

ENTERPRISING RURAL FAMILIES



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Conflict in the Family Business

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Conflict is a fact of family business life. According to the Family Firm Institute, 20 percent of family businesses report weekly conflict, another 20 percent report monthly conflict, and 42 percent report conflict three to four times per year. You can draw your own conclusions about the 18 percent who report no conflict at all.

Conflict is a clash of interests, values, actions, views or directions. Disagreement among people is the underlying basis of conflict. People disagree because they see things differently, want different things, have thinking styles which encourage them to disagree, or are predisposed to disagree. It is rare to hear someone describe conflict in a positive way; for example, to say “Our family just went through a positive conflict to reach a new, improved level of trust with one another.”



However, not all conflicts are full-on war. There are many levels to conflict between individuals, whether they are family members or not. Conflicts vary depending on the nature of the issues involved, the relationship between the persons involved, the context, and the means used to wage the struggle. These elements can all affect the degree to which a conflict will be destructive or constructive.

Types of Conflict

Constructive conflict refers to conflict where the benefits outweigh the costs. Constructive conflict generates productive, mutually beneficial, and shared decisions where the process is as important to the parties involved as the outcome.

Destructive conflict, often promotes inequality and an imbalance of power, and very likely damages relationships. Destructive conflict often arises over differing needs, goals,

intentions or expectations, or incompatibilities between personalities, differing interpretations, and failures to communicate that erupt into struggles that matter.

Most people find conflict deeply stressful and react with typical stress responses: fight, flight, or freeze. When in conflict with another person, we need to have the full capacity of our minds to deal rationally with the issues at hand. However, the moment the flight or fight mode kicks-in, some of the blood leaves our brain and we don't think as well. That, in turn, triggers the other person to fight or withdraw in response, which rarely leads to conflict resolution.

Differences in Perspective

Most conflicts begin at a lower level of difference than they end with. Many begin with a problem-to-solve. According to Lyssa Adkins, everyday frustrations and aggravations make up this level. With a problem to solve, people have different opinions, misunderstanding may have happened, conflicting goals or values may exist, and team members likely feel anxious about the difference in the air.

However, at the problem-to-solve level, people remain focused on determining what's wrong and how to fix it. Information flows freely. Individuals use words that are clear, specific, and factual. The exchanges between people use words in the here and now, not in talking about the past. People check in with one another if they think a miscommunication has just happened. Those involved probably notice that team members seem optimistic, are moving through the conflict. It's not comfortable, but it's not emotionally charged, either.

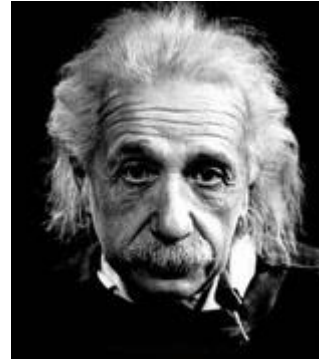


Disagreements or disputes are another label used to describe a higher level of short-term differences of opinion. In many cases disputes involve points that are negotiable. And, through the give-and-take of negotiation, disputes between two individuals are often resolved.

Disagreeing with someone isn't a bad thing in itself. One of the defining elements of disagreement is that people are still talking to each other. Often a disagreement will end with the individuals able to talk afterwards, whether the dispute has led to an agreement or not. They may not agree, but they can at least agree on what each side thinks and why, and to take into account each other's different beliefs or opinions in the future.

A conflict is clash of perspectives drawn out over a long period of time over issues often viewed as non-negotiable. When people are in a conflict, it usually means that one or more of the parties, often all, do not talk to each other. The feelings are so strong and the assumptions about the counterparties so intense, it is believed that the other side cannot or will not hear. Each side is fundamentally opposed to the success of the other and will not compromise their own values nor yield any ground in order to reach a resolution.

In conflicts there are typically negative emotions involved, and most of us aren't comfortable with those kinds of feelings. Our discomfort over those emotions can make us fumble over our words or say things we don't mean. This makes clear and effective communication difficult, if not impossible. For this reason, to resolve situations where open conflict exists may require outside assistance.



“We can not solve our problems with the same level of thinking that created them” – Albert Einstein

Obviously, it would be best for the individuals involved, their families, and the business if differences could be handled at the problem-to-solve stage or the dispute stage. However, for a variety of reasons that is often not the progression of events. Reasons, may include lack of a clear conflict resolution policy, a fuzzy understanding about the chain of command, performance standards, or how pay scales have been established.

Once a particular level of discord is reached, the situation rarely de-escalates without a new approach to the problem.

Conflicts can be resolved

Conflicts can be defused and even resolved. De-escalation is an effort to reduce either the severity or scope (or both) of a standing conflict.

When considering the best strategy for resolving a conflict, keep the following points in mind, as suggested by Rob Sandelin:

- Not everyone has the same level of commitment, honesty, or even integrity.
- It is important to define a process that resolves the problem and encourages the parties to talk about the issues in a controlled and reasonable way, even if those issues are intensely personal.
- Many people are conditioned to avoid conflict at any cost, that conflict is bad, a failure. Overcoming this tendency to avoid conflict is hard and conflict resolution training is a good first step.
- One of the most important elements of all successful [family businesses] is a clearly defined process for dealing with group and personal conflicts.
- Sometimes conflicts can't be resolved and must simply be respectfully accepted as differences.

Rob goes on to suggest the following strategies to defuse conflict:

- Begin conflict communication with “I” statements that reflect how you feel.
- Learn how to gracefully ask another person to define what they need.
- A key question in working with conflicts is “why?” Ask for clarification when an issue has become a conflict.

- In a consensus process where one person is blocking, it may be necessary to delay the broader discussion to allow time outside the group to better understand why the individual feels as they do about the issue.
- Determine whether the disagreement is over facts or the respective feelings about the facts. Ask questions to discover the underlying assumptions, values, and attitudes.
- Don't make it personal. If you disagree about an idea or concept, frame the discussion around the idea, not the person.
- Try reversing the roles. Agree to argue the other side for 15 minutes and then express the other viewpoint as persuasively as you can.
- Is it really an either/or issue? Put both sides away and brainstorm other ideas. Break through can happen when people discover there is a third way, a fourth way, a fifth way, or more.
- Work up a trial solution. Often a group must make decisions without adequate knowledge or experience. A trial solution followed by an evaluation of the results can often lead to future improvement and can help to reassure reluctant participants, since the decision is not permanent.
- Do a deliberate defusing by temporarily adjourning the meeting for a period of time. Even five minutes spent in silent thinking, where the goal is just to quietly reflect on the issue may help.
- If you are arguing about details or specifics, back up a step to the bigger concept. Sometimes people who won't agree about the details can agree on a concept or goal.
- Rather than try to find the right solution, throw out the bad solutions first, the things everyone agrees won't work.
- Finally, if people get visibly angry, stop the discussion. If the issue cannot be discussed without anger, mediation is required. If people get visibly angry, and if you take a "time-out" meeting adjournment, the time-out should last at least one hour, and two hours is better. The hormones that anger releases take at least 90 minutes to dissipate and these hormones will not let the body be calm, no matter what.



Intermediaries and third parties can play important roles in de-escalating a conflict. Intermediaries are often most helpful when they act as mediators. Mediators can provide a variety of helpful services. For example, they can supply a neutral place for the parties to meet, they can carry information between the parties, they might also bring new information and resources to the negotiations. The presence of a mediator is sometimes the catalyst needed to begin negotiations. Mediators can help the parties handle intense emotions and overcome hostility. They can help the parties develop new settlement possibilities and, when needed, new negotiation procedures. Often, mediator pressure plays a key role in keeping parties at the table and working toward an agreement.

Conflicts and miscommunication occur. They are a part of life. Not everyone thinks, acts or responds in the same way and family members come under stress at different times and for different reasons. Having a clearly written and openly discussed conflict resolution policy can go a long way toward defusing disagreements before they reach the conflict stage.

Families and anyone seeking to improve their business management skills are encouraged to visit Enterprising Rural Families online at eRuralFamilies.org to access the online course materials or to view the many resources available.

(Strategic planning in family businesses is covered in greater detail in the **Enterprising Rural Families: Making It Work™** on-line courses.)

Adapted from:

“Conflict and Confrontation.” in *Positive Relationships*. Lois Edmund. September 26, 2011. Springer Link | https://link.springer.com/chapter/10.1007%2F978-94-007-2147-0_16.

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Tip of the Month



9 Recommended Books that Bill Gates, Jeff Bezos, and Warren Buffett Think You Should Read

Bill Gates reads about 50 books every year, Mark Cuban reads three hours every day, Mark Zuckerberg resolved to read 24 books in a year, and Warren Buffett spends 80 percent of his day reading. Here are their top recommendations for your bookshelf.

Three Book Recommendations by Bill Gates

1. *Shoe Dog: A Memoir by the Creator of Nike* by Phil Knight.
2. *Stress Test: Reflections on Financial Crises* by Timothy F. Geithner
3. *The Myth of the Strong Leader: Political Leadership in the Modern Age* by Archie Brown

Three Book Recommendations by Jeff Bezos

1. *The Innovator's Dilemma: When New Technologies Cause Great Firms to Fail* by Clayton M. Christensen
2. *Sam Walton, Made In America* by Sam Walton
3. *Data-Driven Marketing: The 15 Metrics Everyone in Marketing Should Know* by Mark Jeffery

Three Book Recommendations by Warren Buffett

1. The Outsiders: Eight Unconventional CEOs and Their Radically Rational Blueprint for Success by William N. Thorndike
2. The Most Important Thing Illuminated: Uncommon Sense for the Thoughtful Investor by Howard Marks and Paul Johnson
3. Dream Big by Cristiane Correa

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