



Family Office Association

Q&A

Angelo J. Robles on
**Passing on
the Family
Work Ethic**
with
Larry Stybel

OVERVIEW

- Q:** You say passing on wealth and passing on work ethic are the two critical challenges for families of wealth. Why?
- Q:** Tell me about your research
- Q:** Let's start with automobile time
- Q:** Your second lesson is demonstrating conscientiousness in front of children
- Q:** So outsourcing childcare has tradeoffs for later work ethic socialization?



AR: You say passing on wealth and passing on work ethic are the two critical challenges for families of wealth. Why?

AR: Tell me about your research

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LS: There is a mother-father split I see with the families I work with. Father often takes a functional perspective and defines wealth in terms of tangible assets. A career is an intangible that has more to do with well being than wealth.

Mothers take a systems perspective and look at wealth as both tangible and intangible. As usual, the women get it and we men are behind the times. There is that cliché in our industry: from shirtsleeves to shirtsleeves in three generations. There is a reason it is a common cliché: families passed on tangible wealth but failed to pass on the intangible work values.

Mothers will be the fire-breathing dragon at the exit door when father wants to move business to a competitor who might add an eighth of a basis point. Help a mother's son/daughter launch a good career and she is your champion forever.

LS: Ten families of wealth were interviewed, half of whom were proud of having passed on the work ethic and half of whom described their children as lacking sufficient work ethic for successful careers.

Key issues include (1) rethinking the automobile as a vehicle of transportation AND child socialization. (2) parents should seize the opportunity to demonstrate work place conscientiousness in front of children. (3) just because you have the financial ability to outsource child-rearing responsibilities to others doesn't mean you should.



AR: Let's start with automobile time

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LS: The following story illustrates our findings about the role of the automobile:

Leo's father was a policeman in New York but he managed to get a scholarship to Massachusetts Institute of Technology. After graduation and work with a well-known software company, went out to create his own software company.

During the early days of his company, there was a constant time-money struggle between the demands of a growing business and the demands of a growing family. Every weekday morning, Leo would get up early to make son Allen and daughter Betty their morning breakfast. He would also prepare their lunch and pack it. Leo would drive them to school.

Drive time was the only time Leo had the opportunity to speak with his children and he kept the radio off. He would not allow them to listen to music on their headphones. He would ask about their upcoming day. And he would tell them about his day, including his frustrations and anger. Sometimes he would give reports about success. And sometimes he would give reports about failure. As the children got older, they would make suggestions to Leo and Leo would listen to their comments. He might never act on their suggestions but he did convey that he respected their suggestions.

The company became successful. Leo and his wife divorced. He remarried and soon he had a second set of children, Charles and Denise.

With more material success, Leo could afford to have a full-time housekeeper make breakfast and lunches for the children. The housekeeper also drove Charles and Denise to school each weekday and picked them up. There was little conversation in the car as the children would listen to their favorite music over headphones.

According to Leo, Allen and Betty have solid careers and he is proud of them. Betty has become a successful entrepreneur in her own right. But Charles has just floated from one low paying job to another. And Denise has become an artist who produces little product. And what she produces remains unsold. Both Charles and Denise require Leo to continue to spend money to support them, while Allen and Betty are financially/emotionally independent.

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We were impressed with the number of times automobile travel figured into stories about success or failure.

What Leo did correctly with his first family was use himself as a role model to show the drama, excitement, and failure of business. He made his business life something that children could grasp: sometimes you win and sometimes you lose. And even if you lose, you recover and move on.



AR: Your second lesson is demonstrating conscientiousness in front of children.

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These were valuable lessons Allen and Betty learned from their father. What Leo did incorrectly with his second family was to outsource drive time. In the absence of Leo socializing his children about the fun of business, business work became Magic/Mystery. They could not grasp it. They could not say, "I can do that."

Thus one of the lessons learned is the importance of parents talking about their work in a place where children can easily absorb the information and then add their perspectives. In the early 20th Century, that might have meant the family dining table. With today's erratic school and work schedules, in the 21st Century it means the time when you drive children from one activity to another. Keep the audio and video off in the car. Use drive time to communicate.

LS: Psychologists have long recognized that there are five core personality factors. Called The Big Five, these traits have been extensively researched and found valid. When companies seek to get independent assessment of leadership potential and person/culture fit, they employ psychological assessments based on the Big Five.

The biggest of the Big Five is Conscientiousness. Research is clear and consistent that having this one trait is a minimum requirement for success at work.

People who score high on this trait are perceived to show self-discipline, act dutifully, aim for achievement; are organized, and are dependable.

We can assume that Leo was conscientiousness in his work life. What kind of role model was he for his children?

In his behavior towards Allen and Betty, Leo was a role model of conscientiousness by preparing their breakfasts, their lunches, and taking them to school each weekday. What did Leo do with Charles and Denise? He outsourced the work and thereby lost the opportunity to be a role model of conscientiousness.



AR: Your second lesson is demonstrating conscientiousness in front of children. *(continued)*

AR: So outsourcing childcare has tradeoffs for later work ethic socialization?

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The second lesson learned: just because you can afford to outsource does not mean it is smart to do it!

I hear so many adults in families of wealth fondly speak about being with father during the summer at the Cabin or the Ranch. They would do chores together. Sometimes it was the only time the child saw father demonstrating conscientiousness.

This is not to say fathers are not conscientiousness. For children, they react to what they physically see adults do. Preparing breakfast is a powerful message. Ordering breakfast to be delivered is not.

LS: Like so many things in life, it is a tradeoff. Just because you can afford to do it doesn't mean you should do it.



Angelo J. Robles

Laurence J. Stybel

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Angelo J. Robles is the Founder and CEO of the Family Office Association, a global membership organization of single family offices. Mr. Robles has written several books and numerous independently published articles, and has been quoted on family office topics for Bloomberg Radio & TV, Thompson Reuters, Institutional Investor, Registered Rep, HFM Week, Investment News, EurekaHedge, The Luxury Institute, The Greenwich Times and many others.

Mr. Robles had a successful career with positions at Arthur J. Gallagher & Co., UBS and New England Financial. He is the founder and past president of the New England chapter of the Hedge Fund Association, and was an Internet pioneer in retirement planning for Fortune 1000 executives with 401KRollover.com and IRARollovers.com, both of which he founded. Mr. Robles is a member of the Princeton Council on Family Offices and the NYU Stern Family Office Council.

Larry Stybel is a licensed psychologist in the Commonwealth of Massachusetts and CEO of Stybel Peabody Lincolnshire, an Arbora Global Company. Founded in 1979, the firm provides smooth leadership change for the world's best companies: retained search+, leadership development, and career management. Clients include 21% of the one hundred companies listed by FORTUNE MAGAZINE as "Best Companies to Work For" in the United States. Stybel Peabody is also retained to work on career matters with families of wealth.

He has a regular column on leadership and career management called "Platform for Success." It appears monthly in PSYCHOLOGY TODAY MAGAZINE.

Larry is Executive in Residence in the Department of Management & Entrepreneurship at the Sawyer Business School at Suffolk University. Larry's doctorate in organization behavior was obtained at Harvard University, his M.A. in clinical psychology comes from the University of Texas at Austin, and his B.A. is from The City College of New York.

He is one of 122 career management consultants from 21 countries to be honored with the designation Career Management Fellow, a title granted upon peer review of the body of one's professional work by the nonprofit Institute for Career Certification International (www.careercertification.org).

Larry has homes near Boston and Miami.
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