The reason I was drawn to become FEA designated was, as a lawyer, I kept seeing the carnage suffered by families arising from traditional estate planning—the kind that professional advisors of all stripes usually engage in. This traditional approach focuses on moving wealth around, not on keeping the family together, so the estate plan functions for the wealth but oftentimes sucks for the family.

It is the fear of losing wealth or at least the desire to keep wealth that drives the succession planning of some, perhaps most families. What this approach misses is that at some time every family started with nothing, and every family has likely had an experience with losing some of their wealth or facing trying times where the family wealth was threatened. By focusing on wealth, the succession plan turns into a simple estate plan of moving assets from here to there—it is the wealth that is important not the family. What does that teach future generations? By focusing on monetary wealth, the family loses sight of what is truly important and that is the relational wealth of being a cohesive family.

Wealth is not the bond that binds a family together over multiple generations. I had the good fortune and privilege to work with a family where the matriarch had a profoundly powerful story of family and survival. A story of being forced to move from continent to continent to escape persecution and hardship; stories of the sky going black when the atomic bomb was dropped during WWII, exposure to the aftermath of atomic war, further uprooting

to a new continent and finally coming to North America. Upon arrival here, there was little monetary wealth but a mountain of wealth in the form of a family still held together by the bonds of family. By the time I had the opportunity to work with this individual and her family, it had created substantial monetary wealth over 2 generations—this family epitomised the FEA phrase of the family being a “trans-generational engine” creating wealth across the generations. The strong family bonds were clear to be seen and it is my belief that it was the relational wealth of the family that produced the opportunity for the creation of monetary wealth. This family could have dropped that tonne of gold into the Pacific Ocean on the way to North America and still would have created new monetary wealth.

The legal tools we use as lawyers are not the bond that binds a family together over multiple generations² and even the FEA tools, process, structures, concepts and approaches are not the bond that binds a family together over multiple generations, since ultimately, they are only tools, albeit useful ones, that can be used by the FEA to collaborate with families to enable them to be better able to build out their own unique processes and structures necessary to give the family a better chance at becoming a multi-generational family.

So where did that lead me—full circle back to culture as the best potential candidate for a family to focus on to create the family bond, one strong enough to bind the family over multiple generations.

So how powerful is culture in the face of adversity to maintain the cohesion of a community over

multiple generations? It was my good fortune and privilege to have the opportunity to be working with the Kainai Tribe (oftentimes referred to as the Blood Tribe) which provided me with an insight into just how powerful culture truly is. The timing was auspicious as the Truth and Reconciliation Commission of Canada had just released its report as I was preparing to write this article.

What I learned about the experience of how the Kainai culture survived and how it continued to bind the Kainai members together over multiple generations was an eye opener for me. Without getting into any details or making any moral judgement calls, the stated policy applied to the Aboriginal peoples of Canada by successive Canadian governments over multiple generations was aimed at the destruction of those structures and practices that allow the group to continue as a group... to disrupt families to prevent the transmission of cultural values and identity from one generation to the next... something the Truth and Reconciliation Commission called cultural genocide.³

This official policy was enforced over multiple generations of First Nations. And yet the culture survived. Children were forcibly taken from their parents and put into residential and industrial schools to be educated in the English language and in the “western” way. Contact with their parents was discouraged and sometimes prohibited in order to avoid having them tainted by the old cultural ways of their parents. Cultural ceremonies were made illegal punishable by imprisonment for those caught engaging in them.⁴ All of these policies were aimed specifically to obliterate⁵ the First Nations culture

2 For example, the multiple trust structure with beneficiaries of one trust being the trustees of the other trusts did not work for the Steinburg Family. *Family Business on the Couch A Psychological Perspective*, Manfred F.R. Kets de Vries and Randel S. Carlock with Elizabeth Florent-Treacy John Wiley & Sons, Ltd. 2007

3 Truth and Reconciliation Commission of Canada, *Honouring the Truth, Reconciling for the Future*, 2015: “*And, most significantly to the issue at hand, families are disrupted to prevent the transmission of cultural values and identity from one generation to the next.*”

4 *A Narrow Vision*, E. Brian Titley, University of British Columbia Press, Vancouver, 1986, Chapter 9 “Senseless Drumming and Dancing.”

5 As explained in 1889 by Indian Commissioner Hayter Reed when describing the industrial schools: “... every effort should be directed against anything calculated to keep fresh in the memories of children habits and associations which it is one of the main objects of industrial institutions to obliterate.” *A Narrow Vision*, *ibid.* at pg. 78

and continued for several generations. And yet the culture survived.

Leroy Little Bear, an individual with a wealth of knowledge about the history and culture of the Blackfoot People, posits that culture is created by a relationship between philosophy, values and customs.⁶ It is an inter-related but not hierarchical structure. I applied this approach to my analysis.

So what are the basic concepts we are working with?

Philosophy: Philosophy is the underlying belief system that guides the community from generation to generation and provides the common link between generations.

Values: Values arise from and reflect an underlying philosophy so once the philosophy exists, the values can then be articulated.

Customs and Rituals: Customs and rituals are the outward practice and re-affirmation of the values and philosophy of the community.

I thought that if the Kainai People were able to stay together culturally through a century (give or take a few generations) of government policy aimed at taking the culture out of them, then there must be something to the staying power of culture—the ability of culture to bind a group of people together through the generations. The government policy was to stop the culture from being passed on to successive generations. And yet the culture survived. And the Kainai People survived as an identifiable and unique community.

So let's examine what happened under this regime to each of these.

Customs and Rituals: The government of the day realised that the ceremonies and rituals were a link

to the culture they wished the Kainai People to forget, so these were discouraged or even criminalised. Engaging in these ceremonies and rituals could wind up with the participant in jail. And yet the culture survived. So it appears that culture is deeper than customs and rituals.

Values: The government created a system of residential and industrial schools in order to teach western values to the First Nations children. The thinking was that if western values were taught to the children, in a generation or two assimilation into the mainstream society could be achieved and the First Nations' society/culture would vanish. And yet the culture survived. So it appears that culture is deeper than values.

Philosophy: It is here I believe that the government policies began to fail in the stated goal of stopping the Aboriginal cultures from being passed on to the next generations. I cannot espouse any special knowledge as to the philosophy of the Kainai People, either now or during the time of the government's efforts to "deal with" their culture. However, if the premise is true that "values" can be articulated once the "philosophy" has been set, then the Kainai People's philosophy is deeper than the "values" that the industrial schools and residential schools were attempting to teach and therefore the Kainai Peoples' philosophy survived even through the separation of children from the parents. So what could this deeper philosophy be? Perhaps it was something along the lines of believing that they were connected to all things, both animate and inanimate. Perhaps it was that there was energy flowing through everything, with the energy being a spirit so that even things like rocks which in western rational eyes are inanimate and therefore incapable of having a spirit, had a spirit in the philosophy of the Kainai People. Any of these expressions of a philosophy would have survived, since the residential schools taught values, not philosophy.

⁶ [Aboriginal Paradigms Implications for Relationships to Land and Treaty Making](#), Leroy Little Bear Wilkins, Kerry (ed.) *Advancing Aboriginal Claims: Visions/Strategies/Directions* pg. 26-28 Purlich 2004

“I am the environment”⁷ is a philosophy that would be difficult to obliterate by simply teaching a different set of values. Unless the underlying philosophy is completely erased or forgotten, the values taught at the residential schools would be and were in fact shed. Of course, many of the residential schools were denominational in nature and therefore had an overt religious overtone. The key point to consider is that religion is different from culture in many aspects. An interesting intellectual exercise to examine, but beyond the scope of this discussion—perhaps the topic of future musings.

Culture: Despite the stated policy of the government, there remained a sufficient amount of the philosophies, values, rituals, customs, practices and other activities or beliefs which comprised the culture of the Kainai People, so that the members of the Kainai Tribe could still recognise whether they belonged to that identifiable and unique community. Even more to the point, the Kainai Tribe members wanted to belong to that community; it was something which provided an identity and a safe reference point as to who they were in the world. This is what “belonging” means, an affirmation of who you are in the world. I believe that this is the case else the Kainai People would have disappeared as an identifiable people long ago, even though they would still have the Reserve. The Reserve is an asset (although an important one in Kainai culture), but culture is the people. I believe that it was the culture that held them together as a people, not the land however important land is to their culture. Land is important to all or most of the First Nations in Canada yet the First Nations in British Columbia were able to hold on to their culture even though very few have signed treaties and therefore have no Reserves. The Kainai People serve as one example of the enduring nature of “culture” once it has been established; the ability of culture to bind an identifiable and unique group of people together over the generations, even through adversity.

Applied to the FEA context, it will not be the wealth that holds the family together over the generations, it will be the family culture. You cannot want to “belong to wealth” you can only want to “belong to family.”

How to describe “culture” in words is difficult and how to create culture is even more difficult. However, for the family that wishes to create a truly multi-generational continuity plan, it may be that creating a family culture is the best way of ensuring multi-generational longevity. What I can say for certain is that relying solely on the tool kit of a lawyer without more will not result in a multi-generational family continuity plan—only an estate plan moving assets from here to there. But perhaps I speak in overly broad tones and there are lawyers out there that can create a multi-generational family continuity plan utilising only legal tools, and if that is the case, my apologies for overstating my case and more power to you.

My early memories of culture and my passing brush with Japanese culture caused me to think that culture was something deeper than mere intellectual expressions. Having the opportunity to see how the First Nations cultures survived concerted governmental policy enforced over several generations aimed at stopping their cultures was the catalyst that started me thinking about how powerful culture truly is and how it can hold together a community under conditions designed specifically to break the community apart. As a family moves through the generations, it moves from a nuclear family to an extended family and for the truly multi-generational family, ultimately to a community. Mom and dad hold the nuclear family together: culture holds the community together.

The power of culture to hold communities together over multiple generations, even under adverse conditions made me start thinking that the truly successful trans-generational families, the ones that

7 Elder of the Blood Tribe, anonymous, Land: The Blackfoot Source of Identity, Leroy Little Bear, University of Lethbridge, Prepared for “Beyond Race and Citizenship: Indigeneity in the 21st Century” Conference, Oct. 28-30, 2004 University of California Berkeley

have been able to keep the family enterprise together over multiple generations, must have somehow created a family culture for that is the only way that the family enterprise could continue to stay as a family enterprise over multiple generations. There is nothing else strong enough to hold the family enterprise together over multiple generations. The tools available: family offices, family constitutions, code of conduct, core family values, legal tools (trusts, shareholder agreements, etc.), ethical wills, facilitation to name a few, are simply that, tools to be used by the skilled practitioner of family enterprise advising, to collaborate with a particular family to come together at a particular point in time to manage issues that are relevant to the family at that time, and (hopefully) provide the family with the necessary structures, processes and tools so that the family is able to chart its course into the future. For those families that are truly interested in surviving over multiple generations, I now believe that more emphasis needs to be placed on having the family realise that their family culture is the most important relationship or inter-generational glue that the family needs to create.

Unless the goal is to create the family culture, everything else is simply a tool that future generations may or may not use, or worst case scenario, set as their goal to break.⁸ Tools are intellectual. Culture is the family DNA. In FEA jargon, we advise the family to move from the “intuitive” to the “intentional”. For example, how the entrepreneur/founder might do things intuitively without really thinking about it, needs to be articulated in a form that the next generation can emulate and learn from, or that intuitive knowledge will be lost. Intuitive to the intentional.

Creating a family culture means, to a certain extent, that we need to go full circle back to “intuitive”. The difference is that in FEA parlance, “intuitive” relates more to how an individual engages in an intellectual process to make decisions that affect the business. In relation to family culture, “intuitive” relates to how a family member innately recognises what it means to belong and whether they do belong to that family. I describe the difference between these uses of “intuitive” as the difference between “action” and “belonging”. Both are important but each engages a different concept and therefore mind set for the family. One relates to passing on knowledge to the next generation usually to create a stronger family enterprise, and the other relates to whether the family recognises who they are as a family and whether each individual belongs.

To pursue this point further, consider the words of the US Constitution: “the pursuit of happiness”. What does that mean and what did the drafters of the Constitution intend by using those words? These 4 simple words have been absorbed into the fabric of US society and have formed part of its culture. Americans are known to be fiercely independent and individualistic in their pursuit of their dreams. From this independence and individualism is born the entrepreneurial spirit that is so often associated with Americans. “The pursuit of happiness”, these simple words have become part of US culture and have survived for over 2 centuries. Not bad for 4 simple words.

Let’s look at a family example. The Beretta Family has been in the business of manufacturing firearms since 1576.⁹

⁸ Supra, footnote 2

⁹ Prudence and Audacity: The House of Beretta, IMD International 296, v. 07.08.2006, copyright by IMD – International Institute for Management Development, Lausanne, Switzerland

The Beretta Family has set out the family philosophy as follows:¹⁰

The “Power of One”

Invest in new technology every year

“Quality without Compromise”

**A finely tuned organization
is crucial to successful**

“Believe in and like the product you make”

**Continually update processes,
procedures and equipment**

**No more than 30% of production
dedicated to military sales**

“Prudence and Audacity”

Without quibbling about whether all these fit within the rubric of philosophy, I believe two clearly rise to the level of stating a cultural ideal: “power of one” and “prudence and audacity”.

The “power of one” has been interpreted by the Beretta Family over the years as relating to personal freedom. This value of personal freedom enabled the Beretta Family to encourage entrepreneurship and foster opportunities for self-expression, coupled with a sense of individual responsibility. Over the years, this philosophy has allowed the Beretta Family enterprise to meet the challenges of changing technologies, growing international markets and changing social values. This “power of one” has striking similarities to the phrase “pursuit of happiness” found in the US Constitution.

The “prudence and audacity” has been interpreted by the Beretta Family as giving the family an appreciation for the possible and the desire and means to achieve it, tempered by a sense of personal responsibility not to take needless risks (that is

don’t bet the family farm.). The move into the international markets by taking a military supply contract from domestic manufacturer Colt can be seen as a product of this philosophy—the audacity to believe that Beretta could take a contract from the domestic manufacturer to supply the US military and the prudence to understand that international expansion was necessary for the long term health of the family enterprise. The US soon contributed 75% of Beretta’s sales.

I believe that these simple phrases have become part of the Beretta Family culture and have been used for over 15 generations to guide not only the business, but also to define who the Beretta Family is as a family—their family culture, the sense of belonging. The values that these phrases represent have been interpreted differently by different members of the family over the centuries, but the phrases have contributed to the multi-generational cohesiveness of the family. The family members can use these phrases as a means of renewal—to remind themselves who they are as a family and to use as reference guide posts so that the family does not stray too far from the family culture. By belonging to this family culture, each generation has stewarded the Beretta Family enterprise by reference to the family cultural guide posts.

Change is inevitable and the dynamic of change is predictable. It is the expression of that dynamic that is unpredictable over the generations which proves the undoing of most family enterprises. The cultural reference guide posts allow the previous generations to provide their family cultural wisdom so the current generation can take advantage of this pool of wisdom. It is the inter-generational conversation that family culture creates. Money talks in the present, culture speaks over the generations.

¹⁰ Beretta Company Information, Prudence and Audacity: The House of Beretta, *ibid* “Culture is in the walls here. It becomes part of you with each breath. There is a certain something that is common to everyone in this company, something shared, yet unspoken.” Franco Beretta

As I am a lawyer you can imagine how difficult it was for me to come to this realisation, even heretical, that all the legal skills and tools that I had learned and honed over the years were of little use in creating a continuity plan that would span several generations. They are not suited as a continuity plan, one that is multi-generational—they are only effective at transferring an asset “from here to there” albeit sometimes with a delay or on conditions. However, the basic concept of these tools does not change—they are designed to deal with “things” not values or culture. Although it is possible to use these legal tools to pass an asset or some portion of wealth over a few generations, it is only wealth that is passed, nothing else. So whether the receiving beneficiaries are capable of handling the wealth is subject to the vagaries of their personal circumstances, nothing more, hence “shirtsleeves to shirtsleeves in 3 generations”. How many times have I heard a mother or father say: I want this money to be held in trust and distributed 1/3 when they reach the age of 20, 1/3 when they reach the age of 25 and the rest when they reach the age of 30. This looks good on paper, but why will a child be better able to handle a large sum of money simply because they have aged 5 or 10 years?

If a family that wishes to be truly trans-generational, meaning over multiple generations, needs to create a family culture, then what role do the legal and FEA tools play in creating the family culture?

At first I tried to see how the legal tools with which I was familiar could be modified to build in some of the FEA concepts and tools. This is OK but it ultimately depends on the FEA concept or tool that is being built in.

I then looked at the FEA concepts and tools. One FEA tool is to have a family create a family constitution. I looked at examples of family constitutions and was a little dissatisfied perhaps because I did not see the lasting power of the words contained in those examples. I did not see anything that resembled “I am the environment” or “the pursuit of happiness” or

“prudence and audacity” so even if I could build those examples into my legal tools, they would have some use but they would not create a multi-generational continuity plan, nor would they necessarily create a family culture. Used incorrectly (say in the hands of a well meaning but uninformed advisor) they could become diktats from the grave rather than reference guide posts for future generations.

So then, how do you create culture? This question was key to me gaining further insight into how I might be able to assist a family as a family enterprise advisor. Maybe if I was able to better understand this elusive concept of culture perhaps I could provide some unique insights to families that could potentially assist them in the creation of a family continuity plan.

I went back to my own experiences and tried to tease out an insight or a common thread that I could then articulate in a fashion that would be intelligible and useful to a business family. Easier said than done. However, I felt that if I looked harder, I could come up with that one insight of use to me as an FEA and potentially business families, so being a blue personality profile, I went back and looked at the basics: culture, philosophy, values, and rituals.

Culture

I have defined culture as a set of philosophies, values, rituals, customs, practices and other activities or beliefs which as a whole, individuals recognise as the hallmarks of them being included as a member of an identifiable and unique family.

A truly successful family culture means creating a common language, not in the sense of a spoken language but rather a common perception of how the family views the world. Imagine that you are speaking to your great great grandfather and your great great grand daughter at the dinner table. A successful cultural language means that they will both understand what you are saying culturally, even separated by 9 generations. Money talks in the present, culture speaks over the generations.

Philosophy

In the family enterprise context, philosophy is the “prudence and audacity” or “pursuit of happiness” or “I am the environment” of that particular family. It is that underlying belief system that guides the family from generation to generation and provides the common link between generations. Although not immutable and subject to different interpretations over time, it is the philosophy that the family can return to over and over again to reaffirm who they are as a family. It is the voice of past generations speaking in the present to the current generation regarding who the family is, not in the sense of any ancestor worship, simply as a common connection between generations. It is how the family can recognise that the family today is the same or similar to the family 2 or 3 generations ago or 2 or 3 generations in the future. It defines what that family believes in at its most fundamental level—“I am the environment”.

Values

The philosophy of “prudence and audacity” for the Beretta family, formed the basis for some of the family values: “building on our tradition of change”, “new ideas, old ideals”, “tradition is not history. Tradition is eternity”.¹¹ The constant renewal of family values based on and by reference to the family philosophy is the process by which the Beretta Family created its unique family culture, one that has sustained the family over 400 years.

A will or trust or family constitution setting out the “core family values” written on parchment paper and preserved over the years would not have been sufficient to hold the family together for that long. I believe that the Beretta Family created a family culture, one that is the common connection between generations, that has allowed it to stay together for so long as a family. Rephrased, “core family values” in and of themselves are not and do not create the family culture.

Customs and Rituals

The family philosophy is reflected in the stated articulation of the family values. The values (core family values if you will) in turn need to be expressed, affirmed, recognised and celebrated by some sort of conduct that has been developed by the family, the family ritual. Even if the family values exist, the values will gradually fade if they are not constantly being affirmed and renewed by a ritual that is recognised as legitimate by the family. These rituals will be unique to every family. Some may be linked to religion and some may be more family specific.

For example, in Japan, there is a holiday called “Obon” which is a time that people go back to where their ancestors are buried to pay their respects. Even though this ritual arises from the Shinto religion, many Japanese be they Shinto, Buddhist, Christian, atheist or otherwise participate in Obon and pay their respects to their ancestors. This is not ancestor worship, rather it is a ritual that has its basis in religion that has now been adopted into the Japanese culture. Participating in Obon is a reaffirmation of the individual’s connection to the Japanese culture and reaffirming the sense of “belonging” to the Japanese community that exists today, at that place.

Looking at the American experience, one ritual that celebrates the value of personal achievement is the Academy Awards.

What would constitute a family ritual is limited only by the circumstances and imagination of that family. So long as it is an expression, affirmation, recognition or celebration of the family’s values which reflect the family’s philosophy, that ritual will serve to build the family culture. Kissing the ring of the patriarch of the family is a ritual that has been set to the silver screen by Hollywood, but is an illustration of how rituals could be powerful tools to recognise the family’s values, philosophy

and ultimately, culture. It may or may not be only a movie, but I believe anyone interested in the concept of family culture would be able to recognise how a family with that particular set of values could use such a ritual to support a family culture that would be able to bind the family over multiple generations.

Safe Reference Guide Posts – A Renewal Ritual

The FEA approach requires us to be mindful of the life cycles of the individual, the family, the business, the owners and the industry so that we remember the changing nature of things: the only constant is change. If change is the only constant, then it is necessary to build in a process whereby future generations are always “checking in” or renewing their connection to the family to ensure that they are guided by the family culture in setting their actions. It is necessary for the family to know what their safe reference guide posts are during any particular generation to ensure that the family does not stray too far from the culture of the family. It is important that in order for the family culture to stay healthy and continue to flourish over multiple generations, they need to have built in a system of “checking in” to renew what the family’s safe reference guide posts are at that time. By doing so future generations can check in to see if they still belong. If the individual does not still belong, then that individual checks out: pruning of the family tree, or the family philosophy may need to be changed. If the desire of “wanting to belong” wanes, then the family culture cannot be far behind.

What a family uses as a renewal ritual will be specific to that family. Perhaps it will be a rite of passage, or studying and applying the family history, but whatever it is, it will need to be a renewal of the sense of belonging to that family’s culture.

Language

As a separate observation, I learned from one of the Kainai Elders that the Blackfoot language spoken by the Kainai People does not use nouns like we do in the English language, rather it is a language

which uses verbs—everything is an action. I started thinking that if the language describes reality as actions rather than things, then the perception of reality must be different to a certain extent than the perception of an English language speaker. Interesting. A difference in the perception of reality must have an effect on the culture of the people, or so I believe.

I also had the opportunity and privilege to work with the Hutterian Brethren in a case involving constitutional religious rights that I took to the Supreme Court of Canada. This case required me to work with a number of Hutterian Brethren colonies and gave me a glimpse into the Hutterian way of life. It was only a glimpse and I am no expert on their way of life, culture or religion. However, I am hopeful that I learned something from the Hutterian Brethren which gives me a different perspective into the role that culture plays in holding a community together.

The Hutterian Brethren trace their roots to the Anabaptist movement in Moravia and they take their name from Jacob Huter, an early charismatic leader of the movement (1533). Religious intolerance forced the Brethren to flee their homes several times, Moravia to Slovakia and Transylvania (1622), then to Romania (1767) thence to Little Russia (1770), in search of religious freedom. Military conscription forced the Hutterian Brethren to move from Russia to the United States (1874 and 1877). Even in the United States, at the height of World War I, the Hutterian Brethren felt religious intolerance in the form of super patriotism which resulted in a greater part of the Brethren moving into Alberta and Manitoba.

The Hutterian Brethren in Canada are another example of how an identifiable group has created a strong enough bond that keeps them together as a group during their journey through several countries and over the centuries. Certainly much of this bond is religious but I would suggest that much of it is also cultural.

The Hutterian Brethren all still speak a form of German on their colonies. I believe that the language, now several centuries old, allows the members to identify themselves as part of a distinct group, the Hutterian Brethren. I also believe that language is imbued with culture so by retaining the language of Jacob Huter's time, they are also retaining a certain part of the common culture—the cultural language that transcends the centuries so that Jacob would understand, both linguistically and culturally, what the members of the Hutterian Brethren in Canada today are saying.

The Blackfoot language is distinctly different from anything else spoken in Canada. The Hutterian Brethren use an old dialect of German that likely is distinctly different from the German spoken today in Germany. Japanese, from my personal experience, is imbued with culture. Perhaps putting all this together, it is possible for a family to use their family language, be it a language other than that spoken in general society in Canada like the Hutterian Brethren, or perhaps something more subtle or idiosyncratic that is understandable only to that family, in a fashion which allows the family to recognise the common bond over the generations.

Introspection on my experience of learning the Japanese language, what I observed working with the Hutterian Brethren and what I am learning working with the First Nations in Canada, suggests to me that language may be a separate consideration that needs to be worked into the culture–philosophy–values–rituals analysis. This may need to be the topic of further written musings on my part, but will be part of how I work with families that could potentially use the “family language” as part of the “family culture”.

Are There Practical Applications?

Without attempting to give any advice on how to create family culture, the following exercise is meant to be an illustration of how this might be approached.

Philosophy: “Leave the world a little better place for having been there.”

Value: “Be a large employer in the community.”

Custom/Ritual: “Annual appreciation party to thank the staff, suppliers, customers and other parties related to the family enterprise for supporting the family enterprise.”

The “philosophy” is what defines the family over the generations. The “value” is the articulation of that philosophy. The “ritual” is how that value is given expression for the family to see and to provide a safe reference guide post. The “culture” arises from the relationship of these three elements in a way that allows the family to recognise who they are as a family over the generations.

It is important not to conflate “values” with “philosophy”. Philosophy is fundamental whereas values, although important, are the articulation of philosophy and therefore should be easier to change than philosophy. Let's look at the example set out above to illustrate this point.

First let's view “Be a large employer in the community” as a philosophy rather than as a value - If the family enterprise meets with hard times and is no longer a large employer, or if the family makes a strategic decision to change what the business is so that it is no longer a large employer in that community, being a large employer in the community no longer is possible. If this is viewed as a “philosophy”, then under either of these 2 scenarios, the family loses its identity and ultimately its culture. The family philosophy cannot be defined by the type of business the family happens to be carrying on at any given time, else it would not be possible for the family to make strategic decisions to exit certain businesses

or enter others. The family could make a strategic decision to exit the existing business and enter a new business without changing its philosophy. “Being a large employer in the community” cannot be the family philosophy, although it can be a value, even a core family value.

Second let’s view “Be a large employer in the community” as a value—If this is a value, then it is an articulation of the family philosophy. As a “value” (as opposed to a “philosophy”) even if the family enterprise ceases to exist or the family makes a strategic decision to exit that business, the philosophy does not change, but this particular articulation of it could. Even if the family enterprise were to completely fail, the family philosophy would stay the same but perhaps the articulation of that philosophy as the family value could be adapted to be: “contribute to my community by doing volunteer work”. The philosophy remains the same but the articulation of it in the values would be adapted.

Third, let’s view how the custom/ritual could be adapted to each of these scenarios. In the initial scenario, the ritual could be an annual appreciation party. If the family changes businesses, then the ritual could remain the same, just in a different locale with different people. If the family enterprise fails, then the values could be changed to giving back to the community and the ritual could be an event that the family volunteers as a family to participate in such as a fund raiser, local clean up, charitable event... the potential rituals are countless. The key point here is that the ritual should be a re-affirmation of the values which in turn are an articulation of the philosophy of the family. The rituals are the easiest to change, values next to adapt to changing times, and the philosophy being

the most difficult to change. Consequently, it is the family philosophy that is the most important concept for the family to have clarity around, but also the most difficult. It is also the one that takes the most time and commitment to develop. If there is commitment, then the family will undoubtedly encounter many things that they did not anticipate that will assist them in the process.¹² That is the challenge, but if the seeds are not sewn now, there is little chance of the family culture growing in the future.

I think back now to my experience of returning to Canada from Japan. Had I returned to a situation which had rituals that reinforced values which in turn were the articulation of Japanese philosophy, I would likely have been on the road to becoming “acculturated”. From my personal experience, if it can happen to me, I believe that it can happen in a family cultural setting also.

If the goal is to truly be a trans-generational family, then there must be something other than wealth to bind the family together. Creating a family culture is the strongest force to bind a family together over multiple generations. Robert S. McNamara said that it is important to believe in something greater than oneself.¹³ In the context of family enterprise advising, family culture is that greater thing.

The more that the family can create a family culture, the greater the likelihood that the family will remain as the “trans-generational engine” creating wealth across multiple generations.

You can’t want to belong to wealth but you can want to belong to family. **IP**

¹² *‘Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative (and creation), there is one elementary truth the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, the providence moves too. A whole stream of events issues from the decision, raising in one’s favor all manner of unforeseen incidents, meetings and material assistance, which no man could have dreamt would have come his way. I learned a deep respect for one of Goethe’s couplets: Whatever you can do or dream you can, begin it. Boldness has genius, power and magic in it!’*
W. H. Murray in [The Scottish Himalaya Expedition](#), 1951.
From the Goethe Society of North America

¹³ [The Fog of War](#), An Errol Morris Film



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