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## 5 ways to reduce conflict in your family business

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Disputes and tension are inevitable in a family business. How family members deal with conflict is what makes the difference between success and failure or family happiness and distress. In EY's newly released global survey report, [Can embracing conflict spur positive change? How the world's largest family businesses resolve disagreement](#), we identify five ways the world's largest, most successful family businesses build cohesion and reduce unhealthy conflict.

1. **Engage in frequent communication.** The survey found that communication is the most important factor associated with lower levels of conflict, as it helps improve trust, minimizes misinterpretations, enables quick resolution of disagreements and improves chances of information being correctly conveyed. To keep the lines of communication open, 90% of the businesses surveyed have regular family or shareholder meetings to discuss business issues, 70% have regular family meetings to discuss family-related issues, and 64% have a family council.
2. **Develop unifying emotional attachments through CSR.** It appears that the world's

largest family businesses' corporate social responsibility (CSR) activities inversely correlate with the incidence of conflict. The more important CSR is to the family members, the less conflict they experience. A common CSR goal helps to develop a shared view of the family legacy, which in turn builds a feeling of family unity, pride and attachment to a greater purpose. The greater the feeling of togetherness, the less likely tensions will rise.

3. **Set expectations.** If you establish agreed-upon expectations relating to who works in the business, how decisions are made, how salaries are determined, etc., the chances for conflict surrounding those decisions are greatly reduced. While discussions about these topics may be time-consuming, their ability to sidestep conflict is worth the investment.

4. **Develop a sense of purpose and mission.** Identifying a compelling corporate purpose and mission works to build trust and a sense of legacy. With a long-term goal in place, family members are more likely to put aside differences and work together for the greater good of the business and family unit.

5. **Create formal mechanisms for recognizing and resolving conflict.** A formal resolution process that outlines responsibilities for identifying conflict, the steps to be taken to resolve it, and the importance of monitoring, accountability, consequences and feedback is extremely helpful in fending off conflict and stopping it in its tracks. As no two families are the same, each business needs to create a system that meets its needs and has the support of all family members.

While unhealthy conflict can destroy a family business and family relationships, there are avenues to reduce and resolve dysfunctional tensions. Learn more in [Can embracing conflict spur positive change? How the world's largest family businesses resolve disagreement.](#)

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