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Woodbury: Farm Family Business

The Consequences of Unresolved Conflicts

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While working on the family farm one summer, my grandmother asked me why our family -- meaning my father and his siblings -- couldn't get along like the family who lived up the road from our ranch. I smiled and told her that the neighbor family had their problems, too. They just did a better job of hiding them.

The reality is that every family business has their struggles. (I often say that a dysfunctional family is one that gets along all the time.) Differences of opinion, misunderstanding and miscommunication, and the venting of frustrations, which are all natural human tendencies, create divisions that at some point show up in the family business. When people have spent much of their family and business lives together, the differences are bound to show. Add a few in-laws into the mix and the temperature can get hot in a hurry. The question is how will you let those differences affect the family and business?

Consider a partnership where family members are responsible for different functions or locations. If there isn't a process to keep owners on the same page about plans and priorities, to hold one another accountable for progress, to deal with differences, or if there is generally a poor relationship between family members, employees are often left with conflicting signals about business priorities. Staff see the division and it makes them uncomfortable, or it gives them an opportunity to play family members against one another.

I've seen more than my share of cases where family members complain to employees about each other. Actually, family members don't even have to complain out loud -- the silence often says it all. The ultimate consequence of this kind of behavior is a culture of avoidance, blame, poor communication and low morale. As if we don't have enough trouble finding good help in agriculture, families make it worse with their public demonstration of dislike for their business partners. The reputation of the business and your ability to attract and retain talent suffers.

Another consequence of family business conflict is a relationship deficit among future generations. Consider a family business where several siblings work together or have joint interest as heirs of an estate. If they can't resolve their conflicts, their attitudes are often transferred to the next generation through the venting of frustrations or a general lack of communication. Cousins become more removed from one another, demonstrate a lack of trust, and the end result is the eventual breakup of the farm. People don't want to be in business together, unfortunately, from the attitudes and behavior they witnessed in their parents. That is not a legacy of which to be proud.

One of the costliest and most detrimental consequences of unresolved conflict is legal action among family members. Everyone knows of a neighboring farm whose siblings sued one another over the disposition of assets. Not only are relationships ruined in the adversarial process, the farm is often divided. And the attorneys usually make a lot of money. My question is this: if "everyone" knows "someone" who has been through a nightmare when settling an estate, what are the odds you might be that "someone" a few years from now? (Hint: higher than you want to admit.)

In another conversation with my grandmother, she wondered aloud what she and my grandfather "did wrong" to end up with a family that didn't get along. Again, I attempted to console her by saying that the conflict wasn't a result of what they did; rather it was the result of their kids' behaviors and the system of relationships that had developed.

What I didn't tell her was that the lack of resolution was a result of what they, and their kids, didn't do: call people to the table to talk through the problems together. Would they have resolved everything? Probably not. Would they have re-

established the same kind of relationships they had earlier in life? I doubt it. Would it have made a difference? I don't know. But I do know that there was no chance of the situation getting better unless they had tried. And when the current approach isn't working, or is creating damage to relationships, there is little harm in trying something different.

If it doesn't work, you can always go back to dysfunction. If it does work, however, you'll wonder why you didn't do it sooner.

EDITOR'S NOTE: Lance Woodbury works as a consultant to family owned and closely held businesses in Garden City, Kan., with a special emphasis on business planning, mediation and conflict resolution. He also maintains an interest in his family's western Kansas ranch. E-mail comments or suggestions for this column to lance@lancewoodbury.com.

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