WHAT ACTUALLY MAKES A FAMILY SHAREHOLDER STAY ENGAGED?

Executive summary and practitioner insights Angèle Marinelli, PhD Fellow, and Cécile de Lisle, Executive Director, HEC Paris Dieter Schwarz Foundation Family Business Center, based on based on Family & Co (2024). Les clés de l'engagement actionnarial dans l'entreprise familiale, with the scientific contribution of the Transmission Lab, support from Degroof Petercam, and with the scientific contribution of HEC Paris Dieter Schwarz Foundation Family Business Center and Dr Cécile de Lisle.

This summary draws on the core elements of the Family & Co study (2024), with interpretation and application developed independently by Angèle Marinelli, and Cécile de Lisle for a family business audience.

EXECUTIVE SUMMARY

Shareholder engagement is usually treated as a simple, individual choice: some heirs care, some don’t.

This study, built on 31 qualitative interviews and 101 quantitative responses from family shareholders and leaders, shows it's actually a long, multifactorial process that plays out across family, wealth, ownership, and management, and unfolds over years, sometimes decades. No single factor triggers it alone, and money is rarely the driver: 53% of shareholders call financial aspects a neutral, weak, or very weak influence on their engagement. What moves the needle instead is cohesion, story, and voice.

BUT WHAT DOES THIS MEANS FOR YOUR FIRM?

Continue reading to learn our **three key insights** and **questions** to ask in your family firm!

1 FAMILY COHESION IS THE ENGAGEMENT SWITCH, NOT JUST A NICE-TO-HAVE

- 67% of shareholders say family tensions and conflicts are a direct source of disengagement.
- Regular family rituals and gatherings, and honest handling of tension before it hardens, are cited as the strongest supports for staying engaged.
- Cohesion isn't a byproduct of engagement, the study finds it's the precondition for it.

MANAGERIAL IMPLICATIONS

Investing in family cohesion (rituals, conflict prevention, shared moments) is an integral part of shareholder governance.

2 ATTACHMENT TO THE STORY RUNS DEEPER THAN THE SIZE OF THE STAKE

- 90% say knowing the family business's history strongly or very strongly shapes their engagement.
- That attachment isn't proportional to shareholding size, it's proportional to felt responsibility for a living legacy.
- 91% of operational shareholders say being an employed or leading family member strongly drives their engagement, often traced back to stories of the founding generations.

ACTION POINT

Transmit the story deliberately and early, through shared meals, internships, and company visits, but stop short of turning it into pressure or obligation; several respondents flagged that backfiring.

3 BEING HEARD MATTERS MORE THAN BEING PAID

- 6% say being a listened-to, solicited shareholder strongly influences their engagement (4.39/5); capacity to influence decisions scores even higher (4.45/5).
- 53% rate financial aspects as a neutral or weak driver by comparison.
- Shareholders who are consulted and see their input matter report meaningfully stronger engagement, even when they hold no operational role.

MANAGERIAL IMPLICATIONS

Money may be the soil engagement grows in but it is not the seed. Clear shareholder roles, structured "shareholder days," and real consultation channels do more for long-term engagement than dividend policy alone.

QUESTIONS TO ASK WITHIN YOUR FAMILY FIRM

- ? Could our youngest shareholders tell the founding story themselves, or have we only ever handed them a shareholding, not a narrative?
- ? Do our non-operational shareholders have a real channel to be consulted, or does our governance only formally include them?
- ? Are we treating engagement as something that either exists or doesn't in the next generation, or as infrastructure we're actively building?
- ? Do we have a real mechanism for surfacing and resolving family tension, or do we let it sit until it costs us a shareholder?

THE BOTTOM LINE

Engagement isn't a trait some heirs have and others lack, it's a process built deliberately over years through triggers (being invited in, personal story, timing), supports (rituals, fair handling of dividends and tension), and reinforcements (early succession planning, trained shareholders, shared results). Family firms that treat it that way, as infrastructure to build rather than luck to hope for, keep more of their shareholders genuinely in the boat across generations.