

## Managing Conflict

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### Processes

- Communication
- Decision Making
- Managing Conflict**
- Working as a Team
- Handling Stress

*All families have conflict.  
It's how the family deals  
with conflict that will  
determine whether the  
conflict has positive or  
detrimental effects.*

**L**earning to manage conflict effectively can help make family/business interactions smoother.

Conflict is a part of life. It occurs whenever people interact. Conflict arises when people have opposing needs, ideas or values. It can be as heavy as shouting, finger pointing or personal attacks or as light as a simple discussion about a difference of opinion or what to do.

Conflicts that arise in family businesses take on a layered, deeper meaning. When family members have disputes about business matters, more than just a business decision is at stake. The people involved often bring with them a history of expectations, assumptions, old hurts and unfulfilled dreams.

When two brothers disagree about who is responsible for certain aspects of the business, they're struggling with the issue and their history. Often they handle conflict the way they did as children. Yet, fighting it out is no longer appropriate. New ways of dealing with each other and with conflict are required.

Some families believe that conflict is bad and avoid it at all costs. This will only invite trouble. Buried resentments and anger will eventually emerge, often in a very destructive manner. The notion that people who love and care for each other will never be in conflict is false. We don't necessarily agree with everything our loved ones say or do. We end up in conflict because we care. We usually don't have conflicts with people we don't care about - the effort isn't worth it. All families have conflict. It's how the family deals with conflict that will determine whether the conflict has positive or detrimental effects.

Conflict can be positive. By bringing opposing points of view together and rubbing them against each other, new and better ways can be found. Businesses in which there is little or no disagreement generally fail in the competitive environment of the world of commerce. Where there is no conflict, there is no difference of opinions and no independent thinking.

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Though conflict is normal it doesn't mean that it's not stressful. Learning to handle it well is the key. Families that can constructively deal with their differences function in the healthiest emotional environment. Unresolved family conflict, on the other hand, can be carried over into the business, affecting how individuals function in the business.

### *Sources of Conflict*

Conflict arises over a vast range of issues, yet at the root of these issues are only a few sources. Four sources are discussed below:<sup>1</sup>

#### **1. Violation of one's sense of fairness or justice.**

Everyone in a family grows up with a sense of what is fair and just. Even if everyone agrees that members of the family should be treated fairly, there can be disagreement about what this means. For instance, the parents may want to treat all their children equally, but if one offspring has contributed much more to the farm operation, thereby greatly increasing its profitability, they may think it only fair to reward that child more than the others. Their other children may see this differently. They may think the sibling on the farm has already been given more than his or her fair share in the form of a job, house or vehicle. Many family conflicts in business stem from balancing family notions of fairness.

#### **2. Feeling unacknowledged**

The root of some conflict is that people don't feel their talent, contribution or achievements are noticed or appreciated. This often occurs when children want acknowledgement or recognition from their parents. They may be critical or may ignore their children's successes. Parents may have trouble seeing their children as mature, capable adults. Sometimes older siblings have trouble giving recognition to younger siblings. Feeling unacknowledged can also be an issue for in-laws whose contribution or potential to contribute to a family business is overlooked or ignored.

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<sup>1</sup> These sources are drawn from *Working With the Ones You Love* by Dennis Jaffe.

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### 3. Feeling powerless

This is closely related to feeling unacknowledged and arises when family members feel they have no impact on other family members. They won't listen to suggestions or take advice. This problem often arises from family roles. No matter how professional or accomplished a family member may be, some other members may not be able to get beyond the "little brother" or "little sister" image. Parents may have trouble seeing a child as being anything more than an irresponsible adolescence. In-laws are not always appreciated or allowed to make significant contributions to a business because they may be viewed as outsiders. The business suffers when a family role prevents the consideration of a business need.

### 4. Confusion of family and business roles

Family members talk to each other without being aware of what role they're playing, thereby transferring family roles into the business. For example, the mother of the family may willingly be the one who prepares the meals in her family role, but have no desire to be the one who always makes and serves coffee in the business setting.



#### **What Are the Sources of Your Conflicts?**

If you are having conflict in your family or business, go through the four sources listed above and ask yourself whether some of these feelings lie below the surface.

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## *Conflict Management Styles*

The ability to cope successfully with conflict is an important skill for all family members to have. There is no perfect way to handle all conflicts. There are several methods or styles that work well. Which one is appropriate or successful will depend on the situation and the people involved.

Kenneth Thomas and Ralph Kilmann developed a conflict management framework in which they identified five styles for handling conflict. People in conflict tend to pursue either their own concerns or the concerns of the others involved in the conflict. Depending on the extent to which these concerns are pursued, five styles of conflict management result.

These five styles are described as follows:

**Avoidance:** You do not pursue your own or the others' concerns. This usually results in a lose-lose situation.

**Accommodation:** You have a high concern for others' needs and neglect your own concerns in order to satisfy their needs. Here you lose; the other person wins. This is a lose-win solution.

**Competition:** You are concerned only with your own interests and pursue them at the expense of others. Here you win but the other person loses. This is a win-lose situation.

**Compromise:** You are equally concerned with your needs and others' needs. Compromise never fully takes care of anyone's needs. This is a no win-no lose solution.

**Collaboration:** You have high concern for both your needs and others' needs. Using this style, you work with the other person or people to find a solution which is acceptable to all. This is a win-win solution.

No single style is necessarily better than the others given particular circumstances, but collaboration and, to a lesser extent, compromise are considered to be the most constructive methods of conflict resolution.

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### ***Uses for the conflict-management styles***

Each of these styles can be used to advantage, depending on the nature of the conflict to be resolved. The different modes can be equated with a common saying. Below are circumstances in which each of the modes can be put to use:

#### *Avoiding – Leave well enough alone*

- When an issue is trivial, only of passing importance or when other more important issues are pressing
- When you perceive no chance of satisfying your concerns, e.g. when you have no power to change something (someone's personality, national politics)
- When the potential damage of confronting a conflict outweighs the benefits of its resolution
- When people need time to cool down
- When you need more time to gather information
- When others can resolve the conflict more effectively

#### *Accommodating – Kill your enemies with kindness*

- When you realize you are wrong. When you want other positions to be heard, to learn from others, or to show that you are reasonable
- When the issue is much more important to the other person than to you - to satisfy the needs of others and as a goodwill gesture to help maintain a co-operative relationship
- When preserving harmony and avoiding disruption are especially important
- When there's more to be gained by letting other people experiment and learn from their mistakes

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Competing – *Might makes right*

- When quick, decisive action is vital, e.g. in emergencies
- When unpopular courses of action are needed on important issues, e.g. cost cutting, enforcing unpopular rules, discipline
- When the issues are vital to your business' welfare and you know you're right

Compromising – *Let's split the difference*

- When goals are moderately important but not worth the effort of potential disruption of more assertive modes
- When two opponents with equal power are strongly committed to mutually exclusive goals
- When temporary settlements must be achieved for complex issues
- When you must arrive at expedient solutions under time pressures

Collaborating – *Two heads are better than one*

- To gain commitment by incorporating others' concerns into a consensual decision
- To find a satisfactory solution when both sets of concerns are too important to be compromised
- When your objective is to learn - e.g. testing your own assumptions, understanding the views of others
- To merge insights from people with different perspectives on a problem
- To work through hard feelings which have been interfering with interpersonal relationships

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#### **Costs of the different styles**

There are costs associated with each of these styles. **Avoiding** conflict ensures it will never be resolved. Always **accommodating** the other person's needs means your own needs don't get met. **Competing** can have great cost in relationships. You may win in the short term but at the cost of long-term harmonious relationships. **Compromising** ends up fully satisfying no one. **Collaborating** costs in terms of the time that it may take to find a win-win solution and is difficult to manage in a highly emotionally charged atmosphere.

In summary, there is no single best way to handle all disputes. The style you choose will depend on what you're most comfortable using as well as the circumstances and people involved. The collaborative approach generally produces the highest quality resolutions and has the least negative impact on relationships. People involved are usually satisfied with the results and the process used to achieve them.

#### ***Finding Win-Win Solutions (Collaborating)***

*A brother and sister were fighting over the only orange left in the refrigerator. After much arguing, they, in frustration, took a knife and cut the orange in two. The sister, desiring a snack, took her half to the garden and ate the flesh, tossing away the rind. The brother, having decided to bake an orange loaf, needed only the rind which he took from his half of the orange before tossing the flesh in the compost bucket. Had a few conflict resolution skills been applied, both the brother and sister would have ended up with the entire portion of the orange they wanted — a win-win solution.*

Specific strategies can be used to help arrive at win-win solutions to conflicts. Try the following:

- **Establish shared goals.** To foster a climate of collaboration, people need to focus on what they share in common. Two brothers arguing over specific production methods could start by agreeing that they both share the goal of increasing productivity.

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- **Separate the people from the problem.** Focus on the problem to be solved, not on the personality traits of the people involved. "That's a stupid idea" is less damaging than "you are stupid."
  - **Focus on interests, not positions.** Positions are demands the negotiator makes. Interests are what generates the positions. Interests are a person's needs, wants, fears and concerns. For example, a dispute may arise between two brothers about which one should work on the weekends. They each take the position that they want the weekend off. The underlying interest of one brother is that he wants the weekend off so he can watch his children play in hockey tournaments. For the other brother, the interest is that he has a new girlfriend who works out of town and the only time he can see her is on the weekend.
  - **Invent options for mutual gains.** Be as creative as possible. Once the parties understand each other's interests, try brainstorming to come up with as many solutions as possible.
  - **Use objective criteria.** If the people in a dispute can shift their thinking from "what do I want" to "what makes the most sense", the merits of each possible solution will be easier to judge.
  - **Define success in terms of gains, not losses.** If you asked for a 10% raise but got only 6%, you could look at this as a 6% increase or a 40% shortfall. Your satisfaction with the outcome of any dispute will be influenced by the standards you use to judge it. The question to ask is, "Does this settlement constitute an improvement over what I started with?"

Always strive to achieve win-win solutions. Even when a win-win solution doesn't seem to exist, one can usually be found with determination to do so.



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## *Steps for Resolving Conflict*

Conflict resolution is most effective when the emphasis is switched from “me versus you” to “we versus the problem.” Families are advised to establish some ground rules for handling conflict. These could include the following:

- challenge ideas; don’t attack people
- no character assassination
- stay on topic
- wait until anger has subsided before trying to resolve the conflict
- take 10-minute time-outs when emotions start to run high
- allow people to express their feelings
- don’t resort to sarcasm or ridicule. These can be very damaging to relationships.

The following are steps to help you manage conflict co-operatively.

*Conflict resolution is most effective when the emphasis is switched from “me versus you” to “we versus the problem.”*

**Step 1. Explain the problem as you see it.** Pick the right time. Use specific facts and feelings and be candid, tactful and non-aggressive. “I’m unhappy about how we always seem to end up fighting in our family meetings.”

**Step 2. Describe the impact the problem is having.** Refer to results your listeners care about. Be specific. Use “I” messages. Don’t blame or judge. Avoid turning the dispute into a personality clash. “We don’t get around to making important decisions because we spend so much time arguing.”

**Step 3. Ask for the other person’s views.** This conveys respect and encourages co-operation. By getting the other person’s views, you’ll have a more complete picture of the problem. “How do you feel about what goes on at our meetings?”

**Step 4. Agree on the problem that needs to be solved.** Best solutions focus on observable facts. Review the relevant facts and causes. State the problem that needs to be resolved and get the other person’s agreement. “The main problem seems to be

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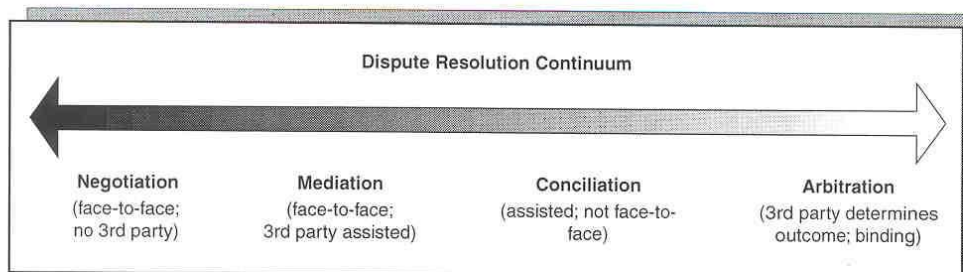
that we want to attach blame for everything that doesn't work out. For instance, when Tom tells Jane the reason milk production is down is because she didn't pay enough attention to the feed rations, instead of discussing how to improve production, we end up listening to Jane defending herself and Tom telling her she's wrong."

**Step 5. Explore and discuss potential solutions.** Brainstorm without evaluation. Create a feeling of co-operation and trust. Focus on practical and fair solutions. "We need to take time at one of our meetings to explore this issue."

**Step 6. Agree on what each person will do to resolve the problem and set a follow-up date.** Sharing responsibility increases commitment to the solution. Have a clear action plan to avoid confusion later. "Okay then, with any problems we have at our meetings from now on, we'll try to remember to focus on the situation and try not to end up blaming someone. We'll do a check at the end of our next three meetings and see how we've done."

### *Conflict Resolution Alternatives*

A variety of approaches can be used to resolve conflict. These can be depicted as a continuum, with one end of the continuum using resolution techniques that involve no one but the involved parties to the other end where a third, disinterested party determines



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the outcome.

These dispute-resolving mechanisms are defined as follows:

**Negotiation:** two or more parties confer with each other, committed to arriving at a mutual settlement of their dispute. They seek a win-win solution. The parties involved have a great deal of control over the outcome.

**Mediation:** a neutral third party intervenes between conflicting parties to assist them in reconciling their differences or resolving their dispute. The mediator facilitates the process and does not impose a resolution. Mediation also presents an opportunity for a win-win solution.

**Conciliation:** a neutral party acts as a go-between with two parties in order to re-establish a relationship and/or arrive at a resolution to a problem. Conciliation could result in a win-win or a win-lose solution.

**Arbitration:** a neutral party makes a decision which is binding on the disputing parties. Arbitration is likely to end in a win-lose or even a lose-lose situation. The parties involved have less control over the outcome.

Most families much prefer to and do solve disputes through negotiation. Sometimes disputes reach a point, however, where outside assistance is required to settle them. At such times, it's important for families to understand what their options are. Trained professionals can be asked to intervene in a dispute. There will be a fee attached for their services but the rewards for settling the dispute will be worth it. Mediators and arbitrators cost considerably less than lawyers and court costs, should a family business dispute go to that extreme.

#### ***Mediation***

**Mediation is appropriate if:**

- parties have an interest in maintaining their relationship
- other options such as negotiation or legal intervention have been considered and determined to be less desirable or unworkable

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- parties have decided that not dealing with the conflict is not acceptable, i.e. avoidance of conflict is not the solution
  - the contentious issue is specific rather than general and can be resolved through changes in behaviour or exchange of goods. Mediation is task-oriented.

**Selecting a mediator:** A mediator has been likened to the conductor of an orchestra, a person who attempts to create unity and harmony where otherwise there would be discord. The person selected must be trusted by all parties, have no personal investment in the outcome of the agreement and ideally be experienced in the mediation process. Mediators are listed in the yellow pages of your phone book or you could contact your Provincial Mediation Association.

#### ***Arbitration***

Arbitration is a process whereby parties in dispute refer their disagreement to a mutually acceptable, trained arbitrator, and agree in advance to be bound by the arbitrator's decision. In the resolution dispute continuum illustrated earlier, arbitration is shown as the process in which participants have the least amount of control over the outcome. An arbitrator has been compared to an umpire at a baseball game. He calls the plays the way he sees them and his word is law.

Arbitration is often the chosen course of action when other dispute settlement mechanisms have not worked.

You can check your yellow pages for a list of arbitrators in your area, or contact the Arbitrators' Institute of Canada which will provide a list of accredited arbitrators whose qualifications are most appropriate to your business or dispute.

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