



Family Firm Resources

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From Conflict to Collaboration:

Managing the Inevitable

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Money keeps the kids in touch! This was the message printed on the napkins my mother would pull out at every holiday when the children were gathering. Rub it in Mom! How true, however, is it not? Children of financially successful families tend to have a high recidivism rate; the kids keep coming back.

The fact that related people can share in assets creates the blessing and the curse of family money or family business: related individuals have a pool of wealth they participate in, but the mutual participation is a setup for potential interpersonal turmoil. The fact is, in these situations, conflict is going to occur in many different ways, for many different reasons.

Conflict need not be exclusively a negative; it can encourage creativity, flexibility and new thinking. The key to turning conflict from negative to positive is in how it's handled. Dealing proactively and positively with conflict requires emotional maturity and self-awareness. Sadly, these qualities often go missing as family members deal with money and feelings.

In reality, the money is often the pretext for continuing old disagreements and animosities. People who, by choice, would no longer be together are now in contact often. The money becomes the sandbox in which we continue to bang each other around. The subtext of conflicts about money in families is that it is often used as a means of getting even.

Siblings and cousins routinely use money and position as ways of working out understandable but no-longer-rational grudges they've compulsively held. One heiress blew through \$1 million in legal fees while suing her brother. She felt her father had treated her condescendingly and this was her chance to get back

at this perceived pattern of male dominance. She could not be convinced to abandon her suit and seek other ways of achieving her goal. Her actions were justified and rational in her mind, no matter how punitive for all involved.

Conflict is a result of competing self-interests. Family involvement adds complexity to conflict. Conflict ramps up during periods of transition and change. Ever notice how smoothly things go when the economy and business are humming along and family members are fat and happy, and how gruesome the interactions can become when times get tough?

Current research shows that families who deal with conflict through collaboration, i.e., family members have high self interest, high concern for others, and high concern for the relationships, have better outcomes over time. Collaboration requires self-awareness, clarity of intended goals and objectives, and genuine concern for the well being of the others involved and of the relationships of the family members.

Lacking these pieces, collaboration is unlikely. Family members resort to competition, avoidance or accommodation which will lead to unstable and fleeting resolutions. The same problems will arise over and over, extending patterns of interactions that may be generations old.

There is no substitute for resolving family conflicts once and for all. Frequent and regular family meetings are the place to work through the issues that the family system faces. Outside help is invaluable in these. Remember, you can't facilitate and fully participate in your own meetings if there are sensitive issues on the table or in the room.