

## Resolving Family Business Conflicts

— James Olan Hutcheson

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Family enterprises often try to avoid uncomfortable situations by sweeping potential conflicts under the carpet. Instead of directly dealing with the problems that can generate frictions, family firms' managements ignore them for long. Overtime, the unaddressed problems snowball into much bigger and more complicated issues that cannot be overlooked any more. At that point, the managements of family businesses are compelled to take fire-fighting measures. However, by that time most of the conflicts had already become intense and difficult to resolve.

In this article, James Olan Hutcheson suggests the alternate approach that family firms must adopt in order to resolve family business conflicts in a timely and amicable manner. The author suggests that any conflict resolution will find acceptance among the warring parties only if it fulfills two important conditions -

- i. The conflict **resolution must not belittle** or demean **any one** (i.e. it must be a respectable outcome for all involved) *and*
- ii. The **resolution must not force a winner-and-loser outcome** (i.e. it must be a win-win solution for all parties).

Thus, it is very important that family firm managements handle the situation in a delicate manner so as to arrive at a solution acceptable to all the parties involved in the conflict.

The author professes a systematic approach to resolve family business conflicts, which goes by the acronym – DESC (Describe, Express, Specify, and Consequences).

1. **Describe** - This is the first step in conflict resolution, which calls for a meeting with an erring party. The person's unacceptable behaviour or action must be objectively described. Instead of it being a judgment, the description must list the quantum and frequency of the unwanted behaviour.
2. **Express** - This step involves expressing the management's concern about the adverse effects that the concerned person's behaviour might have, on the business or the family or both. Again, instead of passing-on a sweeping remark against the person, it is important to list specific concerns in simple but concrete terms.
3. **Specify** - This step is about specifying the desirable behaviour(s) or deliverable(s) on part of the concerned party. These specifications must be communicated clearly and they must be precise - i.e., not subject to any further interpretation.

4. **Consequences** - Finally, the positive consequences - like opportunities or benefits, of the modified behaviour must be explained to the concerned party. Emphasis must also be laid on the loss of opportunity or benefit if the behaviour is not changed.

The author advises that if the environment around the conflict situation is very charged with emotions running high, then it is better to wait for things to cool down a bit before the DESC approach is applied. This is because in a charged-up scenario most people will fail to see the reason as rationale is clouded with passion and anger. Before attempting to resolve a conflict, it is important to first listen to the parties concerned and develop a good understanding of the issue on hand. Thereafter, the family firm management can structure its message on the lines of the DESC format.

The author also suggests that one can be more effective in resolving conflict if close attention is paid to one's own state of mind. It is best to avoid any form of communication (written, verbal or electronic) when one is going through an extreme mood. The author leaves a lasting thought on the reader by closing with a quote by Aristotle on anger management, *"Anybody can become angry, that is easy. But to be angry with the right person and to the right degree and at the right time and for the right purpose and in the right way, that is not within everybody's power. That is not easy."*

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