

Culture and values in family business

Chapter 2: Building Foundations and Sustainable Business Succession

Narrated by: Asst. Prof. Kawinphat Lertpontmanee (A. Kawin)



Welcome to the Business Administration Classroom



Learn with the mascot "A. Kawin"

Throughout this course. I will take you on a journey to delve into the roots of stability and cracks in the family business. Learn that "culture" and "values" are shared. How can you drive and pass on billions of businesses from generation to generation like a professional?

Part 1: Foundations and Meanings

Understand the definition and infrastructure of the culture hidden behind the family business.

Definition of Corporate Culture

A. Kawin explains the terminology.



1. Prosperity Dimension

Organizational Culture refers to things that happen and are deeply embedded in the organization to lead to prosperity. Discipline, solidarity and sustainability of the business in the long term.

2. Normative and Agreement Dimensions

A set of values, beliefs, norms, and behaviors that members jointly create and adhere to. It has a direct influence on the work style. decision-making, and the process of communicating with each other in daily life.

Culture in the family business

A unique shared identity

Family business culture is a common form of thoughts, beliefs, values, norms, and ideologies of the majority of people in the bloodline and employees of the organization.

This happens from learning through experience, the surrounding society, and is recognized as correct, so it is passed on from the founding generation to the next generation of heirs to be used as a guide to determine the behavior of the next generation of members.





The importance of family culture



Behavioral Blueprint

It is a model and a mindset map for the life and implementation of various tasks of members in the same direction.



Reflection from the founder

It is directly reflected in the vision, intention, and commitment of the ancestors or pioneers of the foundation in the past.



Security

Creating unity and shaping common beliefs It helps to bridge the cracks and reduce the level of conflict within the kinship very well.

Part 2: Relationship Complexity

Analyze family relationship patterns in depth and compare them internationally with the Hofstede Cultural Index.

3 Forms of Relationship Culture



1. Unanimity

Accentuate the majority and acceptance of the perfect combination. They have high control over member behavior, but they lack freedom of opinion.



2. According to the distance between individuals

High emphasis on personal independence. Neglect to share information with each other. The risk of conflicts and cracks in the business is very high.



3. According to the environment

Highly elastic Excellent at listening to information and cooperating with external factors, which is truly suitable for growth in the era of disruption.

Deep Dive by A. KAWIN

A. Kawin Recommended

Managing Culture of Feeling in Family Business In modern times, there is no fixed formula for success. The new heir must find the perfect intersection between "Traditional Engagement" and "Business Environment Professionalism"

Creating a transparent mechanism Giving everyone the opportunity to express their views and have freedom of thought will be a perfect solution to help prevent failure in generational succession.



5 Dimensions of Cultural Differences

Dimension Index Name (Hofstede)	Definition and reflection on organizational behavior
PDI (Power Distance Index)	The level of acceptance of class. High unequal power structure and seniority in the organization.
IDV (Individualism vs Collectivism)	Focus on personal goals versus a collective and interdependent society.
MAS (Masculinity vs Femininity)	Roles between the sexes: Striving to compete for victory and success vs. cooperation and compromise.
UAI (Uncertainty Avoidance)	Ability to withstand uncertainty Placing intensive regulations to hedge risks
LTO (Long Term Orientation)	Focus and look ahead to future goals and outcomes. Savings and Peace

Power Inequality Dimension (PDI)

High PDI Structure (Asia)

The class hierarchy in business and social institutions is very high, such as China, India, Thailand, Japan.

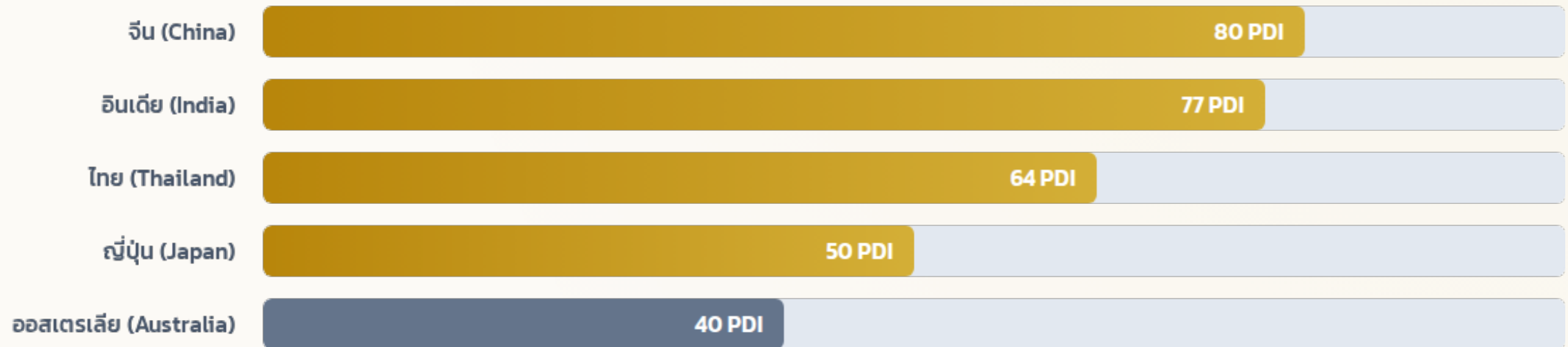
Behavior in the organization: the founder or the supreme leader will have the absolute right to make a single decision. The subordinates are only responsible for following orders.

Low PDI Structure (West)

Employees want the right to make decisions. Progress is determined by actual ability, not age.

Organizational Behavior: An Atmosphere of Thorough Consultation. Respect for individual rights and transparency in a flat plane

Compare PDI values in Asia Pacific



Source: Ekachai Apisakkul (2018). The high index reflects seniority-based decision-making behaviour and low involvement in family businesses in Asia.

Individuality Dimension (IDV)

15%

China Individual Index

Highly interdependent grouphood

Low IDV indices in China (15) and Thailand (20) reflect a strong cohesion over a lonely pace.

Therefore, the members of the family business are bonded. It is expected to protect the interests of Confucius rather than personal rights, in stark contrast to the Western way of supremely individualism.

Risks and long-term vision

Uncertainty Avoidance (UAI)

Japan has a UAI value of up to 90: reflecting high risk intolerance Emphasis is placed on discipline and strict inheritance regulations.

While China and India (UAI 40): Accept volatility and higher risk intuition.

Long-Term Goal Orientation (LTO)

China (LTO 118) and Thailand (LTO 51): Focus on stable growth, high education, and patience.

Business decisions will be forward-looking to the next generation. It is not just looking at quarterly profits for a short time.

Part 3: Inheritance Values

An in-depth look at 12 the role of values in success and the process of creating the "Northern Compass" for endless wealth.

The meaning of "values"



A. Kawin, Essence Analysis

What are the values and the compass to guide

Value is a way of organizing behaviors, attitudes, and beliefs that are deeply embedded in the behavior. Leads to perfect practice. Crossing one generation to the next.

It is the taproot that shapes the attitude of the members of the Congo to walk in the direction of determination. Love the honor of the family and lead the business army for the future.

Better than before.

6 Role in Strategic Security

- ✓ **Build a core culture: Spearhead strategic goal setting and business succession planning.**
- ✓ **Decision Patterns: Help solve doubts with a unified mindset. Choose a solution that creates the highest family value.**
- ✓ **Powerful motivation: Motivate and drive maximum performance. Proudly participate in the business.**
- ✓ **Withstand the pressure: Prepare family businesses to weather the storms of economic crises with a long-term perspective.**
- ✓ **Build external trust: Establish commitments with partners, partners, and customers in an honest and transparent manner.**
- ✓ **Stimulating challenging ideas: Not relying only on old beliefs, but daring to rethink and do new things through the values of dare to develop.**

6 Role to Drive the Future

- ★ **Ready for change: Adapt to the new environment and society in a timely manner.**
- ★ **Reduce organizational barriers: Driving innovation plans and implementing strategies**
- ★ **Sharpness in thinking: Increase intelligence and shorten the time for unanimous evaluation of alternatives.**
- ★ **Building strong partnerships: The more transparency, the more attractive it is to big partners to venture in.**
- ★ **Retain talented employees: Honor and develop employees as family members to reduce turnover rates.**
- ★ **Achieving Gongxi Goals: Empowering all employees to drive the company to the maximum.**

Steps to Contribute to Family Values



A. Kawin Procedure

2. Consult an expert

Get an outside view and
Professionals come to help slap
the issue.

4. Moderation is a limited word

Short and compact arrangement
Underlying philosophy

1. Everyone is engaged.

All members came together
to debate the ideology.

3. Open up freedom of thought

There is no mandatory
framework for thinking. All
ages open up to each other.

20 Values for Business Prosperity

Values	Professional Practice Explanation
Responsibility	Responsible for the work family members and external interests in a strict manner.
Integrity	Conduct business with integrity There is a code of ethics. Do not exploit suppliers and employees.
Stewardship	Take care of the good things from your parents' generation and be ready to pass on them to grow even more in the next generation.
Grateful	Gratitude to the pioneers, respect for the elders, and remember the customers who are long-term supporters.
Harmony	Coordinate cooperation and reduce the level of policy conflicts for the benefit of the overall picture.



Closing Lecture by A. Kawin

Do you have any more questions?

Thank you for your determination and sincerely hope that you will apply this strategy and values to pass on family values to sustainability.

E-mail: kawinphat.le@ssru.ac.th



090 328 7936

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IMAGE SOURCES



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