

Rethinking family businesses through a Christian perspective

Allan Discua Cruz affirms the neglected role of family businesses, pointing out that not only are they the predominant business model throughout the world, but have been so from at least the first century A.D.. Their long-term view encourages solid ethical practices, and Christian behaviour is therefore more natural. However, close family relationships are needed not only to train the next generation but also to assist the continuance of the Christian style. Succession should be considered in depth and over a long period.

Family businesses are the predominant business model around the world¹. It is estimated that, in most countries, family businesses account for up to two thirds or more of all businesses and contribute significantly to the employment and GDP of almost every economy on the planet². They come in all shapes and sizes, operate in all industries, can be young and old, be present in villages and large cities, and trade both

locally and internationally. Their influence is increasingly being acknowledged in diverse spheres and the way they operate is receiving increasing attention because of the benefits (and dangers) that the involvement and participation of family entails³. In such heightened interest we often overlook that family businesses represent a context in which the values and beliefs of family members involved in the firm

operate in tandem with business objectives and goals.

In previous editions of FiBQ, Richard Higginson⁴ and Kina Robertshaw⁵ interviewed the leaders of family businesses that acknowledge the influence of Christian values in the way companies are run. These interviews allow us to take a closer look at the motivations, objectives and aspirations of members of a Christian family in business, and



African family business: Peter Fayiah, 12, at right, sews together fabric at his family's textiles shop in Buchanan, Liberia. His sisters Maritha, and Mercy, as well as his grandfather are on his left.



Reconstruction of house at Qatzrin, Galilee, where evidence of early family businesses was found.

appreciate the influence of the Christian faith and biblical principles in the way these companies operate. Family businesses that are so influenced have been around for a long period of time, with some becoming major corporations and beacons in diverse industries. At the recent 2015 Faith in Business conference in Cambridge, Gary Grant (The Entertainer), Cal Bailey (NG Bailey) and Mathew Kimpton-Smith (Cygnets Group)

provided accounts of what it meant to be a Christian in a family business and how a Christian perspective influenced the way their companies work. Interestingly, researchers, consultants and

businessmen often overlook that many family businesses in the UK and around the world are led or influenced by Christian values and beliefs, with perhaps greater implications than previously believed.

Christianity, when rightly understood and applied, is a force to be reckoned with in business⁶. It is

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often the case that when we encounter businesses founded by Christians, we discover that their resilience and strength are often attributed to enduring corporate values set under a biblical lens. This article highlights a Christian perspective in family businesses, which revolves around biblical principles in business interpreted, practised and transmitted by members of a family in business⁷. A

Christian perspective has its foundation in the Bible. The Bible has a lot to say about family businesses and most of it challenges us to rethink what we know so far in terms of their diversity, behaviour and a defining inherent process – succession.

In the following pages I will try to provide a few points for thought about a Christian perspective in family businesses as a scholar and as member of a business family.

Family businesses: A Kaleidoscope

What is a family business? Family businesses have existed long before

the term was introduced.

Archaeological projects in Galilee have uncovered evidence of early family businesses in the form of farmhouses and houses with adjacent shops linked to business activities of the time⁸. The Bible illustrates family members coming together in economic activities since the book of Genesis (e.g. Jacob and Laban, Jacob and his sons).

Nowadays, we commonly associate a family business with a small firm where family members – parents, offspring and even extended family – are involved in its management and continuity. Yet it is difficult to provide a definition as studies of ownership and management have shown the diversity of family businesses. A comprehensive study by UK researchers proposes that family businesses can be loosely defined as a business "*where a family owns enough of the equity to be able to exert control over strategy and is involved in top management positions*"⁹. Thus a family business is a firm where members of a family take decisions that have a long-term impact and hence influence how the firm will behave over time. Moreover, as long as family members are able to

retain control from one generation to the next and participate in key positions within the firm, their values and beliefs (and faith) will be relevant to the way the firm will operate.

Can Christian principles influence family businesses?

The answer is yes, yet they are often not visible to the public eye. Guidance for early family firms was provided in the context of a society where economic activity gravitated around the

household and often involved several generations of a family. The connection between family provision and our faith was established: *"But if any provide not for his own, and especially for those of his own house, he has denied the faith, and is worse than an unbeliever"* (1 Timothy 5: 8). Clear instructions about duties between family members and the consequences of following such instructions (Ephesians 5: 22-33; 6: 1- 4), warnings on appropriate

management of family affairs (Proverbs 11:29) and guidance on the behaviour of family members that engaged in business activities (Proverbs 31: 10-31) were provided. These principles, and many others

found in the Bible, can influence in one way or another the way a business (and family) operates from a Christian perspective. The Bible can have a profound effect in the hands of family members in business as a compass to conduct business on an everyday and

long-term basis, an anchor in times of trouble and filter through which decisions are made. For some family businesses it means stopping practices or changing the ways things are done to honour God – a moral compass, if you like, to motivate a transformation.

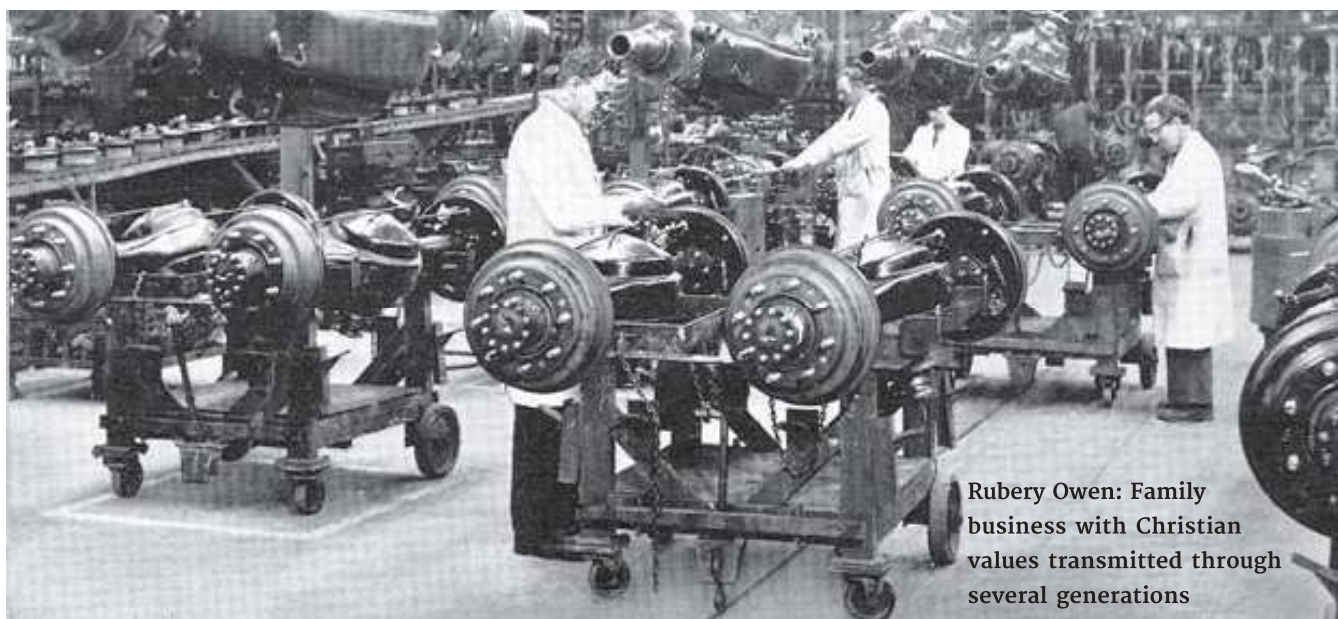
Yet there are varying degrees to which Christian beliefs influence family businesses and therefore it is difficult to attach the Christian

adjective with any precision. As a result we encounter a kaleidoscope of firms along a continuum. At one end we can find family firms that are very open about, and herald, their association with Christianity. Examples include Chick-fil-A in the US¹⁰ and The Entertainer in the UK¹¹. At the other end we find family firms that are very discreet in their association with Christianity yet the strength of their commitment to their faith and business cannot be underestimated. In the middle we find family businesses that balance Christian beliefs and business in a way that they are comfortable with. Thus, whilst we may not encounter a Christian family business *per se* we encounter businesses with a strong Christian ethos, a Christian (family) business or one that is influenced by a Christian perspective¹². Therefore, we can expect diverse degrees of freedom within these family businesses to interpret and exercise their Christian beliefs and biblical principles in business.

The common denominator in all family firms influenced by a Christian perspective is that the teachings of Jesus, through the grace and love

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Rubery Owen: Family business with Christian values transmitted through several generations

shown through His life, death and resurrection, ultimately gives family members in business a unique blueprint of life and business. For example, when loving God above all things, family members in business should seek His wisdom and guidance and then extend the way they would treat themselves (in business) to others (Matthew 22: 36-40). Mark 3: 31-35 tells us that Christ emphasised that the feelings of trust, support and solidarity, traditionally embedded in close-knit kinship networks, must be extended to our spiritual family. These teachings can impact on every sphere of a business, from the way customer transactions are conducted to the way community concerns are addressed.

Nevertheless, a Christian perspective in family businesses can also be fragile. Some family firms established by Christians have kept, from the very foundation of the firm, Christian values and beliefs in the organisation through their mission and vision. Long-established family firms may also experience the influence of Christian values after the conversion of their leaders or the gradual participation of family members who are Christian. Sadly, other family firms may see the demise of a Christian influence in business when the next generation do

not share or hold the same belief or fail to see the relevance of a Christian perspective in their business. They may have little control in the strategy of the firm or feel distant from top management positions. Such aspects are relevant when we consider how family business may behave.

Stewardship – merely looking after the family business for the next generation?

To understand family business behaviour through a Christian perspective we can consider it through the biblical perspective of stewardship. Stewardship is defined in the Merriam-Webster dictionary as "*the careful and responsible management of something entrusted to one's care*"¹³. It revolves around the principle of accountability. In management, stewardship theory has helped in the understanding of the long-term perspective that tends to characterise long-lived family businesses and differentiate them from non-family counterparts¹⁴. When stewardship principles dominate in a family business then those involved in its management tend to act as stewards, looking after

the business, its employees and the larger community, whilst putting aside personal goals for the benefit of the organisation. Under this perspective, family businesses are encouraged to involve family and non-family members to act like stewards. Studies around stewardship in family businesses often tend to emphasise a guardianship or caretaking approach to the firm, highlighting accountability to the family, the organisation and those involved with it. Yet a critical question arises from a Christian perspective for a family in business: Who are we really accountable to?

Stewardship could be described as the cornerstone principle of a

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Christian perspective in family firms. It starts with family members in business realising that they serve God (Joshua 24:15), acknowledging that He is ultimately the owner of all resources utilised by a family business, whether tangible or intangible (Leviticus 25:23; Psalm 50: 10-12; Haggai 2:8; Ecclesiastes 5:19; James 1: 17) and He has ordained us to be His agents in managing these resources. From a Christian perspective, every family business is the Lord's and family members are

accountable first to Him as stewards¹⁵. Being a steward in a family firm, under a Christian perspective, means that family members in business do not see the family business as theirs but the Lord's and therefore should look after the Lord's business asking the question: Lord, what do you want us to do with your business? Answering that question means taking personal and also business responsibility for what occurs not only within the firm but also in the contexts where the family business operates. Christian stewardship ultimately involves acting as God would act.

A Christian perspective values stewardship behaviour that goes beyond preserving a family business. The Bible calls family business members to be diligent with what has been entrusted to them for the maintenance of their families and those who work with them (Proverbs 27: 23-27). The goal of stewardship in business, from a Christian perspective, is not only to guard existing resources but to increase them. It challenges those who lead family businesses to invest wisely, to expose themselves to the laws of risk and return and to diversify, with the help of God's wisdom and guidance.

Stewardship goes beyond guardianship when it encourages the application of these skills in employees within a business and the use of sound business tools and acumen (1 Peter 4: 10; Proverbs 23:4). The Bible encourages family and non-family members in business to look after the firm, as stewards, but also to engage in entrepreneurial activities aiming to increase what has been entrusted to them. This is further illustrated in the parables of the talents (Matthew 25:14-30). Entrepreneurial stewardship, in the context of a family in business, can be exercised through expanding the existing firm, entering new markets, introducing new products and starting new businesses¹⁶.

Every generation in business can only hope to improve the state of what has been entrusted to them, aiming to leave something better than what they found or started with. God called family members in businesses to be stewards. This is an ancient call that needs to be answered by every generation in business and stresses

that stewardship, from a Christian perspective, goes beyond looking after a business for the next generation, and is not a task to be undertaken by one generation alone.

Succession – just passing a baton?

Succession in family businesses deals with the inevitable fact that every family business leader has an appointed time on earth to be an effective steward before he/she has to pass the baton, like in a race¹⁷, to

the next generation.

Succession is a key theme in the scriptures from the book of Genesis. The Bible is clear about our finite existence and how futile founding business ventures may be when there are no

successors to take them forward (Ecclesiastes 4: 7-8).

We read time and time again in the popular media of the struggles of long-standing family businesses, dynasties that were thought to be unshakable, now in peril due to the mishandling of the succession process¹⁸. Compared to other firms, family firm succession, dealing

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Family succession problems:
Samuel Anointing David (c. 1717),
Pietro Ligari (1686-1752)



mostly with the transfer of ownership and managerial leadership, is strongly influenced by the expectation of family members leading the firm in the future. It is fragile and uncertain as it can be greatly affected by tensions caused by family-related aspects. For example: the death of a family business leader (or successor), the reluctance of family members to let go of the leadership of the firm or to train potential successors, the absence of family members who are willing (or capable) to lead the firm. The list could go on and on. Yet every family in business is different in the approach to succession; while some will be characterised by tension and conflict, others will showcase a smoother transition before, during and after the process.

Not surprisingly, the aim of succession for family business founders is often the perpetuation of values, idiosyncratic approaches to business, or a long-term intention for a family to remain in business¹⁹. We can draw critical insight from the Bible about the meaning of, and approach to, succession.

First, succession provides a context to communicate our faith and foster intergenerational learning. Deuteronomy (6:5-7; 11:18-20) provides clear instructions to passing our belief systems from one generation to the next. As Christians

we have a responsibility to communicate our faith to our family, and the family business context can provide an ideal arena for such communication, with lasting effects. The Bible highlights that a succession process has a greater chance of success when successors are prepared early, even from childhood (Proverbs 22:6). Compared to other firms, whatever affects the family business does not finish at the end of a work day. It continues into the homes of families, onto dinner tables, family trips and during family games. Such interaction may allow parents in business to rigorously instil the biblical principles of stewardship into new generations and a shared understanding that all business decisions are intertwined with spiritual guidance.

Second, developing the business together provides the foundation for fellowship. Fellowship is paramount when founders aim to transmit enduring values and a way of thinking that goes beyond mere short-term decision making. It may also allow several family members (e.g. siblings, cousins) to learn to work together and decide how best to locate their skills and acumen within the firm for

‘The family business can be a breeding ground for Christian business leaders and family entrepreneurs’

the future. Fellowship provides a platform to teach new generations that prosperity comes from God's wisdom and that the Lord will allow difficult circumstances in business for several reasons (e.g. to develop our faith, our character in business and to learn. The book of Job is a good example). Furthermore, it develops a deep understanding of the aspirations, dreams and skills of family members in business, which can be appropriately channelled into the family firm as it grows or be leveraged when starting new business projects as a family. We must not

overlook that whilst the family business is an ideal context for fellowship it can also be a breeding ground for Christian business leaders and family entrepreneurs.

Third, succession goes beyond transferring physical and financial assets. Family business leaders can leave behind a

more intangible yet powerful asset in business – Integrity (Proverbs 22:1; Ecclesiastes 7:1). An example of this can be found in the case of the bank C.Hoare & Co²⁰. A good family name in business, backed by integrity and trust, standing like pillars in the business world, may be more valuable for successors than assets. Succession may allow next generation members to apply biblical wisdom

when facing critical decisions every day, and to appreciate how dealing with each issue helps build up integrity and trust in business. These turn into presentation cards and moral anchors when family members take the helms of the business or start a new venture on their own.


The outcome of the succession process is often a turning point for many family businesses led by Christians. It may seem reasonable to start the process early for the sake of the family and the business. Just as parents instil values, skills and godly principles in their children the same could be said about the family business where we hope to see it evolving through the generations. It is easier to instil Christian values early on rather than later in the life cycle of a business (and a family) when its size and structure may make it easier for a Christian perspective to take roots. If one generation misses the opportunity to transfer Christian beliefs and values the business may

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be exposed to conflict and challenges. This can lead to confusion and uncertainty at all levels within the structure of the business as previous Christian values and principles may seem to no longer matter. Not being able to pass Christian beliefs and values from one generation in business to the next may put the culture of a longstanding business in jeopardy. From a Christian perspective, the succession process provides business founders the opportunity to install an enduring legacy and therefore they should make every effort to engage in the process, not only for family firm continuity, but for Christian values in business to endure.

Family businesses – a lasting foundation?

Family businesses are at the frontline of integrating a Christian perspective in business. We must not overlook that while some family businesses

may enjoy great success due to preserving Christian values, they may also face overwhelming and growing challenges in our society²¹. We need to see family businesses as contexts where Christianity can be lived and communicated, where the opportunity to pass down Christian beliefs and values in business is present and relevant. Whether it is a first, second or multi-generational family firm, none is exempt from the blessings of Biblical wisdom. A long-lasting family business, guided by a Christian perspective, does not emerge overnight. In reality the more a Christian family in business is engaged with the business world, while it grows and goes through trials and tribulations, the greater dependence there will be on Christ-like attitudes and behaviour in business. The result will be an unshakeable Christian perspective in business that will provide a lasting foundation for generations to come (Matthew 7: 24-27). 

I wish to thank Richard Higginson and John Lovatt for their constructive feedback and suggestions in the development of this article.

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