

## Culture and Continuity in Family Firms

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*The culture of the family firm plays an important role in determining the success of the business beyond the first generation.*

In today's turbulent times, family firms lead a tenuous existence. Few are able to survive beyond the first generation. The reasons for the demise of these firms include poor economic conditions, lack of capital and resources, and incompetent management. However, my study of more than forty family firms indicates that the culture of the family business plays an important role in determining whether the firm continues successfully beyond the first generation.

In this paper, I will describe the kinds of cultures found in the business side of the family firm (as opposed to the cultures of the family or the board of directors), outline the advantages and problems associated with each cultural pattern, and discuss how one might go about changing the culture if that is deemed to be necessary.

### Culture and Continuity

To gain an understanding of why some family firms succeed and others fail, my research team and I systematically examined the histories of more than forty family firms. Some firms were rather well known, such as Du Pont and Levi Strauss, while others were much smaller mom-and-pop businesses. We gathered data from a variety of sources, such as corporate histories, annual reports, memoirs of former leaders, interviews, and minutes of board of directors meetings. As we gathered data from these sources, we began to create "maps" of the cultures of the firms in our panel. Dyer (1986) describes the method. By studying these firms historically, we sought to discover the kinds of cultures found in these firms and to determine the kinds of cultural patterns that tended to be associated with family firms that had been successful over time.

### What Is Culture?

The culture of any group can be viewed on four levels: artifacts, perspectives, values, and assumptions (Schein, 1985; Dyer, 1986). Artifacts are the more tangible aspects of culture. They are physical—the dress, physical layout, company logo, and other emblems used by a group; verbal—the language, jargon, stories, and myths shared by the group; and behavioral—the common rituals, ceremonies, and behavioral patterns. Artifacts are the most visible manifestations of culture, but to fully understand a culture, one must decipher the shared meanings behind them.

Artifacts can be thought of as the symbolic representations

of the next level of culture, socially shared perspectives. A perspective is "a coordinated set of ideas and actions a person uses in dealing with some problematic situation" (Becker, Geer, Hughes, and Strauss, 1961). Perspectives are the norms and rules of conduct that the group deems acceptable for handling such problems as developing a new product, giving a performance appraisal, hiring and training new employees, or gaining a promotion.

While perspectives are situation-specific rules, values are broader principles, such as Serve the Customer, Be Honest, or Do Not Question Superiors. Values are both formal and informal, and they can often be found in the "philosophy" espoused by the group. Since groups do not always act in accordance with their espoused values, distinguishing between the ideal and real values is critical in doing a cultural analysis.

At the foundation of the culture are the group's basic assumptions. The other three levels of culture are based on this most fundamental level. Assumptions are the premises on which a group bases its world views and on which the artifacts, perspectives, and values are based. In family firms, certain kinds of assumptions are often found regarding the nature of relationships, human nature, the nature of truth, the environment, time, the nature of human activity, and whether preferential treatment should be given to certain individuals. Figure 1 describes these categories of assumptions and the kinds of orientations associated with each category. In each of the firms that we studied, we mapped the firm's artifacts, perspectives, and values and then made inferences regarding the underlying pattern of assumptions.

### Cultural Patterns in the Family Business

The cumulative set of assumptions that a group holds is called the *cultural pattern* of the group. Indeed, the core of any culture is this pattern of interlocking assumptions that creates a unique belief system. Because basic assumptions are the key to understanding culture, my research team used them to broadly define the kinds of family business cultures that they found. We observed four common business cultures: the paternalistic culture, the laissez-faire culture, the participative culture, and the professional culture. Figure 2 presents the basic assumptions underpinning these cultures.

The orientations outlined in each category indicate how leaders of family firms use very different assumptions in operating their businesses. For example, the paternalistic pattern is founded on assumptions that emphasize personal and charismatic characteristics of the founder and family, while the professional pattern emphasizes impersonal rules as the means of getting work done. In the next four sections,

**Figure 1. Categories of Cultural Assumptions**

1. *The Nature of Relationships.* Are relationships between members of the organization assumed to be primarily lineal (that is, hierarchical), collateral (that is, group oriented), or individualistic in nature?
2. *Human Nature.* Are humans considered to be basically good, basically evil, or neither good nor evil?
3. *The Nature of Truth.* Is truth (that is, correct decisions) discovered from authority figures, or is it determined by a process of personal investigation and testing?
4. *The Environment.* Is there a basic belief that humans can master the environment, that they must be subjugated by the environment, or that they should attempt to harmonize with the environment?
5. *Universalism/Particularism.* Should all members of the organization be evaluated by the same standards, or should certain individuals be given preferential treatment?
6. *The Nature of Human Activity.* Are humans basically active (*doing* orientation)? Are humans passive and unable to alter existing circumstances (*being* orientation)? Or, is a person's primary goal the development of self as an integrated whole (*being-in-becoming* orientation)?
7. *Time.* Are members of the organization primarily oriented to the past, the present, or the future?

**Figure 2. Cultural Patterns of the Family Business**

	<i>Paternalistic</i>	<i>Laissez-Faire</i>	<i>Participative</i>	<i>Professional</i>
<i>Nature of relationships</i>	Lineal (hierarchical)	Lineal	Collateral (group orientation)	Individualistic
<i>Nature of human nature</i>	People are basically untrustworthy	People are good and trustworthy	People are good and trustworthy	People are neither good nor evil
<i>Nature of truth</i>	Truth resides in the founder family	Truth resides in the founder/family although outsiders are given autonomy	Truth is found in group decision making/participation	Truth is found in professional rules of conduct
<i>Orientation toward the environment</i>	Proactive stance	Harmonizing/proactive stance	Harmonizing/proactive stance	Reactive/proactive stance
<i>Universalism/particularism</i>	Particularistic	Particularistic	Universalistic	Universalistic
<i>Nature of human activity</i>	Doing orientation	Doing orientation	Being-in-becoming orientation	Doing orientation
<i>Time</i>	Present or past orientation	Present or past orientation	Present or future orientation	Present orientation

I will describe each pattern in detail and identify its strengths and weaknesses.

**The Paternalistic Culture**

The paternalistic pattern was the most common culture in the family firms that we studied. In this pattern, relationships are arranged hierarchically. The leaders, who are family

members, retain all power and authority and make all the key decisions. The family distrusts outsiders and closely supervises the employees. Moreover, family members are afforded preferential treatment. Employees are assumed to have a “doing” orientation; that is, they are supposed to carry out the family’s orders without question. The stance toward the environment tends to be proactive in developing new

markets or products. However, the family may also create a particular market niche and prefer to stay within it. The paternalistic firm also seems to have one of two orientations around the time dimension. Some paternalistic firms tend to be oriented to the past. Carrying on the founder's and family's legacy is the primary aim of the owning family. Thus, time-worn traditions are at the center of the culture. Other paternalistic firms tend to be very present oriented. Although they maintain some traditions, they focus on current problems and needs and quickly change to meet new threats.

One company that illustrates the paternalistic pattern was National Cash Register under the direction of John Patterson. Patterson and his family controlled the firm for almost a half century. Patterson charted his own course after he bought the company for \$6,500 in 1884. He did not follow the advice of local business leaders and rarely listened to his subordinates. He believed that salesmanship was the key to success and developed the most sophisticated training school for salesmen at the time. His salesmen wore white shirts and dark suits—a forerunner of the I.B.M. image. In fact, Thomas Watson received his initial training at N.C.R. Patterson often acted in what many would consider to be an arbitrary and capricious manner: He would give an employee a raise one week and fire him the next. He had his top managers arrive for work early in the morning for horseback riding and calisthenics. He viewed himself as a pioneer and a conqueror—he rode a white horse because Napoleon did. He claimed to be an expert in topics ranging from health to religion. He also created one of the first “welfare” industrial organizations in the United States, building parks, theaters, and other amenities to bring the employee's entire family into the N.C.R. fold. As one observer at the time described Patterson, “he was so intent on helping that often he insisted on minutely regulating the lives of those with whom he came in contact. He was perfectly willing to override the objections of the individual if he believed that the individual's objections were . . . against the best interests of both the individual and of society. He thought there was only one best way of doing anything and that everyone ought to be taught that best way and then be forced to follow it” (Crowther, 1923, p. 9). John Patterson built an amazing empire with this cultural pattern until his death in 1922.

The paternalistic pattern tends to work well when the leader of the family business has the necessary expertise and the information needed to manage all aspects of the business. In this kind of culture, there is little uncertainty regarding who makes the decisions. Thus, decisions can be made quickly, and resources can be mobilized to meet competitive threats. Since the leaders in a paternalistic culture are often highly charismatic figures, there tends to be high commitment on the part of the followers to carry out the leader's vision. This commitment has a positive effect when a business is small and struggling for survival.

However, a number of potential problems are associated with the paternalistic culture. First, the business often relies

too much on the leader for direction. Hence, the firm is in jeopardy if the leader dies or is incapacitated. Second, training and development for the next generation are often neglected. Third, the leader may not be able to manage ambiguity or complexity as the business grows or as the environment becomes turbulent. Fourth, since the leader makes all the key decisions, many members of the family business may have feelings of incompetence or powerlessness. Given these potential problems, the paternalistic culture generally is best able to succeed when the business is small and the environment is fairly stable. As the firm grows, the leader's family matures, and as the environment becomes more volatile, the family business culture often must evolve into a new cultural pattern.

### **The Laissez-Faire Culture**

We have called another cultural pattern that we have studied the *laissez-faire culture*. This pattern is similar to the paternalistic pattern in many ways. Relationships are hierarchical, family members are afforded preferential treatment, and employees are expected to achieve the family's goals. Moreover, the orientations of these two cultures toward the environment and time are similar. Where they differ is in their assumptions about human nature and the nature of truth. In the *laissez-faire* culture, employees are seen as being trustworthy, and they are given responsibility to make decisions. While the ultimate truths regarding the firm's mission and goals rest in the hands of the family, employees are given a great deal of authority and discretion to determine the means of achieving those goals. As a result, the *laissez-faire* firm is quite unlike the paternalistic firm, where the family determines both the ends and the means.

Levi Strauss and Company has historically followed this *laissez-faire* tradition (Cray, 1978). The founder's daily routine emphasized the responsibility that he delegated to his subordinates. Levi Strauss would typically leave for his morning walk to work at nine o'clock and arrive around ten—long after the store was opened. Trusted employees opened the store. He would check the sales figures for the previous day and spend the rest of the day chatting with his salesmen, who called him by his first name. He left the store in the late afternoon to visit a local tavern and have a drink with some friends. Employees stayed until closing time, and the trusted bookkeeper locked up the store.

The Strauss family and their descendants have also been known for their willingness to take care of their employees during times of trouble. For example, the family paid the doctor bills of one employee who became ill with diphtheria. They also gave him \$1,000 to pay his debts. This employee eventually became the plant manager. Thus, from Levi Strauss down to the current leadership of the Haas family, the family has attempted to provide a secure place of work for employees, and it has provided overall direction and guidelines, but it has allowed employees great latitude in making decisions and influencing company affairs.

The *laissez-faire* culture is more amenable to business

growth and individual creativity than the paternalistic pattern is, since the family delegates a great deal of responsibility to employees. Such a pattern is appropriate if the family is not able or willing to oversee all the day-to-day activities of the business, and the business requires employees to use their initiative and change quickly in order to meet new conditions.

The major danger of the laissez-faire culture is that employees may not act consistently with the family's basic values and assumptions. Such was the case of Levi Strauss. Although the company was able to grow very rapidly by giving autonomy to plant managers, it began to have serious problems with product quality in the 1970s when some plants produced garments that did not meet the company's standards. Without appropriate review, employees working in a laissez-faire culture can lose sight of the company's goals, and the business can run out of control.

### The Participative Culture

The third pattern that we studied is the participative culture. This cultural pattern is relatively rare in a family firm. We found only four organizations in our panel that had developed such a pattern at some point during their history. The participative pattern is based on assumptions that vary dramatically from the first two patterns that I have described. Relationships tend to be more egalitarian and more group oriented. The status and power of the family tend to be de-emphasized. Employees are deemed to be trustworthy, and the family attempts to give employees the opportunity to magnify their talents. "Doing" is not enough. Employees must accomplish their work in such a way that other people will be involved and personal growth and development will result. Participative cultures tend to be proactive in managing their environments. They attempt to get at the truth and to make proper decisions by eliciting employee input. No one is assumed to have all the answers. The participative culture is present focused but also oriented toward the future. Nepotism and other forms of favoritism are formally disdained.

One of these unique participative cultures is found at W. L. Gore and Associates. Founded by Bill Gore, a scientist from Du Pont who developed a variety of applications of Teflon, the company has created a culture that seems to have a number of advantages: high commitment and morale, the ability to respond quickly to changes in the environment, and the ability to innovate.

To create this kind of culture, all 4,000 people who work for the company are called *associates* rather than *employees*. Terms like *boss*, *manager*, and *supervisor* are replaced by words like *leader* or *sponsor*. This practice is intended to de-emphasize the use of titles and status symbols and to create a feeling of community. There are no job descriptions to speak of, nor are there organization charts. The associates become part-owners of the company after one year of service. Bob Gore, Bill's son and the current president, constantly reinforces the belief that status, rules, and hierarchy inhibit

communication and group decision making (Pacanawsky, 1985). Hence, the Gore family is committed to an egalitarian climate, and it has attempted to foster a sense of freedom and responsibility in employees that is seldom found in a family firm.

In a participative culture, employees are generally able to be creative to develop their talents and abilities. Through participation in decision making, they become more able to understand and internalize the values of the company, and they are more committed to the decisions that are made. Such a pattern seems to succeed in environments that are complex and changing and that require employee input from many levels in order to make the right decisions.

The major weakness of the participative culture is also found in its decision-making processes. It often takes a great deal of time to come to a participative decision. Important decisions can be delayed or undermined by the process of gathering input from employees. Hence, the challenge of those working in a participative culture is to differentiate between the decisions that need to be made rapidly with minimal discussion and the decisions that must receive more time and employee participation.

### The Professional Culture

The term *professional culture* is not intended to mean that this type of organization is more professional than the others but that this cultural pattern is generally found in firms where the owning family decides to turn the management of the business over to nonfamily, professional managers. The professionals often bring with them a set of assumptions that are quite different from those in the other three patterns. Relationships are individualistic, meaning that employees focus on individual achievement and career advancement. Competition is keen in this kind of culture. Professional managers often take a rather impersonal, neutral stance toward employees, who are evaluated on their ability to contribute to the profits of the business. The owning family's involvement in the business that characterizes the other cultures often disappears with the advent of professional management. The professionals rely on their years of professional training to make rational decisions. The result typically involves the creation of various programs to improve efficiency and cut costs. Employees are encouraged to do their jobs quickly and efficiently; personal development of employees is a secondary concern. Since professional managers are frequently brought into a family firm in order to turn it around, they may find themselves in a reactive mode—forced to put out fires—or they may take a proactive stance in cutting costs by instituting "modern" management techniques, restructuring the company, or laying off employees.

One company that developed this professional pattern was International Harvester. Founded by Cyrus McCormick at the turn of the century, International Harvester was run in the paternalistic tradition of the family. When the company fell on hard times in the 1970s, the president, Brooks

McCormick (a descendant of Cyrus), hired Archie McCardell, chief operating officer at Xerox, to turn the company around. McCardell replaced the previous management with his own team (see Harvard Business School Case no. 9-381-053) and encouraged the new managers to compete with one another in carrying out his cost-cutting programs. Bonuses and other incentives were given to those individuals who succeeded. *Efficiency* and *cost control* were the watchwords of the McCardell regime. Unfortunately for McCardell, the impersonal nature of the cost-cutting programs created a great deal of ill will among union members and precipitated a bitter strike. Eventually, the union ended the strike, but it was able to force the board of directors to fire McCardell. Thus, the assumptions of the professional culture proved to be shortlived at International Harvester.

The advantage of the professional culture is found in the new ideas and management techniques that the professional managers can often bring to the firm. The outsiders can often improve the firm's accounting, marketing, or other operating systems and make the business run more efficiently. Furthermore, they have fewer ties to the past, and thus they are able to see new possibilities that can move the firm in new directions.

The major weakness of the professional culture is that it tends to alienate the employees who were used to working for the family under a different set of assumptions. Absenteeism, turnover, unhealthy competition among individuals and among departments, low morale, and low commitment are often the negative side effects of the change to professional management.

### **Ensuring Continuity in the Family Firm**

The preceding descriptions of family business cultures illustrate the variety of cultures in family firms. While not every family firm may fit exactly the patterns of assumptions listed in Figure 2, we were able to categorize the family firms in our panel according to the four patterns.

The paternalistic pattern was the pattern most commonly found among the family firms that we studied. This procedure was particularly true of first-generation firms: Approximately 80 percent of the firms in our panel had a paternalistic culture in the first generation. The firms with participative and laissez-faire cultures each accounted for 10 percent, and only one firm was deemed to have a professional culture in the first generation. In succeeding generations, more than two-thirds of the paternalistic firms experienced culture change, the majority becoming professional cultures. It would seem that in order for the family firm to transfer leadership to the next generation successfully, the paternalistic culture must evolve into one of the other three patterns. Paternalistic cultures do not prepare the next generation well for leadership responsibilities and give them little chance to develop their leadership skills. The experience of the firms in our panel suggests that family firm cultures do indeed change as new leadership takes over.

As we have mentioned, all cultural patterns—not just the

paternalistic pattern—bring their own set of problems and challenges for management, and they may need to change in order to meet new conditions in the external environment, in the business, or in the owning family. For example, family firms that face an increasingly turbulent environment often need to foster assumptions of the participative culture in order to respond quickly to changes, develop new ideas, and improve decision making. Companies experiencing the negative effects of nepotism may need to move to professional management. Family firms experiencing rapid growth generally must delegate authority and responsibility to nonfamily employees, thus becoming more laissez-faire in nature.

At some point in time, most leaders of family firms are faced with the question: How do I change the culture of my business to make it more effective? The answer to this question can be threatening, because leaders of family firms often must change their own assumptions and behaviors. The experience of most family firms is that such assumptions change only when there is a major crisis in the firm. However, if the leaders wait for a crisis to occur before they begin to change, the outcome is generally not favorable either for the family or for the business. That is why many family firms fail. Despite this rather pessimistic assessment, there are some actions that leaders of family firms can take to initiate culture change. These activities can include analyzing the culture and planning for change, changing the assumptions of the leaders, or developing new leadership through the use of hybrids and outsiders. The planned change approach represents a method for changing the culture incrementally, while the other two approaches represent more drastic remedies where change is more abrupt.

*Analyzing the Culture and Planning for Change.* One method for changing culture is, first, to create a “map” of the organization's artifacts, perspectives, values, and assumptions; second, to determine the consequences of this cultural pattern; and, third, to plan for change (Schein, 1985; Wilkins, 1983; Dyer, 1986).

To conduct such an analysis and change effort typically involves the creation of an action-research team involving members of the organization as well as outside consultants. The insiders help the outside consultants to understand the subtle nuances associated with the culture, while the outsiders—often by asking “dumb” questions about surprises they encounter—attempt to make the more tacit dimensions of the culture overt.

This inside/outside team interviews individuals and observes behavior at various levels and locations throughout the organization. Usually both an insider and an outsider conduct the interviews in order to foster joint inquiry. The team lists what appear to its members to be the significant artifacts of the culture, then attempts to discover the routines and rules of the culture that make up the perspectives shared by members of the organization. Often such questions as Who succeeds and who fails here? What are the sins in this organization? and How are decisions made here? are used to gather data (Dyer, 1986). Career histories are also

useful, inasmuch as interviewees often discuss the kinds of problems they encountered as they attempted to adapt to the culture. The team also attempts to uncover organizational subcultures—groups holding different beliefs—by asking interviewees which individuals or groups hold opposing views. Often, the problems in family firms are the result of subcultures in conflict, such as the first generation versus the second generation or family members versus nonfamily employees.

When the more overt artifacts, rules, and norms are discovered, the research team must begin to build hypotheses about the company's values and tacit assumptions. As mentioned earlier, these more tacit beliefs must be inferred, since members of the organization may be unable to articulate them clearly. This is particularly true of members of the owning family. What we can hope that the action-research team will arrive at is a map of the culture that lists the key artifacts, perspectives, values, and assumptions. Once this has been done, the team can identify the kind of cultural pattern—paternalistic, laissez-faire, participative, professional, or some other—that prevails.

Once the culture map has been created, the action-research team can begin to focus on the question, What are the consequences of this kind of culture for the company now, and What will they be in the future? The team should attempt to articulate how the culture helps or hinders the organization's strategy and its effectiveness, as well as how it affects employee motivation, productivity, and development. Through this analysis, the team can begin to pinpoint where the problems are and whether there is a need for change.

If change is needed, the team then can develop specific actions that reflect a different set of assumptions. For example, succession planning and estate planning can be used to push a family firm to become more future oriented. New guidelines for decision making and delegation can move the firm to become more participative in nature. Reward systems can be altered to discourage nepotism. Conflict management mechanisms, such as asset management boards, can be set up to manage family disagreements (Beckhard and Dyer, 1983).

If this approach to change is used, it needs support from the family and top management if it is to succeed, because the changes may reflect new assumptions, and they may be strongly resisted. Change in the way power is distributed often accompanies culture change. Some are likely to gain and others to lose in the process. I have found it useful in generating support for any proposed changes to include key members of the family and nonfamily employees in the action-research team. Although such an approach can seem quite attractive, I have found through working with a number of family and nonfamily businesses that attempts to change via this method are easy to resist, undermine, and misunderstand. Thus, we must look at other change strategies as well.

**Changing the Leader's Assumptions.** One of the greatest problems facing leaders of a family firm is their lack of awareness of the impact of their assumptions and behavior

on those around them and of the kinds of cultural patterns that their behavior promotes. Since the leaders of family firms have often created the culture, the culture can change if the assumptions of the leaders change. By becoming aware of their own assumptions and the impact of their assumptions on those around them, leaders can begin to take the often painful steps needed to change them.

To gain such self-awareness, family leaders can do a number of things. For instance, they can sit on the boards of directors of other family firms. By observing the problems of others, they can gain insight into their own. They can also find competent board members and advisers for their own company who can help them to grapple with difficult problems and give them honest feedback on their performance.

Leaders can use data gathered via interviews, questionnaires, and group meetings to obtain feedback about themselves. Outside consultants can also help leaders to understand how their behavior affects their business and their family. In one family firm that we studied, I gave the president of the company a detailed description of the culture. One of the main problems seemed to be the difference in management style and philosophy between the president, who favored a participative culture, and his chief operating officer, who was attempting to foster the assumptions of a professional culture. Of this study, the president said: "I got it [the study] at the office one day and took it home to read. While I usually sleep soundly, I woke up at one o'clock in the morning and began to read, finishing it at dawn. It was gripping to read, like a novel. While there were few surprises about how I ran things, the differences [the professional manager] had made did surprise me. I hadn't appreciated how different our styles really were." Using this new information, the president eventually fired the chief operating officer and took steps to correct some serious problems.

In some cases, workshops, seminars, or sensitivity training sessions offered by specialist organizations can also prove helpful. A number of organizations have been created to provide the heads of family firms with information and programs to help assess their problems.

Therapy and counseling are other alternatives for those who seek insight, experience anxiety or depression, or find serious schisms in their families. In one family firm, the son of the founder was constantly plagued by the ghost of his father and by employees who reminded him that his father "wouldn't have done it that way." To deal with this pressure, the son enlisted the help of a competent therapist. The therapist finally convinced the son that the business was his—not his father's. Armed with this insight, the son has been able to change the culture and expand the business. His anxiety and fears have also been alleviated. Therapy is often the only way in which individuals and families can gain insight and help with serious emotional or psychological problems.

**Change Through Hybrids and Outsiders.** If the family leader is unwilling or unable to change his or her own assumptions, there are alternative ways of changing the firm's

basic values and assumptions. One option that Edgar Schein (1985) has discussed is to promote individuals who share most of the basic values and assumptions of the leaders but vary on one or two dimensions. These individuals are enough like the leader to gain acceptance but different enough to introduce change. For example, a new manager could share all the assumptions of the leader of a paternalistic firm with the exception of the assumption about human nature. The new manager could believe that people can be trusted and given responsibility. If such hybrids are promoted and encouraged, the culture can eventually change to become a laissez-faire or participative culture.

If the culture needs to be changed more quickly, replacing the top management with outsiders who have different assumptions is another option. This method of introducing change is often used during crisis periods where a quick turnaround is needed. We have seen a number of cases where professional managers quickly changed the culture when they were brought in to solve a crisis. The disadvantage of this approach is the fact that many of the traditions, routines, and skills that had helped the firm in the past can be lost. Also, long-term employees who are passed over for promotion may become disgruntled and demoralized when outsiders are placed in leadership positions.

## Conclusion

It is difficult to change the culture of any business, and to attempt any of the activities that have just been described requires leadership that is committed to change. Since the leaders largely create and shape the cultural patterns of the business, they must understand the effects of those cultures and take steps to ensure that they foster cultural patterns that will allow the business and family to grow and thrive.

Family business cultures can either contribute to success or be a major stumbling block. To understand and manage the opportunities inherent in family business cultures is not easy, and it is not often done in family firms, but it is essential for leaders who wish to ensure the continuity of their businesses and the well-being of their families.

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