



## LEADERSHIP

# How leaders can spot the seeds of discontent that cause a family business to fall apart

[SCOTT FREIDMAN](#) / Thursday, March 30, 2017



The tragedy of business enterprises getting into trouble and falling apart is that it usually happens when the organisation — the enterprise itself — is doing great business.

So what are the seeds of discontent that produce infighting and how do relationships become so poisonous that a business closes its doors?

## ADVERTISING

The most common problem is a power imbalance, where a lack of trust and transparency, and faulty channels of communication, develop in the vacuum of ineffective leadership.

## The origins of conflict

In family businesses, which make up around 70% of Australia's 2.1 million businesses, these problems are often intergenerational, as younger members of the family struggle with parents who, as founders, believe their expertise and experience are immune to criticism.

On other occasions, problems can begin when an employee becomes a director, but still thinks like a staff member. Trading the increase in responsibility for a program of

micromanaging staff, he or she is often accused of not pulling their weight appropriately.

The scenarios always differ, but what does good leadership do to overcome problems at their source?

## **Human beings think differently**

Experience teaches us all, eventually, that human beings think differently. It's very important to realise, that only about 6% of the population actually thinks the same way as each other.

Does that matter?

Of course not. A good leader knows they will naturally gravitate to the opinions of people who have similar views, but he or she also knows they must take time to consider the views of others, which, when properly evaluated, should be explained as useful, or not.

In this way, a functioning business will develop degrees of equality and autonomy, and collaboration and communication on a transparent basis become effective tools that make conflict valuable.

Conflict, if it's recognised as an opportunity for better planning and new thinking, can lead to a stronger sense of trust in business relationships.

Sometimes, of course, an idea won't be useful, but anyone putting something forward should be encouraged for doing so.

Breaches of trust, where actions are taken on initiative that is not communicated, infect relationships and promote a silent sense of grievance, which is very difficult to overcome.

## **Leadership constantly evolves**

And certainly, leadership is more than this. It varies widely from a strong focus on managing finances to understanding that a personal crisis, effecting the performance a partner or employee, will be temporary and can be overcome.

The best attributes of leadership gather in a personality that is understanding and flexible, inspiring and encouraging, and, in a complicated way, a leader is someone who can bring people together to talk about the work they do.

The signs to watch for, however, are colleagues acting unilaterally, without consultation, forming divisive and opposing groups and the development of an atmosphere of distrust and grievance.

When situations like these arise, it's important to get the protagonists together so they can acknowledge and change their behaviour.

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