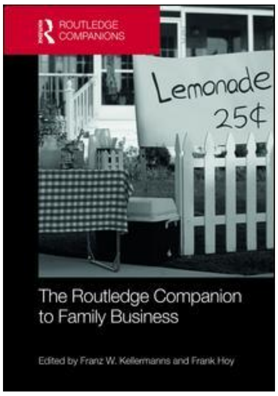

The Routledge Companion to Family Business

Franz W. Kellermanns, Frank Hoy

Bad Blood in the Boardroom

Publication details
https://test.routledgehandbooks.com/doi/10.4324/9781315688053.ch17
Andrew C. Loignon, Franz W. Kellermanns, Kimberly A. Eddleston, Roland E. Kidwell
Published online on: 29 Sep 2016

17

BAD BLOOD IN THE BOARDROOM

Antecedents and Outcomes of Conflict in Family Firms

Andrew C. Loignon, Franz W. Kellermanns, Kimberly A. Eddleston, and Roland E. Kidwell

Introduction

Despite the potential benefits afforded to family firms based on close family relationships (Habbershon & Williams, 1999), strife within the dominant coalition of family members can limit the effectiveness of these organizations (Lansberg, 1983). An example of the deleterious effects of conflict within family firms recently unfolded at Market Basket, a chain of U.S.-based grocery stores. A long-simmering power struggle between two family factions erupted when the company's CEO, Arthur T. Demoulas, was forced out by his cousin over making questionable investments and reducing dividends to shareholders (British Broadcasting Corporation, 2014). The conflict eventually spilled out of the boardroom and into the workforce when employees went on strike in support of their ousted boss (Pathe, 2014). Although a settlement was eventually reached (British Broadcasting Corporation, 2014), the strike cost the company more than $10 million each day and jeopardized its standing with its loyal customer base (Pathe, 2014).

Although Market Basket is an extreme example, it highlights how conflict among family members in family firms should not be taken lightly. To address this important topic, this chapter reviews the extant research on conflict in family firms and offers directions for future research on conflict in family businesses. First, we begin by describing how the manifestation of conflict is unique in family firms and presents challenges to these organizations. Next, we discuss the three dominant forms of conflict that have been examined within the family firm literature. Then, we review the main findings from the literature as they pertain to the antecedents, consequences, and moderators of conflict within family firms. We also discuss a type of conflict that is only found in family firms (i.e., the Fredo Effect). Finally, we conclude by providing practical recommendations for addressing conflict within family firms and highlighting some potential avenues for future research.

Conflict in Family Firms

Although conflict is observed across every level of an organization, from entry-level employees to top managers (Amason, 1996; Jehn, 1995), this interpersonal process often unfolds differently in family firms than in other business settings. Most notably, because family members occupy overlapping roles within business and family systems, family members may be more likely to experience conflict (Kellermanns & Eddleston, 2004). That is, in family firms, kinship and business are so entwined that the potential for discord may be greater than in nonfamily firms (Kellermanns & Eddleston, 2004). For example, sibling rivalry, marital strife, identity conflict, and issues of ownership among family members all reflect family-related issues that can contribute to conflict in the family business (Eddleston & Kellermanns, 2007).

In addition to these overlapping systems, the temporal dynamics of family relationships also contribute to unique manifestations of conflict within family firms (Kellermanns & Eddleston, 2004). As each new generation of family members enters the business, existing dynamics in the dominant coalition will likely change. Thus, established relationships, whether pleasant or fraught with conflict, may shift and become even more complex as new generations of family members begin to work in the family firm.

Finally, how members of family firms respond to ongoing conflict may be different than in traditional business settings. Family members are often deeply committed to their family's firm, which increases exit costs (Kellermanns & Eddleston, 2004). Additionally, family members may remain in the family firm despite deep conflicts because they fear that leaving the firm will jeopardize their inheritance or their children's opportunities in the family firm. Equity in the family firm can also induce family members to stay with their family firm despite conflicts. Thus, it may be necessary for family members to reconcile their differences since avoiding or leaving the conflict behind is unlikely.

Forms of Conflict: A Family Firm Application

Although conflict typically holds a negative connotation, researchers have highlighted how this process can yield both positive and negative effects within family firms (Kellermanns & Eddleston, 2004). Thus, even though conflict has the potential to create strife within the dominant coalition, limit cohesion in the family, and therefore reduce the firm's overall effectiveness, there are instances in which disagreements among family members can be beneficial (Kellermanns & Eddleston, 2007). For example, conflict can limit the likelihood that the family firm's dominant coalition reaches consensus prematurely (i.e., groupthink). That is, rather than settling on an initial solution to the challenges facing the organization, conflict may encourage family members to elaborate on their opinions and increase their involvement in organizational decision-making and planning. Likewise, such disagreements and discussions may engender an increased awareness about external information and environmental changes that are confronting the family firm (Kellermanns & Eddleston, 2007). Lastly, conflict can limit the extent to which family firms rely on a single generation to lead the organization (Kellermanns & Eddleston, 2007). Disagreements among family members may provide an opportunity for younger generations to express their opinions and become more involved within the family firm.

One of the primary considerations in determining whether conflict will be beneficial for a family firm is determining the type of conflict being experienced. Researchers have identified three primary forms of conflict: relationship conflict, task conflict and process conflict (de Wit, Greer, & Jehn, 2012; Loughry & Amason, 2014). Relationship conflict refers to perceptions of personal animosities or incompatibilities and includes an emotionally-laden or affective component (e.g., frustration, annoyance, irritation) (Eddleston & Kellermanns, 2007; Jehn & Mannix, 2001). Most research has focused on this form of conflict, which often contributes to negative outcomes within family firms because it redirects family members' attention and efforts away from productive functions and responsibilities (Kellermanns & Eddleston, 2004).

Along with relationship conflict, family members may also experience task conflict, which pertains to disagreements about the tasks or activities that should be completed (Jehn & Mannix, 2001). This form of conflict often revolves around differences of opinion about the appropriate goals or strategies for the family firm (Kellermanns & Eddleston, 2007). Task conflict may benefit family firms by improving the quality of the decision-making process and enhancing the likelihood that the ultimate decision is accepted because family members had the opportunity to express their views (Kellermanns & Eddleston, 2004). Furthermore, task conflict has the potential to help family members develop long-term goals, continuously critique their strategies, better understand the challenges facing the firm, develop new ideas and innovative approaches, enhance creativity, and diminish opportunistic behavior (Kellermanns & Eddleston, 2007). Within a family firm, such benefits may be especially relevant because without effective conflict, family firms can become reliant on subpar traditional strategies and beholden to the outmoded opinions and ideas of the family firm's founders (Eddleston, Kellermanns, Floyd, Crittenden, & Crittenden, 2013).

Finally, family members may also experience process conflict, or disagreements about how work should be accomplished and how family members' skills should be used (Behfar, Mannix, Peterson, & Trochim, 2011; Kellermanns & Eddleston, 2004). For example, family members may disagree about how much responsibility a given person receives within the firm. This form of conflict may be beneficial for family firms because it helps ensure that family members' expertise is being applied appropriately. Rather than hiring or assigning individuals to positions based on seniority or family status, process conflict helps ensure that the most able person is assigned appropriate tasks (Kellermanns & Eddleston, 2004, 2007). Given that family members can feel entitled to specific jobs or occupy high-level positions that exceed their formal credentials, frank and honest discussions about family members' skills and abilities are especially beneficial (Kellermanns & Eddleston, 2004, 2007).

Research Results about Conflict in Family Firms

With task, process and relationship conflict in mind, a body of research examining the antecedents, effects, and moderators of conflict within family firms has begun to emerge. To organize this literature, we have developed a path model that summarizes these relationships (see Figure 17.1). The solid lines in this figure correspond with effects that have been empirically examined while the dashed lines reflect relationships that have been proposed but remain untested. We have also included subscripts that correspond to the specific study that examined a particular effect. In the following paragraphs, we first review antecedents that may limit or exacerbate the level of conflict within family firms. Then, we discuss potential effects of conflict on family firm outcomes (i.e., performance). Finally, we conclude this section by discussing factors that may moderate the effects of conflict within family firms.

Antecedents of Conflict in Family Firms

An initial question when examining conflict within family firms is "What factors contribute to or reduce conflict among family members?." As depicted in Figure 17.1, researchers have examined or proposed three antecedents. First, the degree to which control of the family firm, or power, is concentrated within a single family member may influence how family members experience conflict (Kellermanns & Eddleston, 2004). In family firms in which control is highly concentrated (i.e., sole owners), there is less participative decision making and distinct power differences among family members. Such centralized decision-making diminishes the likelihood that diverse

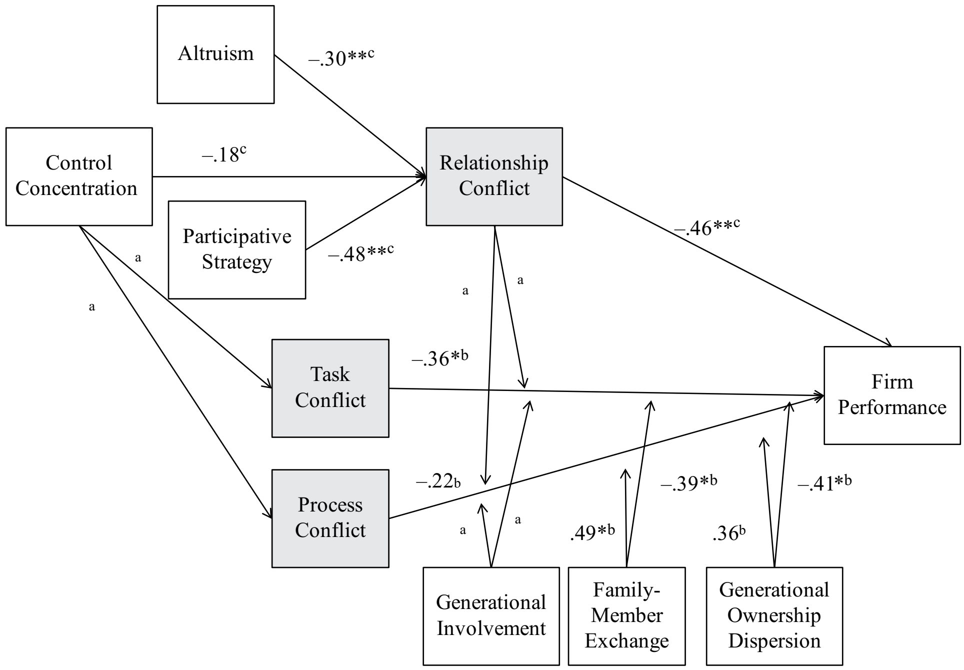

Figure 17.1 Path Model Summarizing Relationships
Note. Solid lines = empirical effects; dashed lines = proposed, but untested effects. Superscripts denote the corresponding study for a particular effect. a Kellermanns & Eddleston (2004); b Kellermanns & Eddleston (2007); c Eddleston & Kellermanns (2007).

perspectives concerning the appropriate tasks and assignments are discussed. Family members may also be less likely to seek the opinions and advice of other members if decision-making is concentrated among a single or handful of individuals. Thus, Kellermanns and Eddleston (2004) proposed that higher levels of control concentration should reduce task and process conflict among family members because there are limited opportunities for such processes to unfold.

Although high levels of control concentration are thought to stifle task and relationship conflict, such an environment may exacerbate the level of relationship conflict within a family firm. That is, this dynamic will likely increase tension and antagonistic behaviors between those who occupy positions of power and those who do not (Kellermanns & Eddleston, 2007). High levels of control concentration, which are emblematic of authoritarian leaders, reflect an environment characterized by minimal trust, which could further increase the likelihood that family members experience relationship conflict (Kellermanns & Eddleston, 2004). Despite the potential for control concentration to increase relationship conflict, Kellermanns and Eddleston (2007) found a non-significant relationship between these two constructs in a sample of 51 family firms. Thus, it remains unclear the extent to which control concentration in family firms influences the level of relationship conflict among family members.

Although high levels of control concentration were found to be unrelated to relationship conflict, an alternative style of decision-making (i.e., participative strategy) was negatively related to this form of conflict among family members. Drawing on stewardship theory, Eddleston and Kellermanns (2007) argued that if more family members are involved in the decision-making process, they are more likely to perceive greater benefits from the business. Furthermore, if family members communicate more in face-to-face settings during strategy processes, there will be less conflict and tension in the dominant coalition because family members have an opportunity to voice their opinions and ideas. Indeed, initial evidence has demonstrated a negative relationship between participative strategy processes and relationship conflict (Eddleston & Kellermanns, 2007).

In addition to control concentration and participative strategy processes, researchers have also proposed that altruism can influence the amount of conflict among family members. More specifically, Kellermanns and Eddleston (2004) proposed that altruism can reduce relationship conflict among family members. Altruism is an individual-level trait that positively links the welfare of an individual to the welfare of others. Thus, the more altruistic family members are, the more likely their primary social functions will be intended to nurture and care for one another and focus on the long-term needs and well-being of other family members (Kellermanns & Eddleston, 2004). Furthermore, higher levels of altruism are associated with a shared or common responsibility to see the firm prosper (Eddleston & Kellermanns, 2007). This collectivist orientation encourages family members to exercise self-restraint and consider the actions of others. Such restraint and empathy should help family members overcome differences and cooperate, which ultimately reduces relationship conflict. Eddleston and Kellermanns (2007) found support for such arguments based on a negative relationship between self-reported levels of altruism and relationship conflict among family members within family firms.

Effects of Conflict within Family Firms

Along with examining the antecedents of conflict among family members, researchers have also explored the extent to which different forms of conflict influence family firm performance (see Figure 17.1). In accordance with earlier propositions, Eddleston and Kellermanns (2007) found a direct, negative effect on relationship conflict and family firm performance. Thus, there is initial evidence suggesting that this particular form of conflict may detract from ongoing business activities by encouraging family members to focus more on reducing threats, attending to internal politics, and building coalitions. Thus, family firms that devote too much attention to addressing relationship conflict may overlook business needs and eventually see their performance suffer (Eddleston & Kellermanns, 2007).

In addition to the deleterious effects of relationship conflict, prior studies have examined the extent to which task and process conflict among family members influence family firm performance. Surprisingly, Kellermanns and Eddleston (2007) observed negative effects for task and process conflict on firm performance; although only the effect of task conflict was statistically significant (see Figure 17.1). Thus, rather than observing a direct benefit for disagreement over tasks and job assignments, as was proposed by Kellermanns and Eddleston (2004), this study found that such conflict may have negative effects on firm performance. Although surprising, these results correspond with recent meta-analyses suggesting that all three forms of conflict are associated with negative performance outcomes (de Wit et al., 2012). Also, it is important to note that these direct effects should be interpreted in the context of moderators. Without the appropriate social environment, disagreements about tasks and processes may be perceived as personal attacks, i.e., relationship conflict, rather than as a constructive dialogue about business needs (Kellermanns & Eddleston, 2007).

Moderators of the Effects of Conflict on Firm Outcomes

To understand when the various forms of conflict may be beneficial or detrimental to family firm performance, researchers have proposed a number of moderators to account for the context in which such disagreements unfold (see Figure 17.1). These moderators reflect both interpersonal relationships among family members, i.e., family-member exchange, and how the family is structured or involved with the firm, i.e., generational ownership dispersion and generational involvement (Eddleston & Kellermanns, 2007; Kellermanns & Eddleston, 2007). Drawing on a complexity model of conflict, researchers have also proposed that the various forms of conflict may interact and exhibit curvilinear effects (Kellermanns & Eddleston, 2004).

Family-Member Exchange

First, researchers have examined the extent to which family-member exchange (FMX) moderates the influence of task and process conflict on family firm performance (Kellermanns & Eddleston, 2007). Similar to team-member exchange (TMX) and leader-member exchange (LMX) (Dulebohn, Bommer, Liden, Brouer, & Ferris, 2012; Seers, 1989), FMX reflects the level of reciprocity among family members and corresponds with the family's willingness to share ideas, feedback, and expectations with one another (Kellermanns & Eddleston, 2007). Thus, with higher levels of FMX, which reflects more open and honest communications among family members, it is more likely that task and process conflict will be perceived as an attempt to improve performance rather than as a personal attack or a political maneuver.

Based on responses from 51 family firms, Kellermanns and Eddleston (2007) found that FMX moderated the direct effects of both task and process conflict on firm performance. In terms of process conflict, the highest performing family firms were those that had high levels of FMX and high levels of process conflict. On the other hand, family firms performed significantly worse when experiencing process conflict in the absence of high levels of FMX. Kellermanns and Eddleston (2007) argued that, based on a stewardship perspective, process conflict can be perceived as a means of assigning individuals to the right tasks, but only if high-quality relationships exist among family members. If there are low levels of FMX, family members may be unable to comfortably critique each other's abilities, and it may be best to limit discussions about roles and position assignments (Kellermanns & Eddleston, 2007).

In terms of task conflict, Kellermanns and Eddleston (2007) found the highest levels of firm performance among family firms with high levels of FMX, but low levels of task conflict. Surprisingly, when family members expressed high levels of task conflict, they performed better if they exhibited low quality exchanges, i.e., low FMX. Kellermanns and Eddleston (2007) concluded that these findings may suggest that more open communication, accompanied by disagreements about specific tasks, may actually limit family members ability to reach consensus. That is, open exchanges centered around task conflict may stymie the decision-making process and ultimately disrupt the family firm's performance.

Generational Ownership Dispersion

Along with the quality of relationships among family members, how the family structures the ownership of the firm may also moderate the effects of conflict on firm performance. Generational ownership dispersion, or the extent to which ownership of the family firm resides within a single generation, influences how conflict is interpreted and influences firm-level outcomes (Kellermanns & Eddleston, 2007). Specifically, higher levels of ownership dispersion (i.e., multiple generations own a firm) increases the likelihood that conflict engenders feuds or coalitions. If ownership is consolidated within a single generation, however, conflict may enhance the quality of the decision-making process by limiting the likelihood that the controlling owners or founders can maintain exclusive control over the strategy of the firm.

The highest levels of performance were, in fact, observed for those with low levels of generational dispersion and high levels of task conflict (Kellermanns & Eddleston, 2007). The lowest levels of performance, on the other hand, were observed among those firms with high levels of generational dispersion and high task conflict. Thus, there is some evidence to suggest that if family firms are controlled by a single generation, task conflict may facilitate higher-quality discussions to establish their strategies and goals (Kellermanns & Eddleston, 2007). However, if the family firm is controlled by a multigenerational coalition, task conflict may be interpreted as one group attempting to jockey for position or to seize control, which may ultimately limit the firm's performance (Kellermanns & Eddleston, 2007).

Generational Involvement

In addition to generational ownership dispersion, researchers have proposed that the extent to which multiple generations are involved within a family firm moderates the effects of task conflict and process conflict on firm performance (Kellermanns & Eddleston, 2004). For multi-generational family firms to succeed, each new generation of family members must acquire the preceding generation's knowledge and expertise, while at the same time providing new insights and diversifying the existing perspectives within the family firm. Task conflict may facilitate this process by deepening debates over what tasks should be completed and the appropriate strategies for the firm (Kellermanns & Eddleston, 2004). Similarly, process conflict may provide a means for older generations to seek out and adopt new strategies from younger generations of family members. As new generations of family members advocate for new approaches for executing the business' strategies, there are bound to be discussions about the roles that each family member will play. Thus, the extent to which particular family members feel entitled to a specific job or role can be clarified and resolved via discussions, which ideally will result in a better fit between work roles and talents (Kellermanns & Eddleston, 2004).

Forms and Levels of Conflict

Finally, as Kellermanns and Eddleston (2004) noted, the different forms of conflict are theorized to coalesce and interact in complex ways. In particular, relationship conflict may moderate the potential beneficial effects of task and process conflict. Given that relationship conflict engenders animosity and frustration among family members, it may limit how well family members incorporate one another's ideas about which tasks to complete or who should be assigned to which activities. More specifically, the emotional distress that arises from relationship conflict among key family members in the firm prevents the integration of ideas. Instead, the firm is more likely to experience inertia in the decision-making process. Thus, despite the potential for task and process conflict to enhance organizational decision-making, when it is accompanied by relationship conflict, the family will likely shift its attention from important, business-related matters to more personal topics, which could ultimately reduce firm performance.

Furthermore, there may be curvilinear effects for each form of conflict (Kellermanns & Eddleston, 2004). That is, despite the potential benefits of task and process conflict, there may be a tipping point at which too much conflict limits the family's ability to reach a decision or come to consensus on assignments or duties. Conversely, too little conflict can cause family members' decision-making to stagnate (De Dreu, 2006; Kellermanns & Eddleston, 2004). Thus, along with the moderating effects of family relationships (i.e., FMX), as well as family governance and generational involvement, the type and level of the three forms of conflict may interact to yield distinct effects for firm level outcomes (Kellermanns & Eddleston, 2004).

Unique Types of Conflict in Family Firms: The Fredo Effect

Along with examining how conflict unfolds within family firms, researchers have proposed elements of conflict that are unique to these types of organizations. In particular, researchers have suggested that family firms may be susceptible to the Fredo Effect (Kidwell, Eddleston, Cater III, & Kellermanns, 2013). This phenomenon refers to a character from Mario Puzo's (1969) novel, *The Godfather*, and subsequent movies, which detail the activities of an infamous crime family. Although the family is successful and overcomes numerous external threats, e.g., rival crime families and law enforcement, it is eventually undone by one of its own members. More specifically, Fredo, the bumbling middle brother, harbors resentment towards his family because he is passed over for a leadership role and only peripherally involved in the family firm. Although his actions in this distal role are troublesome (i.e., he makes questionable business decisions and challenges organizational norms), Fredo's biggest failure is betraying his family, which ultimately leads to his demise (Kidwell et al., 2013).

What is the Fredo Effect?

Drawing on this artistic representation of a phenomenon that is common in family firms, Kidwell et al. (2013) and Kidwell, Kellermanns, and Eddleston (2012) have defined the Fredo Effect as a process by which family leaders' generous actions increase a family member's sense of entitlement, weaken the family member's connection to the firm, and increase the likelihood that this family member will become an impediment to the business. Family members become impediments when they are less capable or competent than other employees and only hold a position within the family firm because of their status within the family (Kidwell et al., 2013). It is important to note that being incompetent does not equate to being unethical (Kidwell et al., 2013). That is, a family member may not commit serious ethical violations, e.g., siphoning resources for their own personal use, but can still cause the firm serious damage simply by being incapable of performing his or her job. Furthermore, the Fredo Effect is distinct from nepotism (Kidwell et al., 2013). Nepotism refers to a bias toward hiring relatives, whereas the Fredo Effect refers to family members that hold family status and can remain in their positions causing long-term damage to the family firm.

How do "Fredos" Affect the Family Firm?

By disrupting the quality of family relationships, contributing to ineffective governance, increasing nepotism, and flaming struggles over family control, the Fredo Effect undermines beneficial resources that are critical for family firms, e.g., entrepreneurial capabilities, implicit knowledge, and social capital (Kidwell et al., 2013). For example, Fredos may be given more leeway than other firm members, which could instill perceptions of injustice or unfair treatment. If non-family employees observe that a Fredo's actions have gone unpunished, then they may withdraw from the firm or engage in similar types of behavior.

The disruptive behavior exhibited by a Fredo may also influence the family firm's leadership. That is, Fredo's parents, or family leaders, may feel guilty and question how their actions contributed to the current situation (Kidwell et al., 2013). To resolve these uncomfortable feelings, the family leader may be tempted to exhibit more altruism towards their relative, e.g., provide additional resources or leeway. Furthermore, family leaders cannot entirely abandon their incompetent family member because of overlapping subsystems. In other words, even if the family leader removes the problematic family member from the business, i.e., fires him or her, they will likely still see each other for family functions such as holiday gatherings (Kidwell et al., 2013). Thus, this family-firm interaction has the potential of forming an escalating cycle of dysfunctional behavior, which could ultimately disrupt the firm's performance as well as the family system (Cooper, Kidwell & Eddleston, 2013).

Fredos are especially problematic if they are directly in line to succeed the current leader of the family firm (Kidwell et al., 2013). If the incompetent family member assumes a leadership position, he or she will likely exhibit poor decision-making and reduce the firm's effectiveness. On the other hand, if this family member is passed over, it could challenge his or her feelings of entitlement, which could lead to more disengagement and an even greater liability.

What Contributes to the Fredo Effect?

As with conflict among family members more generally, the structure of family firms lays the foundation for the Fredo Effect to occur (Kidwell et al., 2013). Because family firms are defined by overlapping family, ownership, and management subsystems (Habbershon, Williams, & MacMillian, 2003), it is more likely that family members will be employed, regardless of their skills or level of competence. Thus, the structural characteristics of family firms can directly contribute to the Fredo Effect (Kidwell et al., 2013).

Family leaders may also contribute to the Fredo Effect based on their actions as parents (Kidwell et al., 2013). For example, children whose parents exhibited highly supportive parenting styles, but provided little control are more likely to exhibit delinquent behavior (Eddelston & Kidwell, 2012). Likewise, more hostile behavior towards a child will likely elicit dysfunctional behaviors (Kidwell et al., 2013). As such, children will likely reciprocate the types of behavior they experience from their parents. Thus, the actions of a family leader may set the stage for a future Fredo Effect well before the family member enters the family business (Kidwell et al., 2013).

After the family member enters the firm, the actions of the family leaders are also critical antecedents of the Fredo Effect. For example, family firm leaders who exhibit altruistic behaviors and attempt to preserve a family member's well-being may entice individual family members to adopt the role of Fredo. More specifically, if family leaders reward a family member even when he or she acts incompetently, displays unproductive behaviors, or evades assigned duties, they may be encouraging a sense of entitlement that could eventually become disruptive (Kidwell et al., 2013).

Along with well-intentioned, altruistic behaviors, family leaders who demonstrate clear in-group/out-group preferences may contribute to the Fredo Effect (Kidwell et al., 2013). More specifically, throughout prolonged exchanges over the course of their time together, family leaders form high- and low-quality relationships with their relatives. These preferences may lead family members to compete or challenge one another so as to occupy more favored positions within the family firm. However, if a family member considers himself or herself to be in the out-group (i.e., consistently experiences low-quality exchanges with family leaders), he or she may interpret subsequent interactions through an increasingly negative lens. That is, any acts of altruism from his or her family leader (e.g., forgiving the Fredo's transgressions, offering alternative positions or assignments) may be seen as spiteful or disingenuous. Thus, in-group or out-group preferences may eventually contribute to the Fredo Effect (Eddleston & Kidwell, 2012).

There are also structural characteristics of the family firm that can lead to the Fredo Effect. Most notably, the different norms and logics that underlie decision-making in the family domain compared to those in the business domain may set the stage for Fredos to emerge (Kidwell et al., 2013). In the business domain, positions and jobs are ideally distributed based on one's merit and competence. However, in the family domain, jobs and favors are provided based on a family member's needs. Thus, family leaders and parents may be more inclined to forgive poor performance or incompetence, which could heighten the Fredo Effect.

The Role of Relationship Conflict within the Fredo Effect

Although the actions of a family member and the structure of the family firm may contribute to the Fredo Effect (Kidwell et al., 2013), researchers have found that a key mediating mechanism is the level of relationship conflict within the family firm (Kidwell et al., 2012). Because relationship conflict consists of perceptions of personal animosities and incompatibilities, it also lessens work efforts, reduces cohesion and limits goodwill (Kellermanns & Eddleston, 2004). Thus, the more relationship conflict a family is experiencing, the more likely its members will focus on political issues, like those associated with dealing with a Fredo, instead of on the economic issues facing the family firm.

Support for the mediating role of relationship conflict was demonstrated by Kidwell et al. (2012). This study found that increased harmony, i.e., better quality relationships among family members, higher levels of distributive justice, i.e., increased perceptions of fair reward allocation, and less role ambiguity reduce relationship conflict, which in turn limits the likelihood that there is a family member impeding the firm's performance, i.e., the presence of a Fredo Effect. Furthermore, the authors found empirical evidence to suggest that these characteristics of the family and the firms, i.e., harmony, distributive justice, and relationship conflict, reduced the likelihood of a Fredo Effect by first reducing the level of relationship conflict among family members (Kidwell et al., 2012).

Recommendations for Managing Conflict and Addressing the Fredo Effect in Family Firms

As noted earlier, family firms represent a unique context for addressing issues of conflict. For example, family leaders must manage conflict that can emerge within either the family or business systems limit the extent to which disagreements spill over across these domains (Kellermanns & Eddleston, 2004). Nevertheless, there is a large body of literature within management and organizational behavior that has examined various strategies for managing and reducing conflict within organizational settings (Bergmann & Volkema, 1989; De Dreu & Van Vianen, 2001; Wall & Callister, 1995). In the following section, we draw on these previous findings to offer practical recommendations for family leaders to manage conflict within their organizations and address the Fredo Effect. These recommendations are briefly summarized in Table 17.1.

Managing Conflict in Family Firms

Researchers have proposed five strategies for managing conflict in groups. Each of these strategies is designed to mitigate the potential negative consequences of conflict (Bergmann & Volkema, 1989; De Dreu & Van Vianen, 2001; Wall & Callister, 1995). Below we review each of these strategies and discuss their relevance in a family firm context.

Avoiding

One approach for managing conflict is to simply ignore any disagreements. Thus, avoiding consists of ignoring the source of the conflict. Under some circumstances, avoiding conflict can be beneficial for a group (De Dreu & Van Vianen, 2001; Jehn, 1997). If the conflict can be attributed

Table 17.1 Strategies for Reducing Family Conflict and Limiting the Fredo Effect

Family Conflict		*The Fredo Effect*	
Avoiding	• Ignore minor or inconsequential disagreements between family members • Less effective in family firms because of ongoing relationships inside and outside of work	Set standards for employment	• Vacancy must exist before family employees can be hired • Family members complete the same hiring process as other applicants • Establish clear incentive systems
Contending	• Individual family member forces their ideas or opinions into action while disregarding others' responses • Exacerbates relationship conflict and undermines any potential benefits from task conflict and process conflict	Define clear roles	• Provide job descriptions • Clearly communicate responsibilities and expectations
Compromising	• Identify a solution that partially satisfies all parties • Reduces conflict over the short-term but unlikely to be effective in the long run	Establish family councils	• Provide opportunity for family members to express concerns about family and business systems • Establish code of ethics and transparent termination processes
Collaborating	• Share ideas to identify a mutually agreed upon solution that satisfies all parties • Reduces conflict over the short-term and enhances effectiveness in the long run	Evaluate parent-child relationships	• Assess children's sense of entitlement and ability to contribute to the firm • Monitor quality of relationship between parent and child
Third-Party Intervention	• Invite others outside the family business to mediate or resolve the conflict • Leads to long-term solutions and improves communication among family members		

to petty or frivolous topics, it may be appropriate for group members to simply ignore such disagreements in order to avoid becoming distracted from pressing tasks or deadlines. In fact, some research suggests that avoiding conflict can enhance team members' perceptions of performance (De Dreu & Van Vianen, 2001).

Despite the benefits of avoiding conflict in small groups, this approach may have limited applicability when addressing conflict within a family firm. Because family members will likely remain in the business, work together for the foreseeable future, and interact outside of the workplace, an avoiding strategy may be less feasible (Kellermanns & Eddleston, 2006). That is, by ignoring minor disagreements, family members may be sowing the seeds for greater levels of conflict at a later point in time. In fact, there is some anecdotal evidence to suggest that avoidance tactics in family firms contribute to lower levels of family satisfaction, more sibling rivalry, and less mutual trust (Kaye & McCarthy, 1996). Thus, although avoiding conflict may enhance performance within groups or teams, it may be a limiting approach to conflict management for family businesses.

Contending

Family members may also try a contending, or competing, approach for managing conflict within their firms. This strategy consists of an individual forcing their ideas or opinions into action while disregarding others' thoughts or responses (De Dreu & Van Vianen, 2001). This approach is unlikely to be an effective response to either relationship conflict, task conflict, or process conflict. In response to relationship conflict, this strategy may create greater tension or more negative responses given that it likely benefits a single individual (i.e., the person adopting the contending strategy) (Kellermanns & Eddleston, 2006; Sorenson, 1999). Contending may also undermine any potential benefits of task and process conflict (De Dreu & Van Vianen, 2001). To the extent that a family member uses threats, forces compliance, or promotes his or her personal agenda (Sorenson, 1999), this approach to resolving conflict may stifle decision-making, communication, and strategy formation processes (Kellermanns & Eddleston, 2006). Thus, taken as a whole, contending is unlikely to be an optimal strategy for resolving conflict within family firms.

Compromising

Rather than avoiding or competing over issues, family members may seek to identify a compromise. Compromising consists of identifying solutions to a conflict that partially appease all parties involved. Although a compromise may temporarily resolve conflict, it does not create a long-term solution (Kellermanns & Eddleston, 2006). Some level of negotiation and compromise can initially deescalate existing conflicts and restore lines of communication within a family (Sorenson, 1999). However, compromising can also stifle discussing new ideas and limit the likelihood of finding a more enduring resolution.

Given these considerations, compromising may be a useful way of defusing tension surrounding relationship conflict. By finding a solution that partially satisfies all members, there is an opportunity to reduce tension. However, a compromising approach to managing task and process conflict may actually inhibit the family firm's performance because it undermines the ability of the family members to reach consensus on new ideas (Sorenson, 1999). Thus, compromising should be viewed as an effective strategy for managing conflict over the short-term, but it is ineffective in the long run.

Collaboration

Collaboration consists of family members working together and sharing ideas to develop a solution that mollifies the concerns of all involved parties and is mutually agreed upon (De Dreu & Van Vianen, 2001). By identifying solutions that benefit all parties, collaboration has the greatest potential of identifying actions that can deescalate conflict in the short-term and reduce the reoccurrence of conflict in the future. Because collaboration creates a cooperative environment by considering the interest of all parties, it can help diffuse relationship conflict among family members (Kellermanns & Eddleston, 2006). Furthermore, for task conflict and process conflict, collaboration improves the quality of the decision that is reached by encouraging open communication about the issues at hand (Sorenson, 1999). Given these benefits (De Dreu & Van Vianen, 2001), collaboration has the greatest potential to benefit family firms (Sorenson, 1999).

Third-Party Intervention

The final approach for managing conflict, third-party intervention, consists of inviting others outside the family business to mediate or resolve the conflict (Wall & Callister, 1995). This approach differs from previous strategies in that an external party is included in the conflict management process. Within the context of family firms, third-party interventions may be especially effective because they afford family members the chance to introduce a neutral 'outsider' who provides an unbiased perspective of the conflict (Kaye, 1991). Thus, third-party interventions are beneficial to the extent that the external party can resolve the conflict (either through mediation or arbitration) rather than provide a temporary solution (e.g., compromise). Also, the third-party may provide a fresh perspective and outlet that allows family members to improve their communication and interactions (Kaye, 1991; Kellermanns & Eddleston, 2007). Thus, as a conflict management strategy for family firms, third party interventions may be an appropriate option.

Addressing the Fredo Effect in Family Firms

In addition to managing conflict more generally, it is important for family leaders to be cognizant of the potential for the Fredo Effect to occur (Kidwell et al., 2013). Below we provide recommendations for family leaders that are intended to limit the likelihood that Fredos will emerge. Essentially, each of the prescribed actions contributes to a strong ethical climate. An ethical climate reflects shared or prevailing perceptions among family members and family leaders that typical organizational practices and procedures are ethical (Kidwell et al., 2012). This type of climate limits the likelihood that family members will pursue their own self-interests and focus on their own well-being, which ultimately reduces the likelihood of the Fredo Effect.

Set Standards for Employment

One approach for reducing the Fredo Effect is to minimize the sense of entitlement among family members that are involved with the firm (Kidwell et al., 2013; Kidwell et al., 2012). By setting clear standards for employment within the family firm, family leaders can establish structures that limit the potential for feelings of entitlement. More specifically, these standards could specify a vacancy must exist before a family member can be hired. This practice helps avoid any implicit dependencies between children and the family firm (Kidwell et al., 2013). Family leaders could also require family members to demonstrate they have similar levels of experience, education, and skills as non-family applicants who are vying for the same position. Again, this would ensure that family members are, in fact, qualified for their positions and limit feelings of entitlement. Finally, family leaders could establish a clear incentive system that aligns the behaviors of employees (both family members and non-family workers) with the goals of the organization. This practice demonstrates that all employees, regardless of their family status, must understand that they are rewarded for what they do rather than who they are (Kidwell et al., 2012).

Taken as a whole, these practices help improve perceptions of distributive justice among all members of the family firm. Distributive justice perceptions consist of comparisons between the rewards people receive and what they expect based on principles of reciprocity (Kidwell et al., 2012). To the extent that such expectations are met, and an individual feels their rewards are equitable, they are more likely to feel valued by the firm and express greater commitment. Thus, justice perceptions limit the likelihood of a family member withdrawing from the firm and exhibiting counterproductive or unethical behaviors (e.g., hoarding ideas, providing suboptimal effort).

Define Clear Roles

Along with establishing these standards for employment, it is critical that family leaders establish clear roles for family employees (Sharma & Hoy, 2013). That is, family members should receive clear job descriptions that delineate job expectations and communicate their position's responsibilities (Kidwell et al., 2013). This process may also consist of having an open dialogue about how to limit family and business roles from interfering with one another.

Such actions improve a family member's role clarity (Kidwell et al., 2013). Role clarity ensures that an individual understands what activities are required of their position. If an employee believes that he or she lacks the resources required to perform their assigned duties, then they are likely to experience greater stress, to exhibit diminished job performance, and to engage in unpredictable behavior. For family employees, a lack of role clarity may be especially alarming because it could raise issues around generational succession. If a family employee is not sure how he or she is expected to contribute to the firm, i.e., greater role ambiguity, they will experience stress and could eventually withdraw from the firm (Kidwell et al., 2013). Such disengagement or withdrawal could eventually culminate in the family employee expressing dissent and engaging in unethical behavior.

Establish Family Councils

Family leaders can also establish family councils to limit the occurrence of the Fredo Effect. Family councils reflect formal structures where individuals can share frustrations and concerns about potential conflicts between the family and business systems (Kidwell et al., 2013). Thus, the councils are a formal forum where family employees can voice their grievances. This setting may be especially important if the family firm consists of a single dominant leader or founder, which can stifle open dialogue and increase the likelihood of interpersonal animosity or relationship conflict (Kellermanns & Eddleston, 2004).

Family councils can also create a code of ethics and establish processes for termination (Kidwell et al., 2013). Thus, these structures can clearly communicate the norms and expectations of the firm while also making the consequences for violating these expectations more transparent. Both of these processes have the benefit of increasing perceptions of equity and fairness, which can ultimately reduce the potential for Fredos to emerge.

Evaluate Parent-Child Relationships

Finally, family leaders can limit the likelihood of a Fredo Effect occurring, or at least mitigate the potentially deleterious effects, by evaluating existing parent-child relationships (Kidwell et al., 2013). For example, family leaders could consider which children demonstrate the greatest feelings of entitlement or are ill-suited to work in the family business. These types of reflections provide the family leader with the opportunity to take preventative actions (e.g., re-assigning positions, adjusting policies) (Kidwell et al., 2013). Furthermore, by being cognizant of existing parent-child relationships, the family leader is better able to take action at first sight of any 'Fredo' type of behavior. Although the severity of the family leader's response could vary, e.g., suspension OR firing, they at least have the opportunity to administer some form of punishment and uphold principles of justice and fairness (Kidwell et al., 2013).

Future Research on Conflict in Family Firms

Considering the current state of the literature, it is also important to highlight avenues for future research. By drawing on recent advances in the teams and work groups literature, we identify three areas in which our understanding of conflict within family firms can be extended (i.e., patterns of conflict, conflict asymmetry, and status conflict). Each of these areas is described below.

Patterns of Conflict within Family Firms

As noted earlier, the different forms of conflict within family firms are expected to interact and influence one another (Kellermanns & Eddleston, 2004). However, few studies have considered complex interactions among the different forms of conflict (either two-way or three-way). This oversight may be attributed to the difficulty in recruiting a large enough sample of family firms to ensure there is sufficient power to test such effects (Aguinis & Gottfredson, 2010).

An alternative approach for operationalizing the complexity perspective of conflict consists of classifying teams based on their pattern of conflict (O'Neill, McLarnon, Hoffart, Woodley, & Allen, in press). This team-centric approach assigns groups to categories based on the reported levels of relationship conflict, task conflict, and process conflict. Using this technique, O'Neill et al. (in press) recently found four distinct conflict profiles. The first, labeled as task conflict dominant, consisted of groups that disagreed almost exclusively about the types of tasks that need to be completed (i.e., high task conflict, low relationship conflict, and low process conflict). The second and third profiles, labeled as low-range and mid-range conflict, resembled the initial profile but simply experienced either higher or lower levels of conflict. The final profile, called dysfunctional conflict, consisted of groups that experienced high levels of all three forms of conflict (O'Neill et al., in press). O'Neill et al. (in press) also found that teams classified as "task conflict dominant" were better able to manage their conflict and demonstrated higher levels of performance.

Given these recent findings, a 'family-centric' approach for examining conflict within family firms may be beneficial. This approach may be well-suited for testing existing propositions that suggest the highest degree of family firm performance should occur when families experience moderate levels of task conflict and process conflict and low levels of relationship conflict (Kellermanns & Eddleston, 2004). Thus, rather than considering each form of conflict individually, or examining complex interactions, which require greater statistical power, assigning family firms to categories based on the observed levels of conflict may allow researchers to clarify the complex relationship among these three processes.

Family Conflict Asymmetry

The majority of the research on conflict in family firms assumes that family members perceive conflict similarly (Eddleston & Kellermanns, 2007; Kellermanns & Eddleston, 2007). That is, conflict is assumed to be a homogeneous and shared experience for all members of the dominant family coalition. Although there are certainly instances where family members agree about the level of conflict within the dominant coalition, there may also be times where some family members perceive conflict, while others do not. Drawing on social cognitive theory and social information processing theory (Bandura, 1977; Salancik & Pfeffer, 1978), Jehn, Rispens, and Thatcher (2010) argued that group members are attuned to different stimuli in their teams and thus experience conflict differently. Discrepancies in perceptions of conflict are especially damaging for a group's performance and creativity because they undermine shared understandings of their internal environment and create confusion and inefficiencies (Jehn, Rispens, et al., 2010; Jehn, Rupert, & Nauta, 2006; Jehn, Rupert, Nauta, & van den Bossche, 2010).

Given that conflict asymmetry is due, at least in part, to diversity within a group or team (Jehn, Rispens, et al., 2010), this phenomenon may be likely to occur within the dominant coalition of family firms. Because family members simultaneously occupy distinct roles within the firm (e.g., various positions) and the family hierarchy (e.g., cousins, siblings, children, parents) (Kellermanns & Eddleston, 2004), there is an increased likelihood that they experience their social environment differently. These distinct experiences can then contribute to unique perceptions of the level of conflict that is occurring within the family, which could further limit the firm's performance and ability to respond to its environment.

Conflict asymmetry within family firms may also have implications for the Fredo Effect. Given that Fredos are most disruptive when they become detached from the firm and respond to altruistic behavior cynically (Kidwell et al., 2013; Kidwell et al., 2012), this effect may be exacerbated to the extent that a Fredo perceives more conflict within the family than others. In fact, Jehn, Rispens, et al. (2010) found that team members that experienced more conflict than their teammates perceived lower levels of communication and cooperation within the group, and subsequently withheld their performance. Thus, if Fredos are not in agreement about the level of conflict with their family members, they may be more likely to become detached from the firm and become an even greater impediment.

Status Conflict within Family Firms

Although most research on conflict in family firms has focused on the three dominant forms within the literature (i.e., relationship conflict, task conflict, and process conflict) (Eddleston & Kellermanns, 2007; Kellermanns & Eddleston, 2004, 2007), researchers have recently proposed status conflict as an alternative form of conflict that can occur within groups. Status conflict is defined as disputes over people's relative status position in their group's social hierarchy (Bendersky & Hays, 2012).

This recent form of conflict has three features that make it unique or distinct from the previous types. First, status conflict is more structural. Because this type of conflict focuses on one's position within a group, rather than a specific task or strategy, such disagreements are likely to arise when discussing a number of issues (Bendersky & Hays, 2012). Second, status conflict exhibits more long-term effects. Specifically, because a group's hierarchy is more enduring than a particular issue, disputes over status hierarchies may persist for longer periods of time (Bendersky & Hays, 2012). Finally, Bendersky and Hays (2012) argued that status conflicts may be more disruptive because they undermine the existing structure of the entire group.

Based on evidence from three studies, Bendersky and Hays (2012) found that status conflict was, in fact, empirically distinct from other existing forms of conflict. Furthermore, status conflict exerts unique, negative effects on team performance above and beyond the previous three forms of conflict. Status conflict was especially disruptive for groups because it limits information sharing (Bendersky & Hays, 2012).

Given these findings, future research on conflict in family firms may consider this additional form of conflict. Status conflict may be especially relevant within the context of family firms given the potential for dual, competing status hierarchies, i.e., positions within the family versus the business (Kellermanns & Eddleston, 2004). Furthermore, there is initial evidence to suggest that status conflict could help further elucidate the surprising negative effects of task conflict on family firm performance (Kellermanns & Eddleston, 2007). For instance, teams performed best when high levels of task conflict occurred in the absence of status conflict (Bendersky &

Hays, 2012). Thus, in situations where group members are not competing for high status positions, they are more receptive to one another's ideas about the tasks that need to be completed (Bendersky & Hays, 2012).

Finally, status conflict may be uniquely related to the Fredo Effect. Given that disruptive family members emerge after their sense of entitlement is violated (Kidwell et al., 2012), conflicts over one's relative status (either within the family or the business) may be a bellwether for this effect. In fact, the original Fredo, from *The Godfather*, became especially disruptive after he was passed over for the family leader's position. Thus, conflict over status within family firms may increase the likelihood of the development of a family member impediment.

Conclusion

Although conflict within family firms has only been studied for the past 10 years (Kellermanns & Eddleston, 2004); a sizeable body of research has emerged. Across multiple studies, there is consistent evidence to suggest that conflict can either directly inhibit a family firm's performance (Kellermanns & Eddleston, 2007) or increase the likelihood of a single family member becoming an impediment to the organization (Kidwell et al., 2012). However, it is clear that the effects of conflict depend on structural characteristics of the firm, aspects of internal family dynamics, and the nature of conflict itself (Eddleston & Kellermanns, 2007; Kellermanns & Eddleston, 2004). Despite these robust findings, there are a number of interesting research questions still worth exploring. We hope this chapter provides a useful summary and helps guide subsequent research aimed at expanding our understanding of this important topic.

References

Aguinis, H., & Gottfredson, Ryan K. (2010). Best-practice recommendations for estimating interaction effects using moderated multiple regression. *Journal of Organizational Behavior, 31*, 776–786.

Amason, Allen C. (1996). Distinguishing the effects of functional and dysfunctional conflict on strategic decision making: Resolving a paradox for top management teams. *Academy of Management Journal, 39*(1), 123–148.

Bandura, Albert. (1977). *Social Learning Theory.* Englewood Cliffs, NJ: Prentice-Hall.

Behfar, Kristin J., Mannix, Elizabeth A., Peterson, Randall S., & Trochim, William M. (2011). Conflict in small groups: The meaning and consequences of process conflict. *Small Group Research, 42*(2), 127–176.

Bendersky, Corinne, & Hays, Nicholas. (2012). Status conflict in groups. *Organization Science, 23*(2), 323–340.

Bergmann, T. J., & Volkema, R. J. (1989). Understanding and managing interpersonal conflict at work: Its issues, interactive processes, and consequences. In M. A. Rahim (Ed.), *Managing Conflict: An Interdisciplinary Approach.* (pp. 7–19). New York: Praeger.

British Broadcasting Corporation. (2014). Market Basket dispute sale to former boss ends bitter dispute. Retrieved June 1st, 2015, from http://www.bbc.com/news/business-28972536

De Dreu, Carsten. (2006). When too little or too much hurts: Evidence for a curvlinear relationship between task conflict and innovation in teams. *Journal of Management, 32*, 83–107.

De Dreu, Carsten, & Van Vianen, A. E. M. (2001). Managing relationship conflict and the effectiveness of organizational teams. *Journal of Organizational Behavior, 22*(3), 309–328.

de Wit, Frank R. C., Greer, L. L., & Jehn, K. A. (2012). The paradox of intragroup conflict: A meta-analysis. *Journal of Applied Psychology, 97*(2), 360–390.

Dulebohn, James H., Bommer, William H., Liden, R. C., Brouer, Robyn L., & Ferris, Gerald R. (2012). A meta-analysis of antecedents and consequences of leader-member exchange: Integrating the past with an eye toward the future. *Journal of Management, 38*(6), 1715–1759.

Eddleston, Kimberly A., & Kellermanns, Franz W. (2007). Destructive and productive family relationships: A stewardship theory perspective. *Journal of Business Venturing, 22*, 545–565.

Eddleston, Kimberly A., & Kidwell, Roland E. 2012. Parent-child relationships: Planting the seeds of deviant behavior in the family firm. *Entrepreneurship Theory & Practice*, *36*(2): 369–386.

Eddleston, Kimberly A., Kellermanns, Franz W., Floyd, Steven W., Crittenden, Victoria L., & Crittenden, William F. (2013). Planning for growth: Life stage differences in family firms. *Entrepreneurship Theory and Practice, 37*(5), 1177–1202.

Habbershon, Timothy G., & Williams, Mary. (1999). A resource-based framework for assessing the strategic advantages of family firms. *Family Business Review, 12*(1), 1–25.

Habbershon, Timothy G., Williams, Mary, & MacMillian, Ian C. (2003). A unified perspective of family firm performance. *Journal of Business Venturing, 18*, 451–465.

Jehn, K. A. (1995). A multimethod examination of the benefits and detriments of intragroup conflict. *Administrative Science Quarterly, 40*, 265–282.

Jehn, K. A. (1997). A quantitative analysis of conflict types and dimensions in organizational groups. *Administrative Science Quarterly, 42*(3), 530–558.

Jehn, K. A., & Mannix, Elizabeth A. (2001). The dynamic nature of conflict: A longitudinal study of intragroup conflict and group performance. *Academy of Management Journal, 44*(2), 238–251.

Jehn, K. A., Rispens, Sonja, & Thatcher, S. M. B. (2010). The effects of conflict asymmetry on work group and individual outcomes. *Academy of Management Journal, 53*(3), 596–616.

Jehn, K. A., Rupert, Joyce, & Nauta, Aukje. (2006). The effects of conflict asymmetry on mediation outcomes: Satisfaction, work motivation, and absenteeism. *International Journal of Conflict Management, 17*(2), 96–109.

Jehn, K. A., Rupert, Joyce, Nauta, Aukje, & van den Bossche, Seth. (2010). Crooked conflicts: The effects of conflict asymmetry in mediation. *Negotiation and Conflict Management Research, 3*(4), 338–357.

Kaye, K. (1991). Penetrating the cycle of sustained conflict. *Family Business Review, 4*(1), 21–44.

Kaye, K., & McCarthy, C. (1996). Healthy disagreements. *Family Business, Autumn*, 71–72.

Kellermanns, Franz W., & Eddleston, Kimberly A. (2004). Feuding families: When conflict does a family firm good. *Entrepreneurship Theory and Practice, 28*(3), 209–228.

Kellermanns, Franz W., & Eddleston, Kimberly A. (2006). Feuding families: The management of conflict in family firms. In P. Poutziouris, K. Smynrios & B. Klein (Eds.), *Family Business Research Handbook* (pp. 358–368). Northampton, MA: Edward Elgar Publishing.

Kellermanns, Franz W., & Eddleston, Kimberly A. (2007). A family perpsective on when conflict benefits family firm performance. *Journal of Business Research, 60*, 1048–1057.

Kidwell, Roland E., Eddleston, Kimberly A., Cater III, John James, & Kellermanns, Franz W. (2013). How one bad family member can undermine a family firm: Preventing the Fredo effect. *Business Horizons, 56*, 5–12.

Kidwell, Roland E., Kellermanns, Franz W., & Eddleston, Kimberly A. (2012). Harmony, justice, confusion, and conflict in family firms: Implications for ethical climate and the "Fredo Effect." *Journal of Business Ethics, 106*, 503–517.

Lansberg, Ivan S. (1983). Managing human resources in family firms: The problem of institutional overlap. *Organizational Dynamics, 12*(1), 39–46.

Loughry, Misty L., & Amason, Allen C. (2014). Why won't task conflict cooperate? Deciphering stubborn results. *International Journal of Conflict Management, 25*(4), 333–358.

O'Neill, T. A., McLarnon, Matthew J. W., Hoffart, Genevieve, C., Woodley, Hayden J., & Allen, N. J. (in press). The structure and function of team conflict state profiles. *Journal of Management*.

Pathe, Simone. (2014). With jobs on the line, why are Market Basket employees so loyal to Artie T? Retrieved June 1st, 2015, from http://www.pbs.org/newshour/making-sense/with-jobs-on-the-line-why-are-market-basket-employees-so-loyal-to-artie-t/

Puzo, Mario. (1969). *The Godfather*. New York, NY: Penguin.

Salancik, Gerald R., & Pfeffer, Jeffrey. (1978). A social information processing approach to job attitudes and task design. *Administrative Science Quarterly, 23*, 224–253.

Seers, Anson. (1989). Team-member exchange quality: A new construct for role-making research. *Organizational Behavior and Human Decision Processes, 43*, 118–135.

Sharma, Pramodita, & Hoy, Francis. (2013). Family business roles. In R. L. Sorensen, A. Yu, K. H. Brigham & G. T. Lumpkin (Eds.), *The Landscape of Family Business.* (pp. 113–142). Cheltenham, UK: Edward Elgar Publishing Ltd.

Sorenson, R. L. (1999). Conflict management strategies used in successful family businesses. *Family Business Review, 12*(4), 325–339.

Wall, James A., & Callister, Ronda Roberts. (1995). Conflict and its management. *Journal of Management, 21*(3), 515–558.