



# Outside the Box

► by **Tom Field**, University of Nebraska–Lincoln

## Welcome home

*The greatest issue related to the sustainability of agriculture is the ability of the industry to attract and retain talent. Given the high proportion of agricultural production held under family-owned enterprises, the heaviest burden for the talent search falls to the current leaders of multi-generational farms and ranches. The family business is unique in that it is an institution that invites both logic and love to the table. In so doing, it assures that the arrangement will rarely, if ever, be simple. However, the complexity of the family-owned enterprise does not have to be painful.*

### Balance

While it seems rational to lay the responsibility for assuring business continuity on the shoulders of the current leadership; it would be incorrect. Without a thoughtful and intentional approach to onboarding by both founders and heirs, rough waters can almost be guaranteed. So what are the critical elements that must be in place to successfully welcome the next generation home?

As families initiate the process of bringing the next generation into the business, several realities must be accepted:

- Bringing new people into the business will create change (it's up to both leadership and the rookies to determine whether the change is positive or negative).
- There will be situations that create stress.
- Three systems will undergo a maturation process — the business, the family, and each individual in both the business and the family.
- The process rests on four foundational pillars — respect, trust, honor and accountability. It is important to recognize that all parties must be brought into and willing to live these core values.

### Similar values

Respect is a condition between people based on a shared appreciation for each other coupled with a code of conduct that supports and enhances the relationship. Respectful relationships are characterized by politeness, an active process of discovery between individuals, two-way communication and kindness. Disagreements can and should occur in an environment of respect. For respect to be maintained, it must be both given and received. A sense of deference born

of fear or intimidation is not respect, only conformance.

Trust is the bond between people that allows them to function as a team. Trust is a belief in the capability and reliability of others. In an environment of trust, there is a high level of confidence that people will live up to their commitments. Equally important is that trust allows people to acknowledge when they don't know how to accomplish a task and have the confidence to ask for assistance. When trust and respect are present, teams function at higher levels of performance with a greater level of individual satisfaction.

Some might argue that honor is synonymous with respect, but from my perspective, honor is a higher level of behavior that encompasses a code of conduct based on integrity, honesty, dignity and grace. Perhaps the “cowboy code” best defines honor in the context of the family enterprise. At the core is the need for honoring both the past and the future.

For agricultural enterprises, there is much to be gained by understanding and

acknowledging decisions, protocols and approaches that have generated success in the past. A deep understanding of an enterprise requires knowledge of history and the ability to find the wisdom borne from that history. However, the future of an enterprise depends on innovation, entrepreneurship and questioning old assumptions and paradigms — honoring the opportunity to blaze new trails is critical to sustaining a business into the future.

The final cornerstone is accountability. Respect, trust and honor are all aspirational values that will be unrealized without a culture of accountability. In organizations and relationships characterized by a high level of accountability, people take ownership and are willing to commit themselves to bringing their best effort to the team. Furthermore, when performance misses the mark or mistakes are made, people own the outcome and then seek pathways to improvement. When accountability is a shared value, forgiveness is a given, mistakes are converted to learning, successes are celebrated and solutions replace blame.

### Bringing it all together

Organizations and relationships characterized by respect, trust, honor and accountability are very appealing, but they aren't created without the application of intent, effort and feedback. Furthermore, these values cannot be sustained without organization-wide investment. What this means for family businesses is members of



each generation are responsible for creating the culture.

There is a deep need for both founders and successors to acknowledge the responsibilities and rights of each other. Communication and feedback are enhanced to increase understanding, to reach consensus on goals and objectives, and to work through issues as they arise instead of avoiding or burying them. Finally, when the aforementioned cornerstones are in place, alternative viewpoints and perspectives create productive instead of destructive conflict.

Expecting high-performing organizations to be created by default is naive. Welcoming

home the next generation is a process, not a moment in time, and will require effort, focus and good will to be successful.

One final note for those being welcomed home — you have a sacred obligation to add value to the business, to understand the “why” behind current operational strategies and tactics, and to be both team player and advocate for change. Spend time both in individual reflection and team discussion as to the health of the culture and to measure the level of respect, trust, honor and accountability.

For the older generation, as you welcome children home commit to being open to the

opportunities that will arise from their ideas and energy.

Be of good cheer — you have what it takes and together you can build truly great enterprises that marry the best of family and business!



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