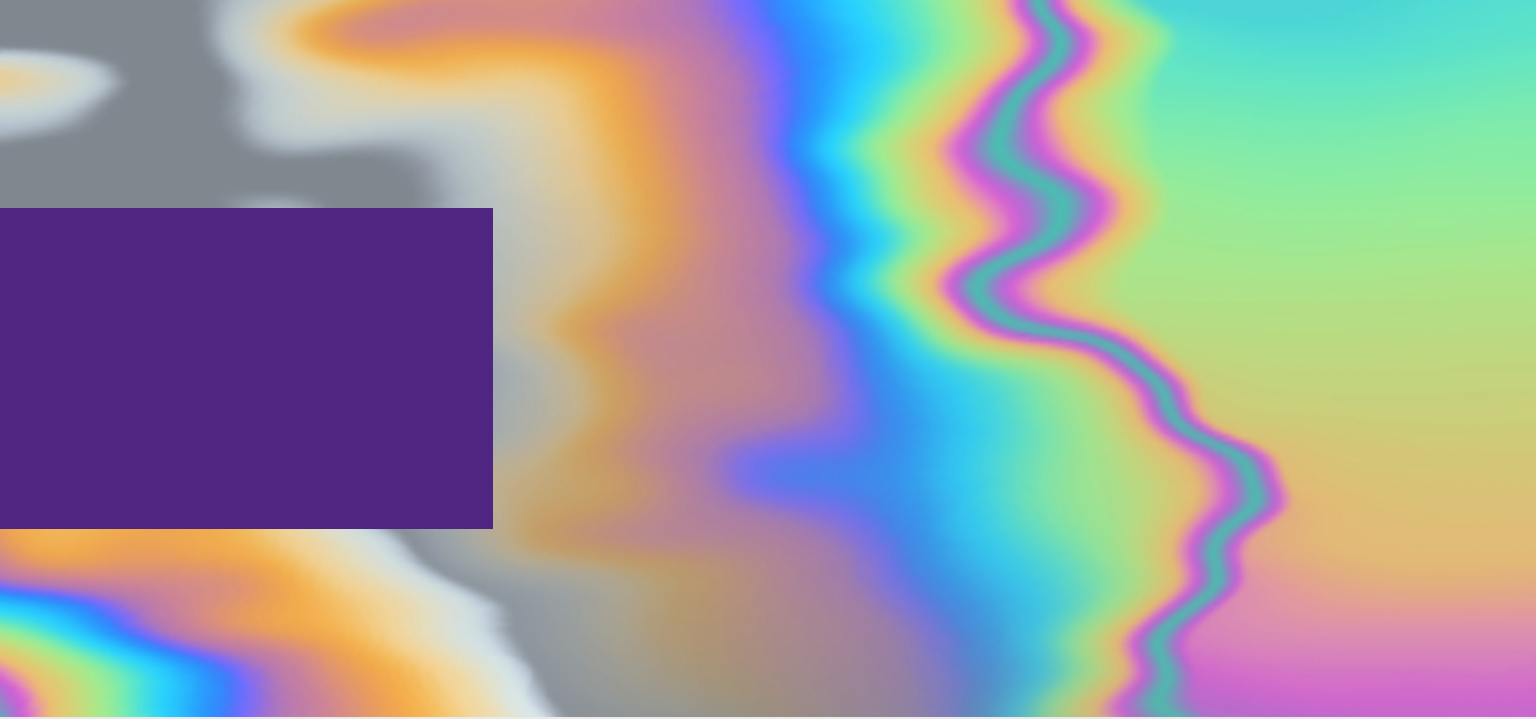




What's Received May Not Be What You Hope to Pass On: Family Business Legacy Past, Present, and Future

The legacy family business members want to pass on is very different from what they received.

Northwestern | Kellogg

John L. Ward Center
FOR FAMILY ENTERPRISES


EgonZehnder

What do you want your legacy to be?

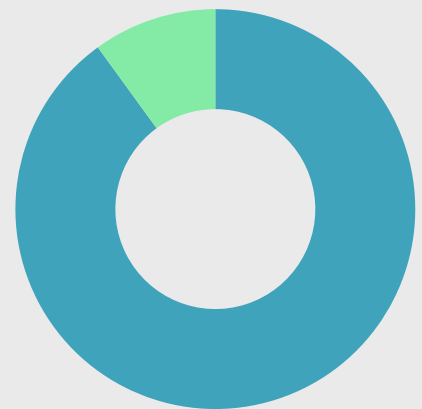
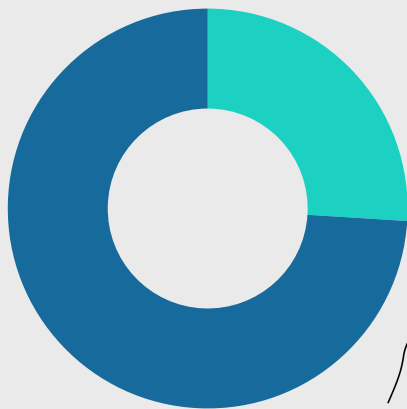
It's a critical question for family business leaders, shareholders, and other members, and one that can even impact the business's ability to survive or thrive.

We asked that question to about 70 family enterprise members taking part in the re:connect event held at Northwestern University's Kellogg School of Management in May 2025. The event was hosted by the John L. Ward Center for Family Enterprises and sponsored by PwC and Egon Zehnder.

In an interactive session, participants were asked to describe the legacy they believed they received from their family and that which they hoped to pass on to future generations—in one word each. They were also asked to describe physical, emotional, and social artifacts that helped to convey the legacy they received. The result was a lively activity with participants reflecting deeply on multiple aspects of family enterprise legacy.

After the event, we analyzed the responses to identify patterns, in the values and traditions participants inherited versus those they wished to pass on to rising cohorts. A major contrast emerged:

Roughly one quarter (**26%**) of received legacies revolved around the values of **hard work** and **commitment**.



Only **10%** of legacies participants wished to pass on were based on those values. Instead, most participants said they hope to transmit qualities such as **self-fulfillment, love, authenticity, and humility**, to future generations.

That's a big difference, and one that we think reflects a larger sociocultural shift in the U.S. and abroad. In this article, we'll explore the importance of legacy in family enterprise, the contrast between the legacy family members feel they received and the legacy they want to pass on, and practical tips to think of the contrasting legacy dimensions as a "both-and" rather than an either-or, for the collective good.

THE IMPORTANCE OF FAMILY ENTERPRISE LEGACY

Legacy in family enterprise is critical.

It’s what helps to transmit identity, values, culture, and practices from generation to generation, along with serving as an overarching purpose for the family to continue the enterprise together. Legacy informs vision, decision, and direction across the full range of family enterprise issues: business mission, strategies, offerings; choice of leaders including executives and directors; involvement of family in the business as employees and governance leaders; focus and tradeoffs related to growth, profit, risk, and liquidity; how to handle acquisitions and opportunity to be acquired or divest parts of the business; philanthropic efforts; and so on.

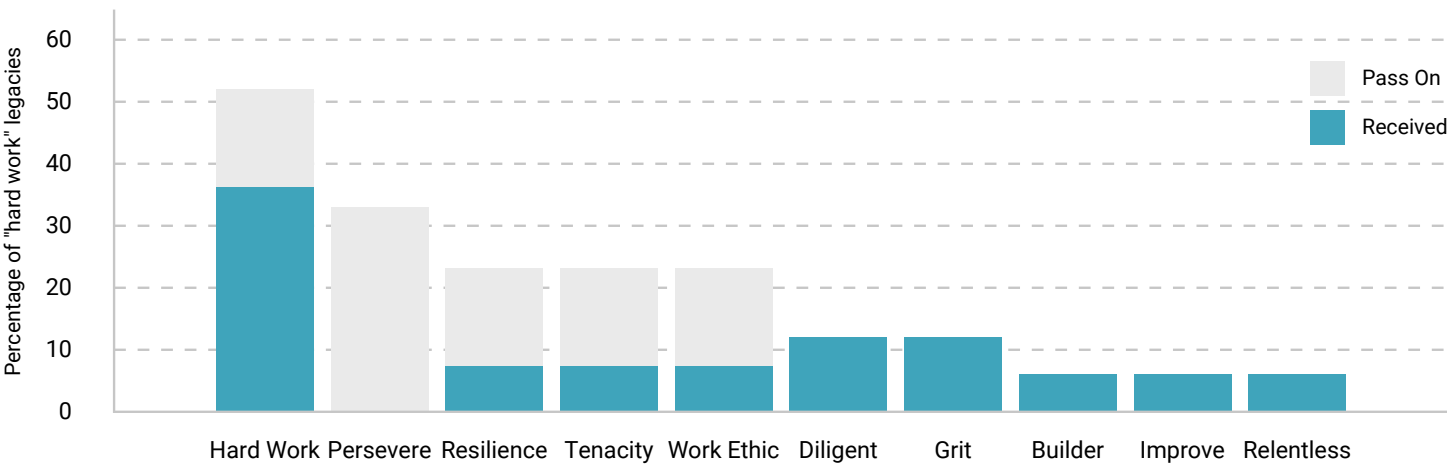
Legacy can be both positive and negative. It can be something that inspires the next generation to greater heights but it can also hold back future generations, curtailing growth and innovation. It’s best thought of as a roadmap for how values in the family are understood and enacted.

For all these reasons, families must take a thoughtful, forward-looking approach to the legacy they hope to communicate to the next generation, as informed by the legacy they believe they have received.

HARD WORK VS. HUMANITY

As our informal study revealed, there was a large difference between the legacy participants felt they had received and what they wished to pass on: hard work was twice as likely to appear in the “received” column than in the “pass on” column

That distinction showed up in a variety of ways. For example, while “hard work” was the most common descriptor for the general concept of work ethic as part of legacy received, participants also communicated it as “diligence,” “grit,” “relentlessness,” and “tenacity.”





“Who wants it most?” is how one participant described the hard-work legacy in their family. **“Don’t do it for them’,”** another described as their parents’ mindset related to the next generation, with the expectation that the rising cohort would be self-reliant in finding their way forward.

“Hard work should be lived and shown by example,” another participant said in recalling their early exposure to the family enterprise. Another went so far as to describe the “Catholic guilt” associated with shirking responsibility or not working hard in their family.

Physical and emotional artifacts and memories reinforced the legacy value of hard work for participants, as well. “I remember how hard my mother worked in the field and then cooked for us afterward,” a participant said. Another recalled how their grandfather/founder was the “company handyman, changing lightbulbs and doing whatever was needed.” Still another described “Big Red,” her family’s 50-plus-year-old pontoon boat that still worked thanks to the family’s devotion to and care for the watercraft over the decades.

To be fair, many participants said their received legacies were characterized by values other than hard work— “love,” “respect,” “integrity,” “adventure,” “curiosity,” and “quality,” to name a few. But the proportion these represented was significantly smaller than for the legacies they hoped to transmit.

The results for the “hope to pass on” question were markedly different, with a much smaller proportion of participants seeking to transmit values related to hard work. For example, many participants said they wanted to pass on values centered on humanity, including themes such as love, warmth, perspective, kindness, balance, family” emotional intelligence, people-first, diversity, and community. “It’s about being a positive presence in the family and showing gratitude,” one participant said. “It’s offering support to my loved ones,” another shared. “The more you give, the more you get,” another said. “Ensuring the next generation knows they are loved no matter what they do and choices they make,” still another said.

These values, too, were backed up by various artifacts: the kitchen table where the family met nightly to share meals, updates, and ideas; shared service activities including volunteering in the community; shelves full of books to feed curiosity and promote growth; and others.

We believe this contrast between legacy past and future is genuine, based on the data from this event and our own experience with family enterprises worldwide.

So what underlies the hard work versus humanity gap?

It seems the chasm represents a broader culture shift between the past few generations and more recent ones, as reflected through the lens of family enterprise. Specifically, more recent generations are much more likely to value individualism and self-fulfillment than past cohorts, as evidenced for example by Millennials' focus on being their authentic selves and living by personal values across domains including work. That's in contrast to Boomers' past willingness to follow more conventional career paths that involved climbing the corporate ladder and remaining loyal to their employers, including joining and staying with the family enterprise.

This trend is global. For example, while many Asian countries are considered collectivist in national mentality, there is evidence that even in that broad region more recent generations are prioritizing individualist factors in pursuing happiness and satisfaction, likely tied to socioeconomic changes—specifically, a broad move toward capitalism—in recent decades. The worldwide rise of social media and the accompanying pull for self-promotion and enablement of physical isolation, especially among young people, is likely another contributing factor, as well. While each business-owning family will have its own idiosyncratic culture and values, we believe these broad sociocultural trends underlie the legacy-related gap we observed in our informal study.

MAKE IT A "BOTH-AND"—COLLABORATIVELY

It's important for any family enterprise and their members to be aware of this legacy-related pattern and to keep it in proper perspective, while taking steps to actively shape the legacy to be transmitted.

It may be tempting to take a simplistic view that an emphasis on hard work is “bad”/negative while legacies revolving around humanity-focused values are “good”/positive. That's ultimately neither accurate nor helpful for the family and its business.

Case in point: the rising generation of a real-world family wants to divest their enterprise's product and service portfolio of everything they disagree with from a values perspective, especially as related to treatment of people and planet. These hatchet-type approaches usually don't serve the family or enterprise well, as they fail to recognize the nuance and tradeoffs involved in social and environmental issues and the family's need to work together to navigate related tensions and, in some cases, find compromise-type solutions that can and should evolve.

So, instead of an “either-or,” think of this issue around contrasting legacy values as reflecting a “both-and,” such that families should value both work ethic and humanity/self-fulfillment and strive to pass those and related values on through their overt and implicit legacies. That is, consider it a resolvable paradox that will help bring out the best in family and business alike. Indeed, family enterprise is characterized by such paradoxes, including family versus business, tradition versus innovation, and others, that are best approached through synthesis rather than choosing one side or forcing compromise.

More specifically, “hard work” is more about how we do things with some concrete goal in mind—building a new business or operation, crafting a winning strategy, getting ahead of the competition—while humanity-focused values speak to whether we are being authentic to ourselves and aware of how we make others feel. Both matter when it comes to running a family enterprise, maintaining family harmony, or just being a healthy, productive human.

Indeed, recent research highlights the importance of living a life of dimension. Specifically, past psychological science has framed a “good life” as one rooted largely in either happiness or meaning; the former is about pursuit of pleasurable activities while the latter involves finding ways to meaning, such as through positive community impact. The researchers suggest this characterization leaves out a key component: psychological richness, or lives that involve a “variety of interesting and perspective-changing experiences.” Their findings show that many people would choose a psychologically rich life over the other two types, and that those living such lives tend to be more curious and think more holistically.

We believe the concept of psychological richness reflects the idea of pursuing hard work and humanity in life—along with other things—to gain greater breadth of experience and satisfaction, further bolstering the “both-and” perspective.

In line with this, we believe most parents would agree it’s important to instill ambition, commitment, discipline, kindness, compassion, and humility in their children. The same can be said for family enterprise legacy, because you need both hard work and humanity to succeed. Kindness to all stakeholders won’t get you too far if you don’t work hard to develop a product or service people want. And you can have an amazing business model and offerings built on relentless commitment and hard work that will implode if you don’t get the people part right: treating employees, customers, suppliers, and other stakeholders with care and respect.

In the end, it's as much about how you transmit a given legacy-related value as the value itself. Think about the core values you want the next generation to embody, then consider how to transfer that in flexible, collective ways more likely to “stick.” This can happen at the mission level or with regard to specific values. At the mission level, for example, the Duda family enterprise had a past mission and legacy rooted in agriculture and respecting the land. But their evolving mission statement— “to faithfully cultivate sustainable growth . . . for the benefit of current and future generations while remaining deeply rooted in our Christian faith and our core values” afforded rising generations the flexibility to diversify away from agriculture, including into real estate and other areas, while still respecting the legacy.

At the level of individual values, a business family might seek to uphold the principle that “this family works hard” by forcing everyone, including teenagers, to be out of bed by 6 a.m. A better way would be to discuss work ethic as part of family values and understand how each member interprets that, then helping them act on it, such as by working steadily toward some goal or pursuing an advanced degree that's of interest to them and will add value to the enterprise, such as an MBA.

Making some kind of definitive statement about any decline or increase in particular legacy ideals being transferred from one generation to another is beyond the scope of this data. It is clear, however, that the mismatch within this group of family leaders leans away from a focus on work, diligence, and effort. Families should carefully consider what they hope to instill in the next generation. Balancing hard work and humanity could help families to soften some of the rigidity of the past while not eliminating completely the very traits and behaviors that brought success to the family in the first place.

We hope this article stimulates your own thinking about legacy past, present, and future. While the legacy-related values you received may not be the same as those you wish to transmit to future generations, it's important to understand the latter in the context of the former, and to avoid pitting them artificially against each other. In the end, it's about honoring both the hard work and commitment of past generations and the need for current and future generations to live and work in a way that's meaningful for them, while recognizing the importance of involving rising cohorts in the enterprise to the extent that this is mutually beneficial.

We wish you the best on your family enterprise journey and your efforts to shape a valuable, enduring legacy for the future.