

Concept Paper - Tensions

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Introduction

The literature on tensions or conflict in family businesses emphasizes business system issues. It is often anecdotal, based on case studies or a descriptive narrative based on a therapist's experience. Family tasks and values are often placed in opposition to those of business (Whiteside & Brown, 1991); there is a tendency to consider the family as a system that impedes the functioning of the business (Benson, Crego, & Drucker, 1990; Borwick 1986; Merkel & Carpenter, 1987; Ward, 1987). Family is often labeled as the emotional arena and business labeled as the rational arena; women are often seen as the problematic aspects of family business functioning and the family is seen as the part of the equation that must be managed (Budge & Janoff, 1991; Hollander & Elman, 1988; Whiteside & Brown, 1991).

The complexity of family businesses and the potential for problems in a family business is enormous. There are intrinsic differences between family systems and business systems (Benson, 1990; Galagan, 1985; Lansberg (1983); McClendon & Kadis, 1991). Business systems are task oriented, focus outside themselves, and thrive change. Family systems are on the opposite end of the continuum. They are people oriented, focused inward and self contained. Because each of the individuals within the subsystem and the subsystems themselves serve different goals and purposes there is a great potential for conflict when both business and the family subsystems attempt to coexist within the larger family business system.

The potential for conflict between the systems varies depending on the stage of the family business. In their formative years, family businesses often benefit from the overlap between family and business principles. During this stage, the firm's social dynamics are still highly organic, with all employees reporting directly to the founder/entrepreneur. The informal nature of familial relations is frequently carried over into the firm, serving to foster commitment and a sense of identification with the founder's dream. In addition, during these early days the family often provide the firm with a steady supply of trustworthy manpower (Lansberg, 1983; Ward, 1987). As the business matures, however, and more complex organizational forms emerge, system overlap between family and business begins to generate conflicts in the organization. Typically, these conflicts manifest themselves in the form of normative contradictions whereby what is expected from individuals in terms of family principles often violates what is expected from the according to business principles.

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within the family bus.*

Note

which they claim to be incensed. Often their reasons for sustaining their conflict are stronger than their ostensible desire to resolve it.

There are three important assumptions about conflicts in family businesses: (1) Conflicts within organized groups of related or mutually dependent people are fundamentally different than conflicts between separate parties because the parties cannot walk away from it easily; (2) The issues at stake are not linear but rather circular or systemic—they usually do not have a cause leading directly to an effect and they are usually never traceable to one party's behavior; and (3) The conflicts follow a dynamic pattern and the shared long-term goals often override separate interests and sometimes even override their common material interests (Kaye, 1991).