

Family conflict – when enough is enough

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The latest news of conflict between Mukesh and Anil Ambani comes as no surprise. Mukesh's Reliance Industries began arbitration proceedings against Anil's Reliance Communications in July following a collapsed merger deal with MTN Group, claiming it has first right to refusal over Anil's stake in the company. The brothers have been fighting since 2002 following the death of their father and the subsequent division of his business empire. They may be successful businessmen, but are they good stewards if they leave their family a legacy of conflict?



The answer is clearly no. Their interpersonal conflicts have escalated beyond sibling rivalry and become destructive as the brothers use their businesses to simply outdo one another.

Conflict is inevitable in all human relationships. What makes family businesses so challenging is that "issue" conflict frequently occurs because differences in the values and goals of the family and business systems. The good news is that when issue conflict is constructively addressed it can have a positive effect encouraging creativity and supporting better decisions.

The second type of conflict is "process" conflict, which occurs when a family has not developed effective interpersonal skills or governance structures to address the issues that confront them. Process conflict challenges us to learn how to address issues in more effective ways – whether problem solving on the factory floor with our brother or making a major strategy decision with several family members.

The Ambanis are struggling with the third and most difficult form of conflict. "Relationship-based" conflict often results from an unresolved emotional injury that manifests itself as destructive behaviour. Relationship conflict is often expressed as intense rivalry where the question becomes "how can I beat my sibling?" rather than "what is the best business decision?" In many cases relationship conflict is based in a triangle of two siblings and a parent where the

siblings compete for the chance to prove they are the most worthy child.

So what can help a business family resolve their relationship conflict? Conflicted families are stuck in a recursive pattern that reinforces destructive interactions as the basis for their relationships. The family has learned to accept the conflict as apart of their lives so any change in behaviour requires improved communication to build an emotional commitment to address the conflicted relationships.

The critical ingredient missing in conflicted relationships is communication, specifically learning to listen and hear others. Many conflicted families hire an outside consultant to assess the family's current situation using individual interviews and conduct a workshop to share the family data and develop action plans. The goal of the workshop is to help the family communicate about the relationship issues they face. Typically the feedback of the interview data helps the family members appreciate the long-term damage that the conflict is creating for the family and business.

While creating a healthy family environment is a good enough reason to address conflicted relationships, family alignment creates an advantage for family-owned firms. Imagine how powerful the Ambanis could have been in the recent acquisition if they had worked together instead of competing with each other and blocking the deal for their family.

