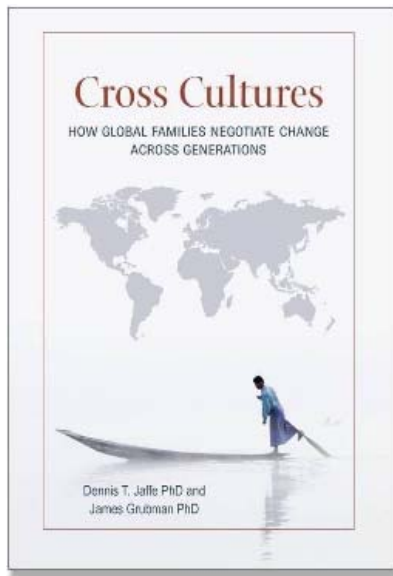


## Cross Cultures: How Global Families Negotiate Change Across Generations

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Category: Family Business



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Imagine an ethnic Chinese business founder who arrives in Indonesia with nothing but the “shirt on his back”, who through hard work, intuition and street smarts builds a successful business empire in South East Asia. While the founder had no formal education, as his wealth grew, he invested in the best western educations available for his children, who were encouraged upon graduation to find work in the US. His eldest son finds a job in an investment bank and starts to rise quickly up the ranks. After the son has worked in New York for 5 years, one day he gets the call from his father to return home to Jakarta and help him to run the family conglomerate.

The son hesitates. He knows his father is authoritarian and that the family conglomerate, while successful, is not professionalized and that it will be a long time before the son could put his own mark on the group. To return home will involve giving up the successful career he has started to build. Yet if he refuses his father's call, he will be disloyal and betraying his proper role in the family. If you were an advisor to the patriarch, what would you do to help in this situation?

Cross Cultures suggest that there is a cultural lens that can be applied to help families like this. The three major cultures around the world today are labeled as Individualist (Western, Anglo-Saxon countries); Collective Harmony (derived from Confucianism); and Honor (found in places as diverse as Latin America, India, the Middle East and Southern Europe) cultures. The book also points out that wealthy successful families also have an economic culture; the origin might be a culture of poverty or middle class wealth, but as the founder becomes successful the family "immigrate" to the economic culture of wealth. The next generation, if born after the family has already successfully completed the economic migration are, "Natives to the land of wealth".

The approach for an advisor in the example is first consider your own national or ethnic culture of origin and whether you bring any of your own biases to the situation. Second, consider the culture of the patriarch – likely Collective Harmony. The dimensions of culture described in the book can be explained to the patriarch and the patriarch can be asked to rate himself so that his own unique culture map can be created. Then what about the culture of the son? Has he picked up elements of Western Individualist culture? If so, then the potential conflict described between father and son can be

reframed as a cultural conflict and not as a result of the personalities involved. The role of the advisor is to respectfully point out to the patriarch that the son is thinking and acting in a way consistent with the first class western education and work experience that his father provided for him; that the son has a legitimate perspective. If the advisor is able, his or her role then becomes that of a cultural mediator, helping father and son explore whether there are solutions that can be negotiated that satisfy both the needs of the patriarch and the family orientation, with the individual needs of the son. The book outlines the steps in this negotiation process and the role of cultural mediator.

Cross Cultures is written primarily for advisors (including bankers, trustees and family office executives) working with families from a different culture, or helping families where the family itself is facing strains as a result of being exposed to a new culture (most likely Individualistic). Advisors are asked to go further than just promote communication within families; advisors must be either willing to step up to help in the cross cultural negotiation required – or encourage the engagement of other advisors who can play that role. Advisors are warned against taking the approach of failing to respectfully pointing out to the patriarch the legitimate interests of the next generation of the family.

The co-authors conclude the key to long term success as a family enterprise is adaptation. In terms of economic culture this means consciously deciding which aspects of the family's economic culture of origin to retain, and which aspects of the culture of wealth need to be adopted. Likewise in terms of ethnic culture, successful families from all three of the main cultures are facing scenarios like that described above or are

This review was published online in April 2016 at <https://www.tharawat-magazine.com/family-business-articles/2409-cross-cultures.html>

otherwise being exposed to the other cultures as the world becomes more global, including through the widespread use of Western Individualistic practices in business. Cross Cultures predicts that successful families will also be required to select which aspects of their ethnic culture they will retain and which aspects of Individualist (or other) culture they should choose to adopt. They point to a global cultural convergence – to “ambiculturalism”. Cross Cultures provides both the vocabulary and the process for a family to make such conscious choices.

*Cross Cultures: How Global Families Negotiate Change Across Generations is written by Dennis T. Jaffe Phd and James Grubman Phd.*