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Conflicts in family firms

A study on the positive effects of conflict in family firms

Acknowledgments

Master Thesis in Business Administration

Title: Conflicts in Family Firms

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Introduction:	Family firms serve as major block in the economy all over the world, i.e. it's significance cannot be understated. In spite of this, many firms fail to continue the firm's quest beyond the second generation partly because of conflicts in the firm. Conflicts, which could be divided into task, relationship and process conflict, have been deemed to only be detrimental for family firms. As such, limited knowledge exists as to what positive effects conflict may bring about in family firms.
Purpose:	The purpose of this study is to explore what the positive effects of different conflict types may be in family firms. The different conflict types are in this respect deemed to be task, relationship and process conflict.
Method:	The empirical material used for the purpose of this study has been gathered through 10 semi-structured, in-depth interviews with 9 different family firms. The data collected has subsequently been analyzed and conceptualized using grounded analysis (codes to themes) with an overall inductive method.
Conclusion:	Our findings and analysis suggest that several positive effects are associated with the different conflict types in family firms and that the family dimension of the firm work as enablers for these effects to occur. Task conflict produces a sharpened environment for task accomplishment through the enabler proximity to top level of firm. Relationship conflict result in stronger group cohesion through the enabler family feeling. Process conflict generate improved focus on task through the enabler going concern of the firm.

Table of Contents

Figures

Tables

Appendix

1   Introduction

In today's rapidly changing and ever evolving global marketplace, globalization is a factor that affects all parties and sectors involved in the global marketplace (Ghemawat, 2018). De Massis, Frattini, Majocchi, and Piscitello (2018) acknowledge that the effects that globalization bring about affect every type of governance form, even family firms. Indeed, family firms have recently enjoyed a surge in reaping the benefits that come as a direct consequence of globalization (De Massis, Frattini, Majocchi & Piscitello, 2018). Prior to De Massis et al. (2018) and Ghemawat (2018), Jehn and Bendersky (2003) found that firms were increasingly becoming flatter and characterized by more autonomous workers. Furthermore, due to globalization and its effects, firm's workforces are increasingly diverse, and "more women, minorities, foreign nationals, and people with different educational and experiential backgrounds are entering the workforce" (Jehn & Bendersky, 2003, p. 188). This, in accordance with Jehn and Bendersky (2003), inexorably result in conflicts.

Conflict(s) as a phenomenon bear different connotations depending on the context, but is often linked to a negative connotation. Ponder some of the words used as a substitute for conflict (struggle, clash, discord) and the negative associations become quite clear (Jehn, 1995; Jehn & Mannix, 2001; Le & Jarzabkowski, 2015; Fahed-Shreih, 2018). The negative connotation is quite logical and natural as in many situations conflicts as an event are disruptive in its nature and handling it in an effective manner may serve as a crucial step for any type of organization. Within the literature on this matter, the conflict has been defined "as a process in which groups or individuals recognize the existence of opposing interests between them and the possibility that this will result in significant thwarting" (Baron, 1984; Jehn & Bendersky, 2003, p. 188-189).

Furthermore, and more specifically, conflicts as such may be placed in three different subcategories. Conflict literature labels the three subcategories to task, process and relationship conflicts (Jehn & Mannix, 2001; Sharma, 2004; Fahed-Shreih, 2018). The subcategory task conflicts incorporate evident and

communicated disparities between parties in a firm in terms of deciding the most effective solution on the subject of strategies and goals (Yang & Mossholder, 2004; De Dreu, 2006). Process conflicts occur when diverging views, concerning how to reach the aforementioned, namely goals and strategies, between different parties of the firm clash (Le & Jarzabkowski, 2015; Fahed-Shreih, 2018). Conflicts deemed to be relational are often coupled with negative emotions or at least having some negative affective constituent. These type of conflicts erupt when there is personal or relational discordancy amid two or more people in the firm (Yang & Mossholder, 2004; Kellermanns & Eddleston, 2004).

According to Chua, Chrisman and Sharma (1999), the initial challenge faced when conducting research in family firms is how to define it. This has caused un-clarity amongst firms when having different definitions when determining their existence. Firms view themselves as a family business when they are family owned and family managed. Chua et al. (1999) oppose this to other firms, who suggest that being a family owned without family managers is enough to be qualified as a family firm. Firms that are family managed but not family owned have further been labeled a family firm, since family ownership is not enforced in some definitions (Chua, Chrisman & Sharma, 1999). Therefore, there exists an assertion that the labeling of firms are many times based on their own understanding of the definition. Firms that have been managed by the family for three generations have still opposed themselves of being a family firm. Therefore, the definition cannot solely be based on the level of family involvement in the firm, or the firm's beliefs of the definition (Chua et al., 1999).

Based on a family member's roles in the business numerous definition of what constitutes a family firm has been provided by researchers. Anderson and Reeb (2003) stated that a firm is a family firm when the founder or the descendants of the founder serve as CEO. Astrachan and Shanker (2003) on the contrary, claim that family members only need to possess control over the decision-making to be considered a family firm. By comparing family firms with nonfamily firms, based on already existing definitions, one can gather different behaviors that signify them two. That family firms are concerned with family issues, aside from business

issues, which is an evident differentiation with nonfamily firms (Dunn & Hughes, 1995).

It is of utter importance to continue the research into family firms since the significance of family firms derives from the majority of family firms that exist in the world. Family owned or controlled organizations constitute 90 percent of all businesses in the States, and are further said to employ 80 percent of the world's workforce (Sharma, 2004; Caputo, Marzi, Pellegrini & Rialti, 2018). Thus, the contribution to countries' GDP is substantial. In 2014, 80 percent of the GDP was built by family businesses, along with Europe, were the GDP consisted of 70 percent (Caputo et al., 2018). This has explained the great impact family firms have on regional economies, where a few have developed themselves into multinational companies. IKEA in Sweden, Lego in Denmark, Fiat in Italy and Walmart in the US are notable MNCs that contributes to the GDP in their countries (Howorth, Rose, Hamilton & Westhead, 2010).

Generally, going into the second generation of family owners it is estimated that only 30 percent of family businesses survive in this next generation. Considering the large impact family firms have on local economies, this estimation is surprising and quite shocking (Beckhard & Gibb Dyer, 1983; De Massis et al., 2018). For instance, Adidas/Puma, Gucci and Clark Shoes are a few of many acknowledged family businesses that have experienced conflicts in their organizations'. Profound conflicts have resulted in physical fights, bankruptcy, lawsuits and health issues. Caused by sibling rivalry, greed, failed succession plan, lack of communication, etc. (Akhtar, 2013; Fahed-Shreih, 2018). The conflict between the Dassler brothers is a story of sibling rivalry that caused them to go separate ways. The business was founded as Dassler Brothers Shoe Company, where Adolf (Adi) was the company's shoemaker and designer while Rudolf (Rudy) was a skilled salesman. Although business was booming, it did not hinder them to clash with one and other. Living in the same house, the brother's spouses did not get along which initiated their conflict. The feud continued and in 1948, the company was divided. Rudy named his company Puma and Adi named his Adidas (Akhtar, 2013; Fahed-Shreih, 2018). The companies

commanded the regional economy while operating on different sides of town. Later, the whole town became involved and affected by the altercation. While the brothers were distracted with feuding, they overlooked the launching of another shoe company, named Nike. With time, Nike became the biggest athletic shoe company in the world (Akhtar, 2013; Fahed-Shreih, 2018).

1.1 Problematization

Family firms, as such, display an environment in which conflicts are allowed to thrive (Levinson, 1971; Beckhard & Gibb Dyer, 1983; Harvey & Evans, 1994; Kellermanns & Eddleston, 2007; Eddleston & Kellermanns, 2007; Eddleston, Otondo & Kellermanns, 2008; Zacca, Dayan & Elbanna, 2017; Caputo et al., 2018). Research on this matter has provided diverge explanations as to why family firms are more likely to suffer from conflicts in comparison to other business entities. Family firms showcase an interlinkage amid management and ownership that according to Beckhard and Gibb Dyer (1983) enhances the level of decision complexity. Moreover, the entity that is a family firm links two diverge social roles in the firm which are the role as a family member and the role as a businessperson (Kellermanns & Eddleston, 2004; Eddleston & Kellermanns, 2007; Eddleston et al., 2008).

The linkage of two diverse roles that is the case in a family firm is not evident in non-family firms. Consequently, the linkage between the roles enable issues coming from one role to transfer into the other and vice versa (Davis & Harveston, 2001; Sharma, 2004). Unquestionably, conflicts occur in all forms of businesses, however, the context specific dynamics within a family firm produces a relational equilibrium. This relational equilibrium becomes quite complex since different relations within a family firm and family are entwined, and thus the likelihood of a conflict occurring within a family firm is deemed higher than in other governance forms (Kotlar & De Massis, 2013).

Furthermore, Sorenson (1999) argues that the objectives in non-family firms are related to the business, whereas for family firms a concern for the family also exists, besides the concern for the firm. Contrary to non-family firms, the

inclusion of family factors in the family firms heightens the level of difficulty associated with a conflict. Family firms have to balance two diverse relations, business- and family relations, in their business which enhances the complexity when the two relations affect each other (Sorenson, 1999).

Prior to 1990, Jehn and Bendersky (2003) stated that researchers mainly regarded conflicts as something negative and to be refuted. Some researchers reservedly proposed that some form of conflict could be positive (Jehn & Bendersky, 2003). The major research focus in regards to conflicts has been conflicts in groups in general and groups in non-family organizations in specific (Le & Jarzabkowski, 2015). Davis and Harveston (2001) claim that "perhaps in no context is the management of conflict more critical or less understood than in the family firm" (Davis & Harveston, 2001, p. 15). The existing literature on this matter have predominantly focused on the dark side of the task, relationship and process conflict in family firms, whereas the positive effects of conflicts in family firms remain rather under-researched (Kellermanns & Eddleston, 2004; Rousseau, Kellermanns, Zellweger & Beck, 2018).

1.2 Purpose

The purpose of this study is to explore what the positive effects of different conflict types may be in family firms. The different conflict types are in this respect deemed to be task, relationship and process conflicts. Based on the purpose, the following three research questions emerge which the study aims to answer:

1. What are the positive effects of task conflicts in family firms?
2. What are the positive effects of relationship conflicts in family firms?
3. What are the positive effects of process conflicts in family firms?

2 Literature review

2.1 Conflicts – Introducing the subject

Conflict(s) as such, as a subject or phenomenon, is a factor in society, human and social life that is certain and unpreventable (Cosier & Ruble, 1981; Kaye, 1991; Sheppard, 1992; Le & Jarzabkowski, 2015). Fahed-Shreih (2018) extends this notion by Cosier and Ruble (1981) even further by asserting that, rather than being a mode in which the behavior is characterized as depraved or aberrant, conflict is inherently normal. Indeed, conflict, therefore, may be interpreted as a sign of good health in any type of system or arrangement, notwithstanding whether the context is business or social (Kaye, 1991). Building on Kaye's (1991) thoughts, Sheppard (1992) argues that conflicts are to be viewed as a momentary malfunction in the mentioned systems.

The inherent nature of portraying conflicts is such that it enables conflicts to become cyclical and recurring on multiple occasions (Eddleston et al., 2008). Thereof, in modern organizations, conflicts are regarded as a common and integral part of the day-to-day operations. In fact, companies in general, and managers especially are occupied by conflicts to a rather large extent. Reports suggest that managers dedicate more than approximately 20 percent of their working time to circumnavigate and steer clear of conflicts. Managing conflicts has been rated as correspondingly significant as other managerial activities in a business (Baron, 1984; Davis & Harveston, 2001).

However, despite the relatively large amount of time devoted to conflicts in businesses as stated by Baron (1984) and Davis and Harveston (2001) and the inescapable nature of conflicts in human interactions (e.g. Cosier & Ruble; Le & Jarzabkowski, 2015) literature have failed to reach consensus regarding its definition (Fahed-Shreih, 2018). Broadly defined, conflicts may be viewed as "perceived incompatibilities or discrepant views among the parties involved" (Jehn & Bendersky, 2003, p. 188-189). Similarly, conflicts could be defined as "perceived incompatibilities or perceptions by the parties involved that they hold discrepant views or have interpersonal incompatibilities" (Jehn, 1995, p. 257). A

somewhat distinguished definition from these above states that conflict is "an awareness on the part of the parties involved of discrepancies, incompatible wishes and irreconcilable desires" (Jehn & Mannix, 2001, p. 238).

The definitions outlined above (Jehn, 1995; Jehn & Mannix, 2001; Jehn & Bendersky, 2003) constitute some of the definitions conflict literature offers – other researchers offer definitions that could be distinguished from the mentioned above. For instance, conflict may be defined as "a process resulting from the tension between team members because of real or perceived differences" (De Dreu & Weingart, 2003, p. 741). Building on De Dreu and Weingart's (2003) definition, and somewhat extending it, Fahed-Shreih (2018) defines conflict as "a process that begins when one party perceives that another party has negatively affected, or is about to negatively affect something that the first party cares about" (Fahed-Shreih, 2018, p. 2). In a similar fashion, DeChurch, Mesmer-Magnus and Doty (2013) have defined conflict as "a process that begins when an individual or group perceives differences and opposition between itself and another individual or team about interests and resources, beliefs, values, or practices that matter to them" (DeChurch, Mesmer-Magnus & Doty, 2013, p. 559). A more recent definition concludes that conflict refers to "incompatibility, discrepancy or disagreement between individuals or groups in relation to goals, processes and relationships" (Le & Jarzabkowski, 2015, p. 439). The definition of conflict as outlined by Le and Jarzabkowski (2015) will serve as the working definition of this thesis.

The abundance of definitions concerning this subject has induced for instance Wall and Callister (1995) and Fahed-Shreih (2018) to attempt to summarize these definitions by identifying key terms shared by multiple definitions. Generally speaking, Wall and Callister (1995) identify a process in which parties' interests are being opposed or affected in a negative manner by a different party. Furthermore, literature has at least reached a consensus concerning the fact that conflict needs to incorporate at least two parties, as well as a real or perceived opposing factor of one party towards another. Wall and Callister (1995) acknowledge that the literature diverges as to what it is exactly that one party is

opposing. Some identify this as being concerns or goals, whereas others recognize this as being values, needs or interests. Building on these notions generated by Wall and Callister (1995), Fahed-Shreih (2018) concludes that conflicts "tend to occur when individuals or groups perceive that others are preventing them from attaining their goals" (Fahed-Shreih, 2018, p. 2).

2.2 Different types of conflict

The preceding section introduced conflict as a phenomenon and provided with definitions serving as overarching explanations, for instance, Fahed-Shreih (2018), DeChurch et al. (2013) and Jehn and Mannix (2001). Within the overarching subject of conflict(s) several subcategories, or several types, of conflict emerges. Traditionally, literature have identified two types of conflict, namely task and relationship conflict, as diversified types (Jehn, 1995; Jehn, 1997; Janssen, Van De Vliert & Veenstra, 1999; Simons & Peterson, 2000; Bono, Boles, Judge & Lauver, 2002; Yang & Mossholder, 2004; Eddleston et al., 2008; DeChurch et al., 2013). However, some researchers have begun to make use of, apart from task and relationship conflict as subcategories, process conflict as a third category distinguished from the mentioned subcategories (Jehn & Mannix, 2001; Jehn & Bendersky, 2003; Sharma, 2004; Kellermanns & Eddleston, 2004; Behfar et al., 2008; Kidwell et al., 2011; O'Neill et al., 2013; Fahed-Shreih, 2018).

2.2.1 Task conflict

In accordance with Yang and Mossholder (2004), a conflict is deemed to be a task conflict when differences in views and opinions between different parties exist, and these differing views are connected to the task at hand, or how to interpret information regarding the task. Put differently, task conflict is existent when parties dispute about how certain parts of the task are to be fulfilled. These disputes come into existence in connection to judgements and interpretation of facts, procedural and policies, and distribution of resources (Janssen et al., 1999; Yang & Mossholder, 2004; Sharma, 2004; De Dreu, 2006; Farh, Lee & Farh, 2010). Elaborating upon this even further, Edmondson and Smith (2008) conclude that task conflicts erupt when parties have different opinions regarding business or work decisions. De Dreu's (2006), Yang and Mossholder's (2004), Sharma's (2004) and Edmondson and Smith's (2008) findings regarding task

conflict quite satisfyingly fit with Jehn and Mannix's ditto (2001). However, Jehn and Mannix (2001), as well as Fahed-Shreih (2018) on the one hand acknowledge that task conflicts may accord with fairly heated discussions, but on the other hand, conclude that task conflicts per se are void of negative and strong emotions. Clercq, Menguc and Auh (2008) and Jehn and Bendersky (2003) label these differences in ideas, viewpoints and opinions as content-related conflicts or issues. Building on this labelling, Le and Jarzabkowski (2015) recognize that task conflicts emerge due to an incongruity between needs, interests or values centred around the task.

Somewhat contrary to this content-related approach are Davis and Harveston (2001), who identify task conflicts as being "task issues including the nature and importance of task goals and such key decisions as procedures for task accomplishment, and the appropriate choice for action" (Davis & Harveston, 2001, p. 16). Closely linked to this is Amason's (1996) view concerning task conflicts, which concludes that it revolves around how to best reach common objectives. Building on Amason (1996), Pelled, Eisenhardt and Xin (1999) and Bono, Boles, Judge and Lauver (2002) acknowledges that task conflicts often revolve around goals related to the task at hand, as well as the correct way to tackle the given task. In accordance with the notions by Amason (1996) and Pelled et al. (1999), Maltarich, Kukenberger, Reilly and Mathieu (2016) concedes that on manifold occurrences task conflict are deemed to be disagreements concerning the goals related to the task at hand. Similarly, Le and Jarzabkowski (2015) identify task conflicts as conflicts erupting from discrepancy concerning task goals. Contrary to the previous section above, where task conflicts are described in a content-related manner (e.g. Yang & Mossholder, 2004; Farh et al., 2010), Le and Jarzabkowski (2015) labels these notions by for instance Amason (1996) and Pelled et al. (1999) as outcome-related task conflicts.

2.2.2 Relationship conflict

Described as "the shadow of task conflict" (Simons & Peterson, 2000, p. 104), relationship conflict emerges, according to Jehn (1995), when disagreements stemming from interpersonal factors become incompatible between different parties. Extending this notion, Jehn (1997) and Jehn and Mannix (2001)

recognize that relationship conflict evolves as different parties become aware of the incongruities between different parties. A to some extent conflicting viewpoint is held by Simons and Peterson (2000) and Kellermanns and Eddleston (2004) whom state that relationship conflicts emerge due to perceived inter-relational incongruities. This viewpoint is further pinpointed by Yang and Mossholder (2004) stating that relationship conflict is stemming from perceived personal differences.

Moreover, building on Jehn (1997) and Jehn and Mannix (2001), Rousseau, Kellermanns, Zellweger and Beck (2018) acknowledges that relationship conflict erupts as a consequence of parties becoming aware of personal incompatibilities. However, Rousseau et al. (2018) extend this notion by recognizing that relationship conflicts are founded on affective components. As stated previously by Fahed-Shreih (2018) and Jehn and Mannix (2001), task conflicts are not coupled with negative emotions, which relationship conflicts are, often labelled as emotionally charged conflicts (Eddleston et al., 2008; Kidwell et al., 2011). Additionally, these affective components that resonate with relationship conflicts are deemed to be negative in its nature (Kellermanns & Eddleston, 2004). Irritation, frustration and annoyance are included as the affective components (Jehn, 1997; Bono et al., 2002; Kellermanns & Eddleston, 2004; Eddleston et al., 2008; Clercq, Menguc & Auh, 2008; O'Neill et al., 2013; DeChurch et al., 2013; Maltarich, Kukenberger, Reilly & Mathieu, 2016). Yet other researchers extends these notions further and adds for instance anger, hatred, animosity, tensions, worry, resentment and frictions as affective components associated with relationship conflicts (Janssen et al., 1999; Simons & Peterson, 2000; Bono et al., 2002; Kidwell et al., 2011; O'Neill et al., 2013; Rousseau et al., 2018).

The distinguishing factor, or what sets task conflict apart from relationship conflict is associated with the fact that relationship conflicts are not directly intertwined with the task being conducted or the nature of the task at hand (Jehn, 1995; Janssen et al., 1999). The relationship conflict is founded on differences in personality and personalized incompatibilities (Edmondson & Smith, 2008; Clercq et al., 2008). Hence, the nature of the relationship conflict evolves around

diverging parties and is attributed to the parties in conflict or the relationship between the parties (Bono et al., 2002; Yang & Mossholder, 2004). The personal attribution within this conflict type is further opposed to the attribution within task conflicts which incorporates the situational or substantive factors (Jehn, 1995; Bono et al., 2002). These non-task issues (Jehn & Bendersky, 2003) often evolve into emotional confrontations and personal attacks (Edmondson & Smith, 2008), and may further arise due to conflicts about political preferences, personal taste, interpersonal style, values, religion and/or fashion (Jehn & Bendersky, 2003; Yang & Mossholder, 2004; De Dreu, 2006).

Bono et al. (2002) continue the quest of further distinguishing task conflict from relationship conflict through the means of examples. Conflicts associated with tasks could for instance be where to eat, where to locate the next meeting or conference or whether the firm may afford a new machine or inventory. Other examples may be scholars disagreeing over the interpretation of statistics and how to decipher the given results (Jehn & Bendersky, 2003). According to Bono et al. (2002) different parties then hold divergent viewpoints regarding the substantive or situational nature of the task at hand and is free from any negative emotional components. Contrary to this, conflicts associated to relationships may for instance be that one party is always running late, is omitting to outline one's opinions regarding various matters, or as a result of differing political preferences (Bono et al., 2002). According to Bono et al. (2002) different parties clash over personalized and interpersonal issues, rather than the mere content of the task.

2.2.3   Process conflict

Research have recognized a third conflict-type that is distinguished from relationship conflict and mainly task conflict. This type of conflict is coined process conflict (Jehn & Mannix, 2001; Jehn & Bendersky, 2003). Process conflict concerns, not the mere substance, situational or content of the given task at hand, rather it deals with the approach regarding how to accomplish the given task at hand (Jehn & Bendersky, 2003). Jehn and Bendersky's (2003) stance on process conflicts to some extent agrees with Jehn and Mannix (2001) whom conclude that process conflict is "an awareness of controversies about aspects of how task accomplishment will proceed" (Jehn & Mannix, 2001, p. 239).

Kellermanns and Eddleston (2004) adhere to Jehn and Mannix (2001) regarding the task accomplishment, however Kellermanns and Eddleston also incorporate how different parties should be used, and the level of responsibility they should enjoy.

Additionally, Le and Jarzabkowski (2015) define process conflict as "disagreement about task logistics, i.e. how tasks should be accomplished" (Le & Jarzabkowski, 2015, p. 443). This definition resonates with O'Neill, Allen and Hastings (2013) and Fahed-Shreih (2018) regarding the task logistics at hand. The conflicts evolving around task logistics could for instance be duty issues, delegation of resources, role assignment, deadline agreement, who should lead a project, time management, distribution of workload and order of tasks (Jehn & Mannix, 2001; Le & Jarzabkowski 2015; O'Neill et al., 2013). Additionally, Jehn and Bendersky (2003) add an employee perspective to the notion of process conflicts. They argue that process conflicts according to an employee perspective could be related to reorganization disagreements, responsibility disagreements, and disagreeing about utilizing people (Jehn & Bendersky, 2003). To make the distinction between task and process conflict clear, Jehn and Bendersky (2003) utilized an example of four researchers and data interpretation. If the four researchers fail to reach a consensus regarding how to interpret a given set of data and the implications of the data results, they are involved in a task conflict. Whereas if the four researchers fail to reach consensus concerning who should write the report and who will conduct the presentation, they are involved in a process conflict (Jehn & Bendersky, 2003).

2.3   Connection between conflict types

The three different conflict types may work intertwined with each other, stimulating or transforming from one conflict type to another (Jehn, 1997; Pelled, Eisenhardt & Xin, 1999; de Wit, Jehn & Scheepers, 2013; Le & Jarzabkowski, 2015; Yang & Mossholder, 2004). Jehn (1997) concludes that all conflicts encompass a fundamental message, and as a consequence of that message conflicts tend to result in relational exchanges that transmits evidence concerning

the actual relationship. Subsequently, conflicts deemed to be task conflicts may evolve into relationship conflicts. Jehn (1997) further extends this argumentation by introducing an example of different parties disagreeing related to task issues. These parties may relay issues concerning the task to issues originating in personality, which may force these parties to dislike each other. For individuals, it is many times difficult to set apart, on the one hand task from a person, and on the other hand, criticism related to the task and criticism related to the persona (Jehn, 1997). Since frequently people perceive criticism as being personal, Jehn (1997) states that task conflicts are often regarded as personal attacks, and thus morphs into relationship conflicts.

Additionally, Pelled et al. (1999) supports Jehn's (1997) argumentation and further builds upon it by stating that task conflicts may produce "emotionally harsh language, which can be taken personally" (Pelled et al., 1999, p. 7). Consistent with Jehn (1997), Pelled et al. (1999) acknowledge that parties may feel disrespected or that their competence is questioned when their notions are being criticized or neglected. On the contrary, Pelled et al. (1999) recognize that relationship conflict on occasions may evolve into task conflict. Individuals that hold negative affective components toward other individuals have a tendency to refute thinking produced by those other individuals since these negative emotions hinder individuals from being collaborative and compliant. Also, Pelled et al. (1999) found that these negative affective constituents may incline an individual to more thoroughly scrutinize other ideas. The ideas presented by Jehn (1997) and Pelled et al. (1999) are further strengthened by de Wit, Jehn and Scheepers (2013) whom also arrive at the same conclusion that task disagreements may be taken as personal disagreements and thus be deemed a relationship conflict. De Wit et al. (2013) label this tendency as misattributions or misinterpretations. The misinterpretation or misattribution is due to individuals having a tendency to become intertwined with their standpoints, and therefore, criticism aimed at the task may be attributed as being on a personal level (de Wit et al., 2013).

Furthermore, Yang and Mossholder (2004) extends the ideas produced by Pelled et al. (1999) and Jehn (1997) by adding the dimension of egoism, which facilitates for task conflicts to transform into relationship conflicts. Apart from this, Le and Jarzabkowski (2015) found that occasionally process conflict may evolve into task conflict. This occurs when diverge and incompatible views regarding how to go about the task (i.e. process conflict) obstructs the process of completing the task at hand or dissuades important debates concerning implementation (i.e. task conflict). Correspondingly, Le and Jarzabkowski (2015) concede that task conflicts may transform into process conflicts. The inherent nature of task conflicts, that is discrepancy between parties regarding the goals of the task at hand, may stimulate incongruities with reference to how to actually pursue the mentioned goals related to the given task (Le & Jarzabkowski, 2015).

2.4 Effects of conflict in non-family firms

The effects of different conflicts have, among researchers and literature on this subject, been rather conflicting and inconsistent, i.e. an overarching consensus has not been reached (Jehn, 1995; Behfar et al., 2008). Traditionally, the effects have automatically been deemed as being negative (Baron, 1984; Jehn, 1995; Jehn & Bendersky, 2003). However, Tjosvold (1985) and Baron (1984) were among the first to concede to acknowledging that conflicts in fact may generate positive, beneficial or advantageous effects in non-family firms. The notion of positive effects stemming from conflicts have subsequently enjoyed support from Jehn (1995; 1997), Le and Jarzabkowski (2015), de Wit et al. (2013), Jehn and Bendersky (2003), O'Neill et al. (2013), Maltarich et al. (2016) and De Dreu (2007).

2.4.1 Effects of task conflict in non-family firms

The literature aimed at outlining the effects of task conflicts are inconsistent, that is task conflicts may produce both positive and negative effects. For instance, Yang and Mossholder (2004), Clercq et al. (2008), Jehn, Rispens and Thatcher (2010), Bono et al. (2002), de Wit et al. (2013) and Eisenhardt, Kahwajy and Bourgeois III (1997) all found that task conflicts may bring about both positive and negative effects, however this is rather unknown in the context of family firms. Generally, task conflict are to be stimulated (Yang & Mossholder, 2004),

since the overall positive effect of task conflicts may generate "sound decision making" (Edmondson & Smith, 2008, p. 27). More specifically, task conflicts are thought to enhance performance, improve decisions, nurture learning and development of new ideas (Yang & Mossholder, 2004; De Dreu, 2006; Clercq et al., 2008; Jehn, Rispens & Thatcher, 2010; O'Neill et al., 2013; Maltarich et al., 2016). The notion behind this argumentation is based on the idea that task conflict may generate a setting where constructive debate is encouraged (Ensley & Hmieleski, 2005; Matsuo, 2006; Olson, Parayitam & Yongjian, 2007; de Wit, Greer & Jehn, 2012). It is important to note that these positive effects of task conflict have been found in the context of non-family firms.

In contrast to this, task conflict may also bring about negative, or unwished, effects, which is supported by Yang and Mossholder (2004), Jehn et al. (2010), Jehn and Mannix (2001), Le and Jarzabkowski (2015), Bono et al. (2002), Behfar et al. (2008), de Wit et al. (2013), De Dreu (2006) and DeChurch et al. (2013). Generally, researchers have argued that task conflict is the most beneficial form of conflict (Jehn, 1997). However, this has been questioned by various researchers whom claim that task conflict may produce negative effects (Simons & Peterson, 2000; Behfar et al., 2008; Clercq et al., 2008). Yang and Mossholder (2004) build on these notions and state that task conflict decrease both group performance and satisfaction. Others have argued that task conflict may be counterproductive (Clercq et al., 2008) because it interferes with innovation (De Dreu, 2006) and creativity (Jehn et al., 2010; Le & Jarzabkowski, 2015), hinders goal attainment and implementation (Jehn & Mannix, 2001), and reduces satisfaction (Bono et al., 2002), effectiveness and decision making (Le & Jarzabkowski, 2015).

2.4.2 Effects of relationship conflict in non-family firms

Overall, literature concerning effects of relationship conflicts have almost exclusively found that relationship conflict is associated with negative effects (Jehn, 1997; De Dreu & Van Vianen, 2001; Jehn & Mannix, 2001; Bono et al., 2002; Yang & Mossholder, 2004; De Dreu, 2006; Clercq et al., 2008; Jehn et al., 2010; DeChurch et al., 2013; Rousseau et al., 2018). Some researchers, Jehn

(1997), Simons and Peterson (2000) and Bono et al. (2002) have argued that the evidence pertaining to the negative effects of relationship conflicts are substantial, indicating that relationship conflict is detrimental and harm performance (Yang & Mossholder, 2004; De Dreu, 2006; Clercq et al., 2008; Jehn et al., 2010).

More specifically, relationship conflict are thought to be detrimental because it may produce reduction of satisfaction and take away focus from task accomplishment (De Dreu, 2006; O'Neill et al., 2013; Maltarich et al., 2016). Also, relationship conflict may reduce joint understanding, goodwill (Jehn, 1997), decision quality, consensus, acceptance of decisions (Bono et al., 2002), commitment (Simons & Peterson, 2000), and productivity (Jehn & Bendersky, 2003). More recently, Rousseau et al. (2018) found similar negative effects as outlined above, but also found that relationship conflict may decrease camaraderie.

In accordance with Janssen, Van de Vliert and Veenstra (1999) and Simons and Peterson (2000), the negative effects of relationship conflict are due to individuals focusing on each other instead of the given task, allowing for hostile settings to prosper and encouraging opportunistic or antagonistic behavior which hinders receptiveness towards notions and oppositions. These notions have further been supported by Rousseau et al (2018). However, Jehn and Mannix (2001) found contrary to the argumentation held above that relationship conflict may increase familiarity among diverging parties. Further elaborating upon this, Jehn and Mannix (2001) concludes that an increase in familiarity have a tendency to produce beneficial effects such as "information sharing, improved conflict resolution, and better task performance" (Jehn & Mannix, 2001, p. 240).

2.4.3 Effects of process conflict in non-family firms

Researchers are conflicting concerning the effects of process conflict. In other words, literature examining this matter have found both negative and positive effects related to process conflicts (Jehn & Mannix, 2001; Jehn & Bendersky, 2003; Le & Jarzabkowski, 2015). The negative effects of process conflict are detrimental since they on manifold occurrences diverge focus from the task to

other issues (Jehn & Mannix, 2001; Le & Jarzabkowski, 2015). Except overall being detrimental to performance, process conflict may also decrease morale, productivity, task quality, effectivity and increase uncertainty and dissatisfaction (Jehn & Mannix, 2001). More recently, Le and Jarzabkowski (2015) found that the misdirection of focus that Jehn and Mannix (2001) elaborates upon may obstruct groups from functioning and interfere with their viability to successfully complete tasks.

In contrast to this, process conflicts are deemed to produce favorable effects since they overall allow for individuals to decide on responsibilities and deadlines (Jehn & Mannix, 2001). Building on Jehn and Mannix (2001), Jehn and Bendersky (2003) further found that process conflict may lead to enhanced reassessment concerning standards and processes, which in turn may improve product quality as well as performance. The positive effects found by Jehn and Mannix (2001) and Jehn and Bendersky (2003) have subsequently been supported by Le and Jabzarkowski (2015) whom found similar positive effects stemming from process conflicts.

2.5   Family firms – defining the concept

Family firms has existed for centuries and is said to be our earliest form of organization. Ever since ancient Greece, family controlled activities constituted the fundamental type economic accomplishments. Despite being able to trace back family firms' contribution in history, researchers are still facing challenges when defining *family firms*. Which has caused uncertainty amongst them, since businesses has their own definitions of their existence (Bird et al., 2002; Colli, 2003; Sreih et al., 2019).

Several firms define themselves as a family business when they are family owned and family managed. While others firms suggest that being family owned without family managers is enough to be labeled a family firm. Firms which are family managed, without family ownership has further been qualified as a family business, since ownership is not enforced in some definitions (Chua et al., 1999).

This provides the assumption that firms label themselves as a family business based on their own beliefs of its meaning and family members' roles in the firm.

Researchers have given several definitions, established on family members' roles in the business. Anderson and Reeb (2003) argued that the CEO of the firm should be the founder or the offspring of the founder to be considered a family firm. Similarly, Ward (1987) considers a family firm as one that will be inherited by descendants to control and manage. Astrachan and Shanker (2003) on the other, only require some participation from family members, seeing that they have control of the business's decision making. Thus, several empirical definitions have been built based on different criteria's and components to define a family firm, such as its form of ownership, percentage of ownership, its culture, strategic control, amount of family involvement etc. (Ward, 1987; Astrachan & Shanker, 2003).

Previous researchers had difficulties of deciding the level of involvement needed to be defined a family business. Modern scholars have argued that businesses require a certain degree of family involvement to be labeled a family firms. Criteria's established by (Shleifer & Vishny, 1986; La Porta, De Silanes & Shleifer, 1999; Claessens, Djankov & Lang, 2000; Faccio & Lang, 2002; Anderson & Reeb, 2003), states that; one or more family members are officers, directors, or blockholders, the family is the largest voteholder and stakeholder and has minimum 20% of the votes. Further, the general classification of family firms' involvement has the criteria that family's has the voting control of the decision making. Additionally, that family members are frequently involved in the work tasks (Sharma, 2004).

Behavior is a further aspect that should be considered when defining a family firm. When differentiate family firms from nonfamily firms, one can extract the significant behaviors of family firms (Chua et al., 1999). Researchers evidently believe that the two types of firms differ, since it otherwise would be no necessity of an individual theory on family firms (Chrisman, Chua & Sharma, 2005). That family firms are concerned with family issues, aside from the business issues, is

an evident differentiator with nonfamily firms (Dunn & Hughes, 1995). Using behavioral theories, scholars of family firms has suggested that family firms holds family focused nonfinancial goals that impacts their behaviors. The noneconomic goals in family businesses should mirror the particular interest of the family in control, and the greater impact and involvement there is, the greater should the connection to noneconomic goals be. Goals that mirrors the firms' attitude, vision and intensions (Lee & Rogoff, 1996; Chrisman, Chua, Pearson & Barnett, 2010).

The European Commission (2009) has identified organizations of all magnitudes as family firms if; the majority of voting power is controlled by the founder or its decedents, at least one family member is a board member. Public companies fulfil the EU-criteria for a family firm when the founder or the company's acquirer, controls at least 25% of the voting power, including descendants (SCB, 2019). Similarly, researchers have defined a Swedish business as a family firm when the family constitute the majority of ownership, with at least one active family manager. A more liberal definition on Swedish family firms' states that a majority ownership of 20% is sufficient. Simultaneously, start-ups in Sweden can be considered a family firm, since they are founded and run by married couples. Although the mapping of the amount of family firms in Sweden is based entirely on the largest owner's perception, that it is a family firm (Brundin et al., 2012). For the purpose of this thesis, Brundin's et al. (2012) definition of a family firm will serve as the working definition, since the context is of family firms in Sweden.

2.6   Significance of family firms

As mentioned earlier, family firms are believed to be our initial form of organization, where it served as the core of ancient civilizations and economies. Moreover, as a vital part of the western civilizations growth (Bird et al., 2002). The significance of family firms derives from the majority of family firms that still exist in our contemporary world, approximately two thirds of all businesses (Burkart, Panunzi & Shleifer, 2003; Chrisman, Chua & Steier, 2003; Miller & Le Breton-Miller, 2004; Sreih et al., 2019). Family owned or controlled organizations in North America are the predominant form of business (Feltham et al., 2005), where they constitute between 80- 90 percent of all businesses in

the States (Davis & Harveston, 2001; Astrachan & Schanker, 2003; Anderson & Reeb, 2004). Which is evident since they consist roughly 35 percent of the Fortune 500, respectively one third of the S&P 500 (Anderson, Mansi & Reeb, 2003; Miller & Le Breton-Miller, 2004; Feltham et al., 2005). Researchers further estimate that the States family firms produce employment to approximately 60 percent, which contributes to the national GDP by more than 50 percent (Davis & Harveston, 2001; Sharma, 2004; De Massis et al., 2018). Along with Europe, where the GDP consist of an astonishing 70 percent (Caputo et al., 2018). This explains the great impact family firms have on regional economies, where some have developed themselves into multinational companies. Walmart in USA, Fiat in Italy, LEGO in Denmark and IKEA in Sweden are notable multinational family firms that contributes to the GDP in their respective countries (Howorth et al., 2010). An analysis established by SCB (2019) (English: *Statistics Sweden)* shows that family businesses are the dominant corporate form in Sweden. Swedish family firms are estimated to generate over one third of the employment, equally as for the Swedish GDP (Brundin et al., 2012; SCB, 2019).

However, on an average only 30 percent of family businesses exist into the second generation. Which is adverse, seeing that family firms have a definite impact and contribution to the establishment of wealth in local economies (Beckhard & Gibb Dyer, 1983; Kaye, 1996;). The life expectancy for family firms is moreover 24 years on an average, where generally 15 percent survives into the third generation and roughly 3 percent into the fourth (Grote, 2003; Sreih et al., 2019). With the effect of the key issues decline being conflicts in the family (Davis & Harveston, 2001). Factors that will be elaborated in the following section. Therefore, for family firms to sustain, they should escape from the plagued conflicts that are negatively impacting their growth. With such constitution on countries' economies, and with a limited chance of surviving over time, it is important for family firms to develop tools to prevent their conflicts.

2.7   Conflict in family firms

Family firms are frequently cursed by a generous amount of conflict. Since the family and the business are welded together, the potential for disagreement is larger than in firms with other form of ownership (Lee & Rogoff, 1996; Kellermanns & Eddleston, 2004). Typically, firm conflicts shade the family, likewise the family conflicts shade the firm. Making the conflicts in family businesses more complex than in nonfamily firms, considering the particular interdependence among the firm and the family. Especially when the company is entwined with not business partners lone, but also family bonds, which creates a link for business and family oriented decisions to be reached simultaneously (Kotlar & De Massis, 2013; Rousseau et al., 2018; Caputo et al., 2018). Decisions are especially connected to conflicts in family firms, which can be developed into threats (Davis & Harveston, 1999). Family firms are moreover prone to experience the effects of sibling rivalry, nepotism, work-family conflicts, succession and inheritance conflicts. Conflicts that are not experienced by nonfamily businesses (Eddleston et al., 2008).

Family firms, as a governance form or as an entity, are often prone to having an environment in which conflicts may arise and prosper (Levinson, 1971; Beckhard & Gibb Dyer, 1983; Harvey & Evans, 1994; Kellermanns & Eddleston, 2007; Eddleston & Kellermanns, 2007; Eddleston et al., 2008; Zacca et al., 2017; Caputo et al., 2018). Various explanations are existing as to why family firms are more prone to conflicts arising compared to other governance forms. Since the family and the business are welded together, the potential for disagreement is higher than in firms with other form of ownership (Lee & Rogoff, 1996; Kellermanns & Eddleston, 2004). Family firms display a setting in which an interdependency between management and ownership becomes evident, this in turn, according to Beckhard and Gibb Dyer (1983), brings a larger degree of complexity and subjectivity into the decisions that have to be made from a strategic viewpoint. Stemming from its definition, a family firm is a business where two diverse social roles are combined and have to co-occur with each other, namely the role as a businessperson and as a member of a family.

This fact is opposed to other, non-family businesses where the distinction between the roles are clearer. As a consequence, any issues arising within the boundaries of the family are transferred into the firm, and firm issues are transferred into the family. Of course, conflicts take place in non-family businesses as well as family businesses, however based on the dynamics of the family firm, there exists a relational equilibrium which is quite complex. The equilibrium of the different relations in a family firm is delicate due to the fact that family and business relations are intertwined, and hence the probability of a conflict erupting seems to be higher for family enterprises ownership (Lee & Rogoff, 1996; Kellermanns & Eddleston, 2004). Put differently, family firms have to balance four different elements that aids in increasing the risk and propensity for conflicts erupting, namely; stakeholder and shareholder, business dynamics, workforce and family (Caputo et al., 2018).

Non-family firms' firm objective are mainly business outcomes, whereas for family firms this objective is combined with a concern for family outcomes (Eddleston et al., 2008). The family component, or namely involvement of family factors in the business, thus augments the level of complexity of the conflict that is lacking in other governance forms. Family firms are exposed to a form of two-way interdependency between on the one hand business relations and on the other hand family relations (Kotlar & De Massis, 2013). The complexity is therefore heightened when the different relations spills over into the other. Nevertheless, family members may believe that there is no conflict to manage, because of it being suppressed. The conflict can sometimes be hidden or silent, hence be invisible and unrecognizable to other stakeholders and the outside civics. Generally, the disputes hide deeper conflicts than the ones being claimed, which leads the conflict to eventually boil over (Cohn, 1992; Astrachan & McMillan, 2003). For instance, to sustain relations within the family, family firms must acknowledge issues arising within the family, and families must acknowledge issues arising from the business (Sorenson, 1999). Thus, the underlying issues shall further be examined in correlation with the three subcategories of conflict mentioned earlier; task, process and relationship.

2.7.1 Task conflict in family firms

Task conflicts is as mentioned related to the work and business matters. In other words, it presents the conflicts about tasks or other actions that must be accomplished. Therefore, task conflict covers the different opinions that surround the family members, around the most applicable strategy and goals for the firm (Jehn & Mannix, 2001; Loignon et al., 2016). Family businesses have regularly been disapproved for preventing family members to partaking in the process of decision making (Eddleston et al., 2008). When business objectives are split between family members, it makes the effort of reaching goals and completing tasks substantially more problematic (Kellermanns & Eddleston, 2004). Under some conditions, task conflict may further become passive and limit the progress of reaching the set goals (Taguiri & Davis, 1992; Kellermanns & Eddleston, 2007; Frank, Kessler, Nosé & Suchy, 2011). However, researchers have presented that task conflict encompassing members in family firms, could have beneficial effect and enhance performance under particular circumstances, yet this notion still remains rather under-researched and further knowledge is needed (Kellermanns & Eddleston, 2004).

However, great importance is required by the family owner to be transparent in the decision making. Which is vital, since one person often does not hold competences of fundamental knowledge that is required to make complicated decisions (Walsh & Fahey, 1986). Yet, the family owner has been seen to make adverse decisions built on a limited set of self-interests, instead of the wider interests of the company. Because of their privileged position, family owners have the power to abuse it and hence make poor decisions. The dominant owner has been found to distribute significant positions to unqualified members of the family, and have even authorized free riding, due to altruism (Schulze, Lubatkin, & Dino, 2003; Nicholson, 2008; Martin, Gómez-Mejía, Berrone & Makri, 2017). Thus, the owner may protect the family governance in the firm, but lose business value and provoke conflicts in the process (Gómez-Mejía, Nunez-Nickel, & Gutierrez, 2001).

2.7.2   Relationship conflict in family firms

Relationship conflicts, as mentioned, is referred to emotions and interpersonal interactions between employees. It is linked to negative emotions such as, anger, stress, irritation, frustration, hostile behaviors, anxiety and the image that others holds opposed and threatening motives (Kellermanns & Eddleston, 2004; Loignon et al., 2016; Rousseau et al., 2018). Consequently, scholars have connected relationship conflict to negative outcomes, and is especially vulnerable for family businesses. Which could moreover negatively disturb the family firm's performance, due to the limited communication and unnecessary time and energy spent on the issues, rather than on the work tasks (Simons & Peterson, 2000; Kellermanns & Eddleston, 2004; Fahed-Sreih, 2018).

The family members are tied by strong emotional bonds in the firm, and relationship conflicts are thus prevalent in the firm. In other words, the entwined family and firm emotions are generally unavoidable (Davis, 1983). Following task conflicts, relationship conflicts have arisen due to the effect of family owner's dominance. When family members are not pleased with the family owner's decisions, it could generate negative emotions which are tough to eliminate. You can implement decision strategies and goals in a family firm, but cannot implement emotional feelings that members should hold towards each other. Emotional feelings that could arise, as a result of animosity over the family owner's succession and equity decisions, and role distribution in the family firm (Kidwell et al., 2011).

Role ambiguity has been linked to relationship conflicts in family businesses, as it forms disparity with the employees' relations. Contrasting to nonfamily enterprises, family members in family firms have to balance their roles as both family employees and family members. Thus, the mutual roles of being both family and business members can create a shared identity and culture in the firm, while ambiguity and obscuring between the family and business role can raise conflicts. Because of the family and firm bond, and the personal conflicts that can erupt between family members, the likelihood of conflicts in the family firm potentially increases. Since it often has a direct impact on the family firm, hence

the complexity of separating the roles (Sundaramurthy & Kreiner, 2008; Memili, Chang, Kellermanns & Welsh, 2013). The two roles can further generate complex conflict when a family member does not understand the exact role, which possibly generate frustration (Smith & Ashforth, 2001).

Further, the demands upon an individual, to hold two roles simultaneously can create conflicts hence, the excessive demands that follows. The family member is expected to juggle multiple roles simultaneously and thereby having a difficult time establishing personal priorities (Stoner, Hartman, & Arora, 1990). For instance, a family owner could hold the roles of an owner, father, brother and son, which is a difficult task, to fulfill all the roles expectations, which can activate conflicts in the firm (Dyer & Handler, 1994). In addition, relationship conflict regularly arises due to role ambiguities around succession and promotions in the organization. The family owner's role as a parent can sense the obligation to promote its unqualified child, which can display nepotism the other member in the family firm. Thus, role ambiguity is predicted to be a crucial foundation of relationship conflict in a family business, due to the multiple roles and ambiguity related to the roles (Kidwell et al., 2011; Memili et al., 2013).

2.7.3 Process conflict in family firms

Process conflict is related to the animosity about what approach to be used to accomplish a task. The family members can disagree about the amount of responsibility that should be distributed to which family member. Thus, process conflict may lead to difficulties when trying to appropriately regulate family members' tasks. While on the other, process conflict can hurt the family firm from role ambiguity, as for relationship conflict (Jehn, 1997; Kellermanns & Eddleston, 2004;). However, a family firm may experience issues from failing to reform their processes, without process conflict (Handler, 1997). Yet, in some environments, process conflicts can prevent members in family firms from accomplishing their tasks. Therefore, can inhibit members from acquiring competences to achieve their responsibilities, which is vital to obtain competitive advantage. When the members are kept from learning, it reduces the family firm's likelihood to survive (Cabrera-Suarez, Saa-Perez, & Almeida, 2001).

In family firms where these behaviors are not applied, the governing family owner can make decisions without consulting others, and with no intend to handing over the organization to another family member. If the owner is not willing to pass the business on, negativity can stem from the reluctance to lose the central position. Further, family members without ownership cannot prevent the family owner from passing the firm on to descendants. Which can lead to disturbance and generate negative effects of process conflicts. Even when the firm has been handed over, it is common for the older generation to not accept the generational change, and continues to have adverse opinions and interfere about conditions which formally already been renounced. To the extent where the former owner is unable to leave the ownership, the descendant may have to conquer the role, not just in relation to the employees, but also in relation to the former owner e.g. parent (Brundin et al., 2012; SCB, 2019;).

According to Kellermanns and Eddleston (2004) process conflicts in family firms may under certain circumstances be beneficial in the way that the most suitable family member is assigned to the right position. However, this positive effect needs further research to perhaps also discover other potentially positive effects of process conflicts (Kellermanns & Eddleston, 2004).

2.8 Summary Literature Review

Figure 1. Literature landscape of conflict in family firms and its effects
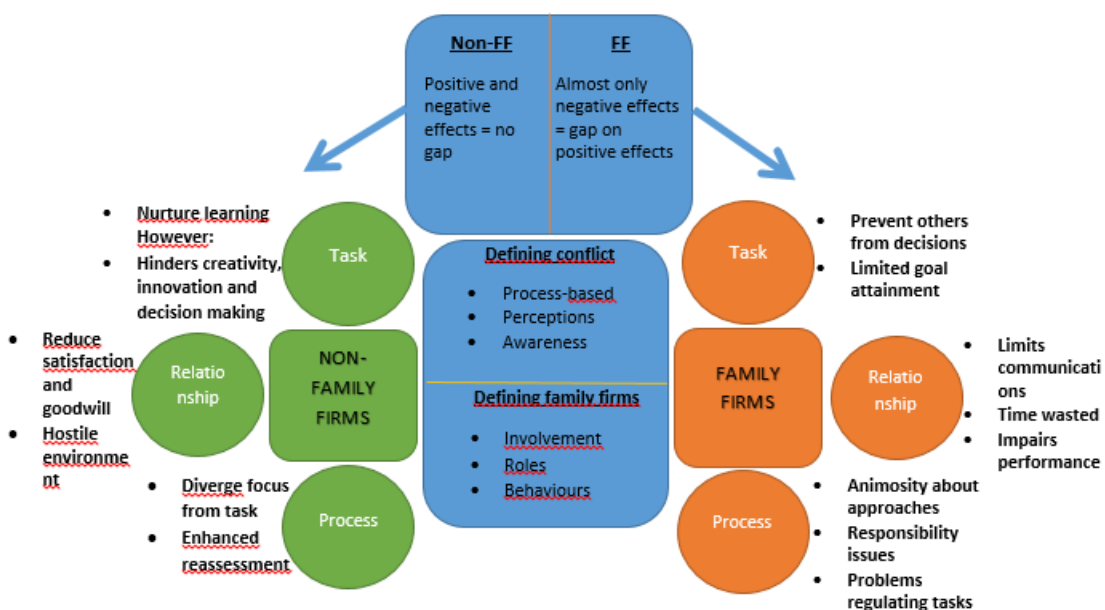
Table 1 Summary literature review

Topics covered	Summary
Conflicts - introducing the subject	Conflicts, as a matter overall, are closely interconnected with business and organizations. Often interpreted as something inherently negative, conflict could be defined as "incompatibility, discrepancy or disagreement between individuals or groups in relation to goals, processes and relationships". This definition will serve as the working definition for this thesis.
Different types of conflict	Literature distinguish between three different types of conflict, identifying them as task-, relationship-, and process conflict.
Task conflict	Task conflicts are related to disagreeing views regarding the task at hand and is void of negative emotions.
Relationship conflict	Relationship conflicts are connected to interpersonal and inter-relational factors that become incompatible between individuals, and on manifold occurrences are couple with negative emotions.
Process conflict	Contrary to task conflicts, process conflicts concern the accomplishment of the task, and not the general substance or content of the given task. Similar to task conflicts, process conflicts are free of negative emotions.
Connection between conflict types	On some instances, different conflict types may stimulate the other and transform from one conflict type to another. E.g. when task conflicts are attributed to an individual's person it may morph into relationship conflict.
Effects of conflict in non-family firms	The effects of conflict, disregarding the type i.e. task, relationship or process conflict, are inconsistent among researchers. Predominantly and traditionally, the effects have been deemed to be negative in its nature.
Effects of task conflict in non-family firms	In non-family firms, the effects of task conflicts are inconsistent, with predominantly negative effects being found. Some research have outlined that positive effects may be produced by task conflicts in non-family firms.
Effects of relationship conflict in non-family firms	The literature concerning relationship conflicts in non-family firms outline that effects of this conflict type are to a very great extent only damaging, i.e. negative.
Effects of process conflict in non-family firms	Similar to task conflicts, the effects of process conflicts in non-family firms have not enjoyed any consensus among scholars, i.e. in non-family firms it may generate both positive and negative effects.
Family firms – defining the concept	Depending on the school of thought, family firms could be defined by family member's involvement, roles or behaviours. Contrasting family firms to non-family firms, research acknowledge that family firms are concerned with family objectives as well as business objectives.
Significance of family firms	Findings indicate that family firms are the major form of business and estimations put the number of family firms to two thirds of the worlds businesses.

Conflict in family firms	Conflicts in family firms seem to be more likely and highly volatile compared to other entities since the family and the business are interlinked in numerous ways.
Task conflict in family firms	In family firms, task conflict concern the family member's thoughts on different strategies and goals for the family members. Task conflict in family firms may become abused due to the dominating family owner.
Relationship conflict in family firms	The unique setting that is a family firm entail strong bonds between the members which complicates relationship conflicts in a family firm. Scholars have repeatedly found negative outcomes as a consequence of relationship conflicts in family firms.
Process conflict in family firms	On manifold occurrences, the disagreements regarding the accomplishment of a given task increases due to the family component that is entwined into the business.

3   Methodology

3.1   Research Philosophy

In our search for knowledge and potential theoretical contributions to the academics, it is both customary and significant to firstly outline our philosophical viewpoint concerning our worldview and the way knowledge is generated. Our philosophical standpoint may serve as crucial for the imminent research process, hence illustrating our philosophical beliefs is essential if we, as mentioned prior, are to produce valuable theoretical contributions to the conflict literature (Saunders, Lewis & Thornhill, 2009; Easterby-Smith, Thorpe & Jackson, 2015). Concretizing this further, our philosophical viewpoints regarding knowledge and worldview subsequently produces coordinates and directions for the research process and is labelled research paradigm. A research paradigm includes the researcher's, in this case ours, view on ontological, epistemological and methodological matters (Guba & Lincoln, 1994). For the sake of this thesis, we as authors will adopt the research paradigm named interpretivism, thus not subscribing to the positivistic research paradigm. The approach of not adopting positivism is based on the fact that a positivistic research paradigm aims to unearth universal truths or laws and make use of external sources as explanatory factors for behavior (Guba & Lincoln, 1994; Easterby-Smith et al., 2015). Given the research subject we seek to explore, namely positive effects of conflicts in family firms, we argue that the positivistic approach enhances the level of

complexity answering our research topic. Instead, by adopting the interpretivism research paradigm we will focus on the people affected and their feelings, notions and experiences, aiming to explore experiences of people connected to the topic we want to study (Easterby-Smith et al., 2015).

As mentioned, ontology is a part of a research paradigm and concerns "the nature of reality and existence" (Easterby-Smith et al., 2015, p. 46). In our thesis we aim to understand conflicts in family firms and what the potentially positive effects of it might be. We conquer to the notion that several different ways of answering, defining and deducing what constitutes a conflict and what may be a positive effect of it. Since our belief is that such questions cannot be answered in an uniform way we will not adopt realism as ontological standpoint as it argues for a single truth and that reality is objective and external (Easterby-Smith et al., 2015). We furthermore do not adopt nominalism since it claims that no truth at all exist. Instead, we ontologically accept the notion of relativism which argues that several different truths exist and are created by individuals through the meaning they assign to various experiences of, in this case, conflicts (Easterby-Smith et al., 2015).

Epistemology is another part of a research paradigm, and concerns "the theory of knowledge and helps researchers understand best ways of enquiring into the nature of the world" (Easterby-Smith et al., 2015, p. 46). In a similar fashion, epistemology may be understood as the researcher's, in this case our, quest for comprehending which criteria to use when determining what we deem to be relevant knowledge and not (Hallebone & Priest, 2009; Wahyuni, 2012). Considering our ontological viewpoint that multiple truths exist and that they are based on individual's experiences and interactions, our firm belief is that the reality should be viewed through the lens of a social constructionist epistemology. As a direct consequence of this, we believe that our search for knowledge about the thesis topic may only be reached through language, namely in the form of interviews, conversations and interactions (Berger & Luckmann, 1966). In accordance with the social constructionist epistemology, we will make use of language and communication in our quest for knowledge relevant for our

research topic (Easterby-Smith et al., 2015). We, as researchers, acknowledge that using communication or language may come with certain limitations. The main limitation is the inherent nature of communication or language which may implicate the access to an individual's reality they are trying to express. The limitation pertaining to the conveyer is also combined with limitations pertaining to the receiver of the message. With this being said, our argumentation still claim that communication or language is the most appropriate and relevant tool for disclosing and later deducing different realities.

3.2 Literature Review

When conducting a literature review, a researcher or reviewer can select between two different types of literature reviews: traditional and systematic literature review. Traditional literature reviews aim to summarize large bodies of literature by including literature that the researcher deems to be of relevance (Easterby-Smith et al., 2015). In contrast to this, systematic literature reviews aim to "comprehensively identify, appraise and synthesize all relevant studies on a given topic", which is the method we deemed as most appropriate for our literature review (Easterby-Smith et al., 2015, p. 15). Easterby-Smith, Thorpe and Jackson (2015) state that systematic literature reviews generally include peer-reviewed articles found in databases such as Scopus or Web of Science. Since Scopus include Web of Science in their database, Scopus served as the main source providing academic literature used in our literature review.

3.2.1 Organization of Research

The search queries used in the literature review are twofold. To identify articles that generally involve conflicts in companies the search query was as follows; "conflict*" AND "task*" OR "relation*" OR "process*". In order to fit our perspective of conflicts in family firms, the second search query was as follows; "family firm*" OR "family org*" OR "family enter*" OR "family comp*" AND "conflict*" AND "task*" OR "relation*" OR "process*". To reduce the initially high number of results, the search was filtered to include subject areas business, management and accounting and social sciences, and also to include relevant and

high-ranking journals (over 3 according to ABS). This initial search and subsequent filtration resulted in 167 articles. By reading the abstract, purpose, introduction and conclusion, 98 articles were deemed as relevant and therefore included in the literature review.

To enable the systematizing and sense making process that is associated with a systematic literature review according to Easterby-Smith et al. (2015) an Excel-sheet was constructed to facilitate an overview of the literature. The literature was specified and labelled according to the surnames of the authors and the year of publication. Then, we identified nine categories which we deemed to be in accordance with our thesis topic. The categories are as follows; conflict definition, task, process, relationship, family firm definition, conflicts in family firms, negative effects, positive effects and family firm significance. After reading the abstract, purpose, introduction and conclusion of a given article we could conclude whether it fit with one or multiple of the categories outlined above and subsequently mark them accordingly. This facilitated our understanding of the literature examined and enabled us to systematize and acquire an overview of it.

3.3   Research Design

As stated by Saunders, Lewis, & Thornhill (2009), there are three core research purposes that can be adopted: descriptive, explanatory or exploratory. Considering the limited research on positive effects of conflicts in family firms, it has not been clearly defined. We are aiming to not describe, but to understand the beneficial outcomes of family members' conflicts, thus the descriptive purpose is not fitting for this paper. Therefore, we have decided on a qualitative exploratory research design, with the target to gain a deepened understanding of the research gap of positive effects. Which is more align with our study of previously limited performed research. This approach is most often used when insufficient research has been conducted previously (Saunders et al., 2009). Since qualitative studies tend to gravitate toward an exploratory method (Rudestam & Newton, 2014), it makes the reasoning for adopting a qualitative study stronger.

Other from a quantitative, a qualitative study gathers its information in a non-numeric form. With transcripts, interview recordings and images, being the most frequent type of qualitative data (Easterby-Smith et al., 2015). Qualitative research is mainly an exploratory research, where conducting interviews is the most adopted form of collecting data, which supports our way of gathering data. The qualitative interviews focus lies in what the partakers are saying to gain multiple perspectives, which is align with our desire of understanding the research purpose. We conclude that the proper form of gaining understanding for our research is through dialogue, thus conducting interviews. A qualitative interview put emphasis on the purpose in depth, rather than ordinary questions asked in an everyday conversation (Easterby-Smith, et.al., 2015). Different forms of structuring interviews exist, and the approach chosen to our paper is semi-structured. While structured interviews are built on a severe set of questions, semi-structured interviews allow us to divert and conclude open-ended questions.

3.4   Research Approach

Considering the methodological choice we made to conduct a qualitative exploratory study, our research approach may be determined consequently. Literature on this matter generally divide research approaches into two diverge categories, deductive and inductive (Saunders et al., 2009). Further elaborating upon the deductive approach, the aim of the deductive approach aims to test hypotheses and propositions formulated from existing theory and literature. Given the nature of our research topic, and the fact that it remains rather under-researched, the deductive approach emerges as not feasible for our thesis. Contrary to this, the inductive approach aims to generate themes and patterns evolving from a participant's thoughts, and through this construct theories and frameworks by connecting patterns into broader overarching themes (Thomas, 2006; Creswell & Plano Clark, 2007; Bryman & Bell, 2015). To allow us to investigate positive effects in family firms with an open mind, and to understand this rather under-researched phenomenon, we have selected to conduct this thesis with an inductive research approach. The choice to make use of an inductive research approach does not imply that no literature has been used

during the research process to gain knowledge about our research (Saunders et al., 2009).

3.5   Research Strategy

A part of the research process is selecting an appropriate strategy, which encompasses various choices including surveys, case studies, experiments, grounded theory, action research, archival research, and ethnography (Saunders et al., 2009). Pondering the limited amount of managerial research and the uniqueness of the specific setting that are family firms, we want to gain insights and understanding of this setting-specific and under-researched phenomenon. In order to construct theories from the gathered data, in this thesis we have made use of a multiple case study strategy because case studies "are rich, empirical descriptions of particular instances of a phenomenon" (Eisenhardt & Graebner, 2007, p. 25).

A case study has been defined as a research strategy which includes a detailed empirical study of a specific contemporary phenomenon within its real life context (Stake, 2006). Essentially, with various sources of evidence for a vibrant research strategy. Yin (2003) has further emphasized the significance of context, since within a case study, the barriers concerning the studied phenomenon and the context within that is being researched is unclear. This is contradictory to the experimental strategy, where the study is started in a very controlled context. The survey strategy is furthermore different from the case study, where the capacity to understand and examine this context is restricted by the amount of variables where the data can be retrieved. Since our aim is to gain a strong understanding of the research context, case study is of particular significance to us for collecting data. Moreover, the case study strategy has the essential to generate explanation to the "why" and "how" questions. Therefore, case study strategy, is frequently used in exploratory and explanatory research. Which is in line with our exploratory research design, since the field of research is relatively unexplored (Easterby-Smith, et.al., 2015).

3.6   Data Collection

3.6.1   Interviews

Upon embarking on the journey of performing qualitative research, a large part of this research approach is to gather data. One of the most common methods in gathering data is by conducting interviews, which places the focus on the interviewee and his or hers story. In contrast to quantitative data, qualitative data is characterized by a large degree of interactions relating to us researchers and the fact that it is non-numerical (Easterby-Smith et al., 2015). Generally, a research deemed as qualitative have the tendency of being regarded as exploratory, which resonates well with the design of this thesis. Literature specifies three scenarios which are most suited for the use of qualitative interviews; 1. The imminent research have the goal to comprehend the interview object's reality. 2. The research aims to grasp a specific phenomenon by gaining comprehension of the interviewee's beliefs and notions on that specific phenomenon. 3. The topic that the research aims to investigate is sensitive in its nature. Since this thesis aims to explore the positive effects of conflicts in family firm, the interviewee's reality and beliefs about this topic becomes crucial, while at the same time the nature of this phenomena may be deemed as rather sensitive. Therefore, conducting qualitative research utilizing in-depth interviews appears as most applicable in our case, hence the adoption of mentioned method (Easterby-Smith et al., 2015).

Different research calls for different types of interviews. Literature on this matter outlines three different types of interviews one may use when commencing qualitative research; unstructured, semi-structured, and highly-structured interviews (Easterby-Smith et al., 2015). Considering our adoption of an exploratory research, it calls for a certain level of flexibility to successfully capture different realities, which is why Saunders et al. (2009) claim that semi-structured or unstructured interviews would be most applicable. Making use of either semi-structured or unstructured interviews allow the researchers to detect nonverbal messages which may aid in the sense making process. In this thesis, we will make use of semi-structured interviews since it combines the structural nature found in highly-structured interviews and the flexibility of unstructured interviews.

This will allow us to specify questions formulated prior to the interview while still enabling certain flexibility by facilitating for questions to evolve during the interview (Easterby-Smith et al., 2015). To assist us during the interviews we constructed a so-called topic guide or interview schedule (see Appendix A). All our interviews were conducted in Swedish, thus we have translated the empirical material to English.

In summary, we performed 10 interviews with 9 family firms. Overall, we succeeded in acquiring 16 hours worth of empirical material. Every interview followed a semi-structured approach and were conducted face-to-face. During the interviews, we both took notes as well as recorded the face-to-face interviews using our smartphones as recording devices. Following each and everyone interview, we proceeded with summarizing the data by listening to our recordings and comparing and contrasting them with our notes. While doing this, we also had our topic and questions in mind, which facilitated us to identify relevant passages of data.

3.6.2 Sampling

After observing the diverse types of samplings that exist, we decided with purposive sampling. There are two forms of sampling design that has been bundled into different categories; Probability sampling and Non-Probability sampling (Easterby-Smith et al., 2015). Probability sample designs, such as random sampling and systematic random sampling, is used to minimize the biasness of the research where all people has a chance of being selected. While non-probability sampling neglect and uses samples that meet the criteria for the given research, which suits with our qualitative research (Easterby-Smith et al., 2015). With purposive sampling, the researchers possess a clear idea of what sampling units that is desirable, to answer the papers purpose questions. We contacted sample members to see if they did fit our criteria. All sampled companies were found using Swedish governmental company registers, filtered by the Jönköping region. This sampling technique is grounded in purposive sampling, where you select or reject depending on sample members' suitability to the research. Due to the limited amount of primarily data sources we could reach

with our given research question, the purposive sampling enabled us to effectively choose the appropriate participants (Easterby-Smith et al., 2015).

Considering that this thesis aims to answer questions related to a specific setting, that is a family firm, our first criteria was that the potential participants operated within a family firm. This resulted in numerous interview objects, which induced us to further narrow down the sample by including the criteria of a family firm that has experienced conflict. All the persons wanting to participate were contacted either through phone or email and a face-to-face interview was scheduled accordingly. As mentioned earlier, this resulted in 9 family firms and 10 interviewees (see Table 2).

Table 2 Interview participants

COMPANY	ROLE
Company A (A1)	Store employee
Company A (A2)	Department manager
Company B (B1)	Seller
Company C (C1)	Shift leader
Company D (D1)	Customer operator
Company E (E1)	HR business partner
Company F (F1)	Financial assistant
Company G (G1)	Receptionist
Company H (H1)	Co-owner
Company I (I1)	Manager

3.7 Data analysis

In order for us to analyze the gathered data, we have used a grounded analysis, or namely an analysis that is grounded in the data. Grounded analysis may be performed according to seven steps, which are as follows; (1) familiarization, (2) reflection, (3) open coding, (4) conceptualization, (5) focused re-coding, (6) linking, and (7) reevaluation (Easterby-Smith et al., 2015). Following each and every interview we reviewed and reflected upon the gathered data in order to gain some level of familiarization with the empirical material. This step was conducted before embarking onto the other interview object simply to acquire a large overarching perspective of the collected data. Following these steps we commenced the coding process by conducting open coding based on our material from the interviews. By doing so, we further increased the level of clarity in the

data and it further facilitated us in systematizing the data. To properly ensure that the data was thoroughly examined and reviewed, each of us conducted open coding independent of each other. Later, we compared and contrasted our individual coding which minimized the likelihood of important passages in the data from falling outside our scope. After this stage, we sought for patterns in the codes, which would enable them to be grouped together. To properly sort the codes into categories, and overarching themes we conducted further re-coding to facilitate this process. Our analysis lead to three main themes and eight categories, which will be elaborated upon and described in the next chapter, Empirical Findings.

3.8 Research Ethics

Upon embarking on the journey to research a defined topic, ethical considerations in various ways is of utter significance. The aim of ethical considerations in research is to ensure that no harm is inflicted on the participants by making sure that we as researchers act in accordance with the rights of participants and those potentially inflicted by our study. To accomplish this, we have to carefully consider every step of the research process and ensure that the risk of damage to participants is diminished on every given occasion (Saunders et al., 2009; Easterby-Smith et al., 2015). To aid and guide us in our ethical considerations we will use Bryman and Bell's (2007) ten ethical principles, which outline steps to protect participant's interests and the research community's integrity.

To ensure protection of interests for the participants in the study, all interviews conducted were voluntary. Before conducting the interviews, the interviewee received a consent form which outlined their rights, for instance right to remain anonymous, which was signed by us and the participants (see Appendix B). During the interview, we ensured the protection of the participants by not asking questions that could harm or be interpreted as offensive. Also, to ensure confidentiality, the material associated with the interviews is located on a cloud-based program which is open only to us researchers.

The last four principles in Bryman and Bell's (2007) framework were considered to ensure protection of the research community's integrity. To avoid confusion and deception regarding our research, we informed the participants, both prior and in connection to the interview, about our thesis and the purpose of it. Furthermore, in order to avoid misinterpretation and a mismatch between the interview and the material reported in the thesis, we obtained the participant's consent to record the interviews, which also enabled us to construct written transcripts after the interviews. Lastly, since our thesis is neither funded nor supported by an organization or company (i.e. third party), we believe that a potential conflict of interest has been reduced to a minimum.

3.9 Research Quality

Qualitative research on manifold occurrences is criticized for not upholding an acceptable level of trustworthiness, which is based on the complexity of replication and generalization of qualitative research. To refute this criticism, and thus reach trustworthiness, Guba (1981) identified four criterias that, when fulfilled, ensures trustworthiness of a qualitative research. The four criterias are; credibility, transferability, dependability and confirmability.

The criteria that is credibility may serve as a significant criteria to fulfill in any qualitative research since it assures that the findings presented by a study are in accordance with its purpose (Shenton, 2004). To reach credibility, Guba (1981) mentioned that the research should use triangulation methods by including data gathered from various sources and to make use of a broad spectrum of informants. Besides gathering data from our interviews, we also acknowledged different standpoints in the data by diversifying the participants.

The next criteria concerns the generalizability in various settings and contexts of the given study (Shenton, 2004). Given the contextual specificity that is associated with qualitative research, this type of research has been criticized for lack of transferability. Nevertheless, in spite of this criticism, qualitative research

can indeed offer satisfying transferability (Denscombe, 2014). Accordingly, the recipient of the qualitative research is the sole person able to transfer the findings in the study to other contexts. To facilitate the reader's transfer, we as researchers have to offer a satisfyingly amount of information concerning the context (Lincoln & Guba, 1985, Shenton, 2004). Concretizing this further, we facilitated for the reader and ensured transferability by offering thorough information concerning our setting which is a family firm.

The third criteria relates to the researcher's actions towards ensuring the reliability of the study (Wahyuni, 2012). This criteria takes every change and everything that could potentially affect the study into consideration. By offering a satisfyingly large amount of information concerning the research, it opens up the possibility for replication and thus overcoming the obstacle of dependability (Shenton, 2004; Wahyuni, 2012). This paper offers descriptions regarding the steps we have undertaken during this research process. Moreover, our interview schedule is completely disclosed and included in this thesis (see Appendix A).

The fourth and last criteria, confirmability, concerns confirmation of findings and level of objectivity, and whether an outside person may assess this (Wahyuni, 2012). As is the case for the credibility criteria, we made use of triangulation methods in order to minimize the risk of the investigator being biased (Shenton, 2004).

4   Empirical Findings

When coding our data, three themes emerged: (1) sharpened environment for task accomplishment, (2) stronger group cohesion, and (3) improved focus on task. (1) Sharpened environment for task accomplishment has three categories; improved communication climate, increased creativity and problem-solving, and considering new and better solutions. (2) Stronger group cohesion has three categories, namely; interpersonal familiarization, connection between individuals, and team feeling. (3) Improved focus on task on the other hand has two categories; clarity in task logistics and enhanced efficiency. The first theme is

related to task conflict, the second to relationship conflict, and the third to process conflict. We will describe them separately.

4.1   Sharpened environment for task accomplishment

When discussing different matters connected to task conflict, enhanced task quality emerged as our overarching theme. This theme, in turn, has three categories: (1) improved communication climate, (2) increased creativity and problem-solving, and (3) considering new solutions (see Figure 2).

Figure 3. Sharpened environment for task accomplishment
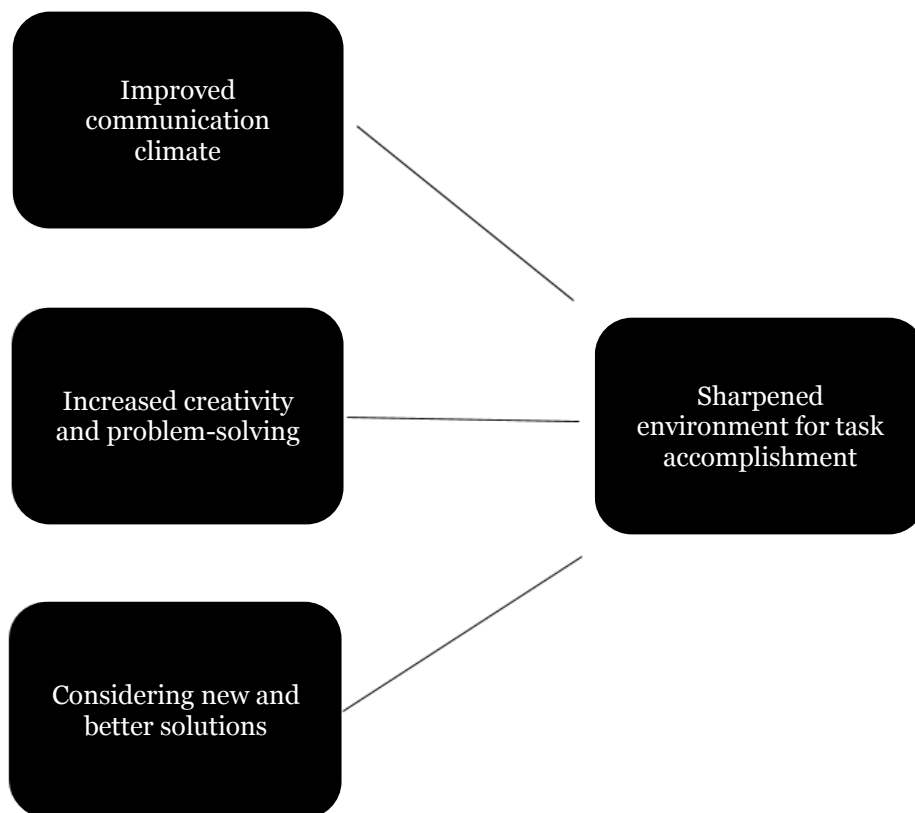
4.1.1   Improved communication climate

The golden thread following from most of the interviews was how a task conflict provoked communication in the firms. In relation to a task conflict concerning the storage room in the firm, A2 said:

"Initially, irritating and frustrating when conflict occurred. After the sat down it felt quite good to reach a solution and gain understanding for each other's opinions. Often times, the initial

disagreements occur due to a lack of understanding other people's perspective and viewpoint. Key is to really try to listen to each other and other's opinions. Not to firmly stand by your own thoughts and believe they are correct, without listening to the others."

This quote displays the importance of communication in general, and communication when a task conflict occurs in particular. A task conflict often times imply that a problem is rooted in different opinions concerning certain matters. Thus, communication enables these opinions to be elevated to the surface and dealt with accordingly. Overall, several of the interviewees touched upon communication in various ways utilizing different connotations, such as dialogue, discussion or meetings.

Furthermore, several of the interviewees talked about an improved environment which increasingly allows tasks to be completed efficiently. Given that communication is spurred and improve by task conflicts occurring, it also means that people's voices are being heard which facilitates for overarching consensus to be reached on several instances. This inevitably leads to greater task accomplishment. A2 explains:

"...On a longer term, which has been showcased, given that we sat down and discussed and reached a common solution, people simply bought in on the solution and gave everything to see it through. This led to increased efficiency in my department since everyone had bought this solution and did the work correctly."

This quote somehow illustrates how the communication climate that emerged as a consequence of the conflict also produced an environment which facilitated for efficiency being enhanced, i.e. task accomplishment.

4.1.2 Increased creativity and problem-solving

When talking about what the interviewees felt or associated with task conflicts, the golden thread was that it instilled some sense of will to solve the issue or the problem. On manifold occurrences, a conflict is rooted in a problem, for instance a problem with diverging views or opinions. B1 elaborates:

"Conflicts often instils the need for problem solving and being creative to solve things. Solve a problem together as a group, also openness that you talk about things. You know that you have shed light on a problem and want to do something about it, otherwise if you are quiet about it or no conflicts occur nothing will happen."

This quote produced by B1 also connects creativity and problem-solving to communication, since you cannot be creative or problem-solving if you do not have an environment which opens up to different views to be expressed. With this being said, numerous interviewees stated how the different views and opinions, i.e. a task conflict, produced a standstill initially which only could be solved by people being more creative and more problem-solving. According to our interviewees, a task conflict inevitably leads to increased creativity and problem-solving since a conflict means problems and disruptions and to solve these issues you have to possess both creativity and problem-solving.

C1 talked about a task conflict in regards to a business decision pertaining to whether to add a new item to menu or not. C1 illustrated how it forced people to be more creative since you had to widen you knowledge about the menu even further and that the overall environment, as a result, became increasingly efficient:

"The individual widens his or her repertoire. We had more knowledge when learning new things. As a group you become more efficient. You become a better problem solver when you have to balance more task under the same time frame."

Overall, it may be stated that a task conflict spurs creativity and problem-solving to deal with the conflict. However, it also leads to the environment, which following the conflict now is creative, is sharpened towards task accomplishment. This is further explained by most of the interviewees stating that the creativity and problem-solving which followed from the task conflicts increased overall efficiency in the firm.

4.1.3 Considering new solutions

Furthermore, when talking about task conflicts many interviewees stated how the conflict enabled and made them consider new solutions, solutions that would not have been considered had the conflict not occurred. For instance E1 states that:

"Often times conflicts are good since you reach a compromise, or even better you perhaps find a third way of doing things that's even better and that's previously not been thought of. We had an example regarding purchase of tools for the firm, one wanting to buy from china because of price, other from Italy because of better quality. Had you incorporated everybody's input and opinion, then maybe you would have, I don't know, perhaps bought from Germany as an example of a third way."

Considering new solutions emerged as a golden thread through most of our interviews. Many touched and elaborated upon how task conflicts were rooted in people having different perspectives and ideas concerning certain matters. Indeed, had the conflicts not occurred or been supressed, the interviewees agree that it would not have enabled them to consider new solutions. Instead, many firms would have continued as previously. As a consequence, the overall environment in the firm becomes such that it facilitates for greater task accomplishment.

E1 also talked about this category in terms of innovation or thinking outside the box. Two terms that many interviewees also touched upon in different ways, and further connected it to the overall environment and task accomplishment. The interviewees seemed to agree that conflicts indeed resulted in the consideration of new solutions, but also that it subsequently resulted in greater task accomplishment and an environment emphasizing task accomplishment. E1 states:

"If everybody's opinions are being heard and involved, you will reach a good third way or compromise. Nobody will think new, innovative or outside the box if it doesn't require. Thus these conflicts may force people to do something new and radical."

Overall, the interviewees described environments as being sharpened or improved in terms of task accomplishment as a result of considering new solutions. Task conflicts thus play a vital role in this process, since they often challenge the status quo of a given firm and provokes considering new ideas, which several of the interviewees described.

4.2   **Stronger group cohesion**

From the interviews, stronger group cohesion emerged as an overarching theme that incorporates the findings related to relationship conflict. Stronger group cohesion in turn has three categories: (1) interpersonal familiarization, (2) connection between individuals, and (3) team feeling (see Figure 3).

Figure 4. Stronger group cohesion
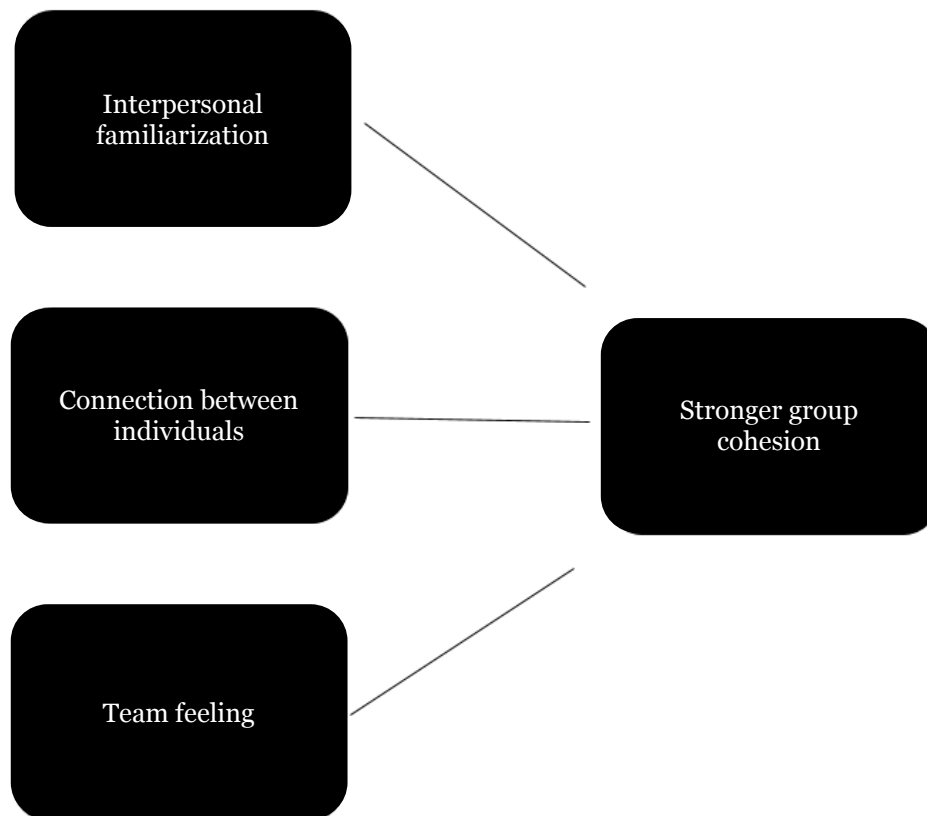
4.2.1   Interpersonal familiarization

Something that was repeated in the interviews was how relationship conflict enabled firm members to become familiar with one and other. C1 argued how familiarization able employees to avert from discussion that could provoke relationship conflicts in the family firm:

"Us managers, have faith in our employees, that they with solve their problems on their own without us interfering. And they do not want to bother us with "he said, she said" arguments. For the firm, it only makes everybody know more about their colleagues. Than you may avoid certain topics of discussion when you understand your co-worker better."

The importance of familiarization was mention by some participants, where they discussed how openness to a relationship conflict enables firm members to debate their differences. Thus, help them gain the perspective of the other person's view of the relationship conflict. Hence, familiarize the employees with each other's, when the conflict was addressed.

The familiarization further strengthen the group cohesion when the relationship conflict has been solved. The relationship conflict motivates individuals to express their beliefs, beliefs that was unnoticed before the conflict. When they have been addressed and understood, a stronger group cohesion has thus been established. A2 argued:

"When you manage these difference this conflicts lead to stronger groups because the conflict has resulted in people getting to know the real you, me or no matter who it is. In other words, the connection and feeling of belonging to each other is increased."

Together with the other quotes, this illustrates how an understanding of other perspectives in regards to a relationship conflict i.e. different values or beliefs, increases the interpersonal familiarization.

4.2.2 Connection between individuals

Another golden thread found in the interviewee's responses was how the relationship conflict made them more engaged and connected to one and other. E1 argued how the relationship conflict enabled firm members' to strengthen their connectivity:

"I also strongly believe that you get to know the other person better. You skip the small talk and cut to the chase that is really important. This is I believe the good thing about these types of conflict, you really get to know the person on a deeper level, and you know who you are dealing with. These conflicts also strengthens the connection between the different people, it becomes more open and feels more genuine. According to me that is a fact that these conflicts strengthens the connection, which also long term leads to better cooperation and you swallow your pride."

In similar fashion, the other participants explain how the bond among employees strengthens when you openly discuss the relationship conflict i.e. dissimilar values. You may not level on all aspects, but may come to see similarities in others, which has increased the interviewees' connectivity with their co-workers.

The connection between individuals moreover leads to stronger group cohesion, when individuals gain understandings of each other's differences. A2 further explains:

"To solve conflicts concerning values, try to join the two people together and have them talk to each other to get to know each other better. Some people naturally just get along, in other cases, some have to perhaps even clash a bit or disagree to get to know each other. Then you realize what that person thinks and how he or she wants things to be done. And, I think that afterwards that the bond or connection between the two clashing persons become sometimes stronger, this also makes the group stronger."

These type of relationship conflicts are often unavoidable. However, with an open climate of discussion, the interviewees has managed strengthen the group cohesion, when they gained a deepened understanding of their counterpart from the conflict.

4.2.3 Team feeling

Team feeling was something all participants established from a relationship conflict. G1 and I1 argued how the team feeling among them increased when a relationship conflict was solved:

"To argue is common and healthy for you I believe. I've experienced how well I now cooperate with co-workers I previously had beef about different values with. The team spirit has really increased since we started to address disputes right away."
"By just grabbing on to the conflict, inspires us to constantly better our work relationship, make sure that the same conflict doesn't occur again and also to enjoy each other's company."

A reoccurring theme in the interviews was how the particular conflict made the firm members to work toward the same direction, which rises the team feeling. Work on similarities rather than differences

The team feeling has been recognized as an effect of relationship conflict, which has caused stronger group cohesion in the firms, with more united employees. B1 argued that:

"When the conflict is solved regarding values, then it strengthens the group because you feel that people look after each other somehow. Simply, you get a more united group when these conflicts are solved. It also becomes easier for managers, since it is easier for them to motivate a group that is strong and united and care for each other."

All interviewees established some sense of team feeling. With resembling opinions, where they meant that working on each other's similarities rather than differences, after a relationship conflict, will unify and strengthen the group cohesion.

4.3 Improved focus on task

When discussing matters in relation to process conflict with our interview objects, improved focus on task emerged as the overarching theme. This theme consists of two categories: (1) clarity in task logstics, and (2) enhanced efficiency (see Figure 4).

Figure 5. Improved focus on task
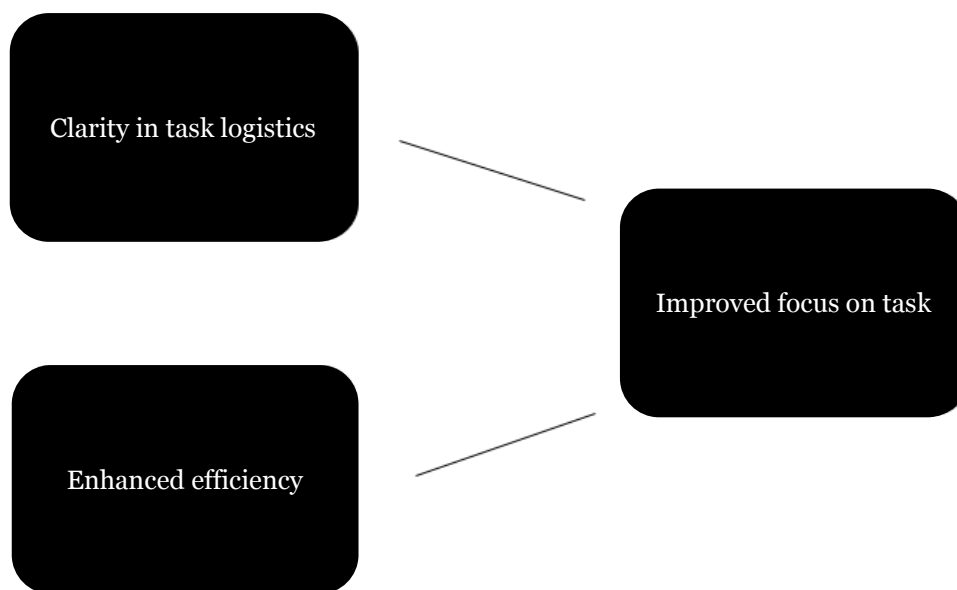
4.3.1 Clarity in task logistics

The category enhanced task clarity could be portrayed as clarity in terms of different matters, for instance clarity regarding deadlines, roles or processes. A1 uses clarity on deadline as example:

"Again, you try to establish a dialogue with the people affected, especially the one responsible for setting that deadline. Then you may reach a consensus regarding the viability of the deadline. You try to reach a place where all parties are satisfied, meaning that the work gets done but in a reasonable time. The good thing about solving these conflicts is that I believe it creates a balance where the goal is to keep the worker happy while at the same time getting the work done. But it also provides some concretizing of things that's previously not been so clear perhaps. Also, an unhappy worker leads according to me to poorer performance."

A2 and E1, on the other hand, illustrated how a process conflict concerning a certain process or system enabled clarity in that particular process to prosper and thus enable improved focus on the task:

"Became aware of the malfunctioning of the old system, which have reduced complaints from workers concerning workload. This also enables the focus to be placed on the given task rather than the process or the way to accomplishing a task. Big relief for group to have this conflicts since it meant that a constant issue over workloads could now be eliminated. And again focus is instead placed on the right things. For leaders this increases awareness regarding processes and how to improve these. And it frees up time for other things."

"The key to solving these issues is to concretize what has to be done and by whom. Simply, to provide clarity. Also, when concretizing this and when bringing clarity to the task, you shift focus from everything around the task to the task itself."

4.3.2   Enhanced efficiency

Closely connected with the previous category, is the category labelled as enhanced efficiency. A1 gave a very vivid example of how process conflict affected efficiency positively:

"After the conflict, we managed to find a reasonable deadline that suited everyone. Led to us feeling more positive about working with it. After a while, this led to that the work got done as well as that it was done in a good way. For the group, it felt as if they could always discuss different things such as the deadline which made them less stressed. The managers also felt happy because they had created an environment where workers could come up to them and speak their mind. This also lead to the feeling that we weren't working for a bunch of bosses. Instead it felt as a team and it improved the "we-feeling" which enabled us to better work together."

"It could be noticed mainly by increased workplace happiness, and on the individuals being replaced. When their request of replacement had been met, they showcased often a higher tempo and more efficiency."

"After conflicts on deadlines the overall reaction was positive, you become more positive towards your work, you work more and better because you have bosses listening to you. Managers happy that they have created a climate where workers can talk with them. Also created a balance of getting the work done and workers will being met."

F1 quite satisfyingly summarized the golden thread regarding this category, namely how process conflicts increases efficiency, and subsequently shifts focus to task:

"Short term, it may be difficult in the beginning, but after a while it leads to people being more effective. Also these conflicts shifts the focus from the process up to a task, and instead places focus on completing tasks efficiently. Also you may be stressed about something being underneath the surface, but when you have the conflict it can work as stress relieving. And also this will improve the performance ability, since you can focus on the work and not the thing leading up to you conducting the work."

4.4   Enablers of the family dimension

Since our thesis aims at finding positive effects of conflict in **family firms**, our interviews have been deliberately focused on the family dimension of the firm in relation to the interview schedule. The reason behind this is that we want to see what potential positive effects of conflict there are in a family firm, and how the family firm in itself is alleviating these effects of conflict to take place. From the empirical material gathered, we have identified three enablers in relation to the family dimension of the family firm that enables our themes. The three enablers are: (1) proximity to top level of firm, (2) family feeling, and (3) going concern of the firm (see figure 5).

Figure 8. Family dimension of the family firm

Sharpened environment for task accomplishment

Stronger group cohesion

Improved focus on task

Proximity to top level of firm

Family Feeling

Going concern of the firm

Family dimension of the family firm
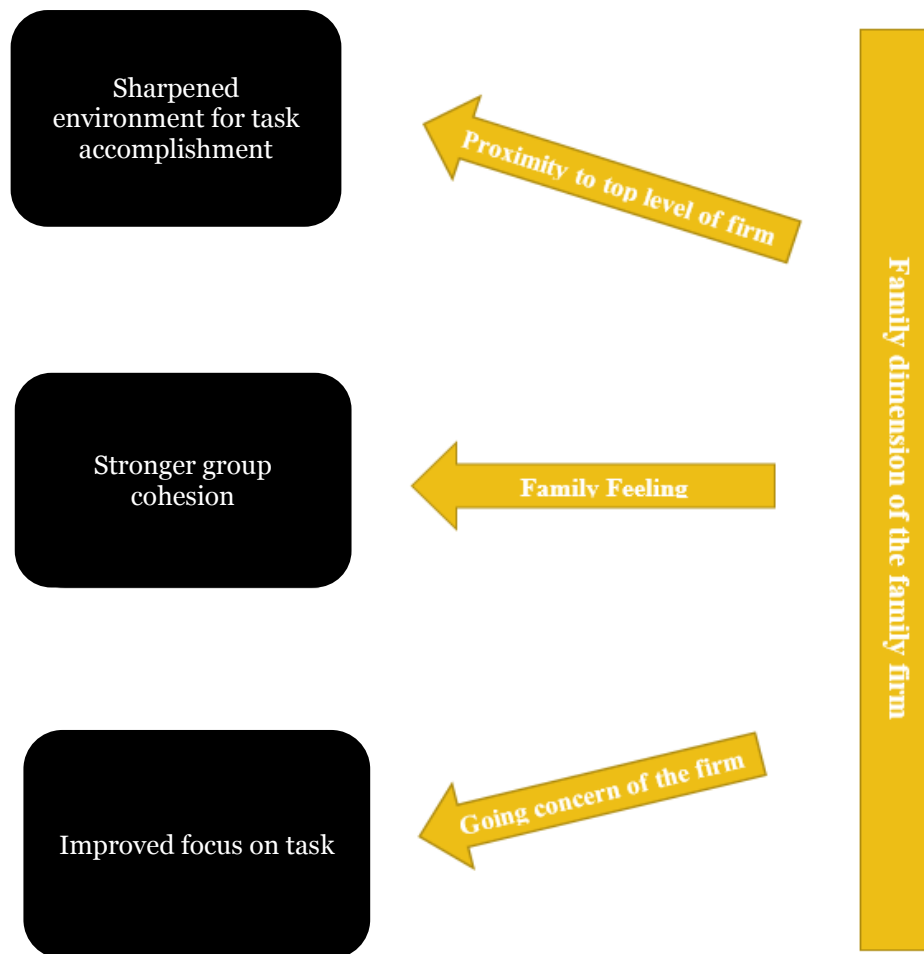
4.4.1 Proximity to top level of firm

The proximity to the top level of the firm emerged as a category that most of the interviews somehow touched upon. The proximity in a family firm enables ideas and communication to prosper thus enabling task quality to be enhanced. E1 illustrates this by comparing to non-family firms:

"Perhaps the major difference between a family firm and a firm that is not is that you always feel close to your bosses. You can always talk with them, and bring up any idea of your own. This also helps in reducing the number of steps for a decision."

F1 talks about low distance to decision makers, which F1 claims is good for new idea creation:

"Often times, the fact that the firm is a family firm reduces the amount of levels a decision have to be made, because there is a relatively low distance to the firm's real decision makers. This is

good, I believe, because family firms must use other tools to compete, and to be able to adapt and act on ideas from everywhere may be crucial."

Several of the interviewees talked about the closeness to the top levels of the family firm as a distinguishing factor. The interviewees also agreed that this fact facilitated for the positive effects that were found in relation to task conflicts to emerge. The proximity to top levels of the firm, many interviewees implied, enabled the positive effects associated with conflicts to be realized. For instance considering new solutions perhaps would not have been possible had the decision process been complex and too time consuming. However, as was the case in most of the family firms interviewed, the way to a decision was short due to the proximity, which enabled people to express ideas because they were confident that they would be considered. Similarly, communication and creativity was connected to the proximity in family firms, since the closeness created an environment after the conflicts in which these factors could prosper.

4.4.2 Family feeling

Regarding the category, that is family feeling, A2 provided a rather straight on example of this, when discussing what makes a family firm unique:

"I'm not sure how it is affected by the family feeling in the company, but I would say that it helps bringing people together since there already exists a family environment in the firm."

Since many times the owning family permeates the firm by occupying multiple roles in the firm, the interviewees seemed to relate this to a family feeling existing within the firms. This feeling of a family within the firm mainly influences the different relationships that exists within the given firm. Numerous interviewees stated that strong ties between the family members also mirrored onto the bigger collective and the group. E1 continues A2's statement, and extends this further:

"...Also, the family feeling is noted in the way colleagues behave towards each other. Everyone greets everyone, everyone talks to everyone, which creates a better and more dynamic work environment. The collective feeling becomes better, which is important in a family firm with the family firm and wanting to reach that feeling throughout the company. In a family firm many people are in many ways dependent on each other and then the feeling of a family and openness becomes extra significant."

This quote illustrates vividly how the family feeling influences all levels of the firm, even down to employee relations. Since the family firms in our sample already inhibit a strong family feeling, it facilitates for non-family members to also form strong ties with each other, hence eventually leading to stronger group cohesion. Thus, any relationship conflict that occurs in these family firms also produces positive effects due to the fact that a strong family feeling is permeating the firm.

4.4.3   Going concern of the firm

Since the firm and the family is largely intertwined, family owners are very concerned with the going concern of the firm, that is the continuation of the firm, because the firm is indeed a part of the family. A2 provided an example of how a conflict concerning distribution of workloads sparked the firm to act accordingly to solve it:

"The firm was a bit shocked that the workloads hadn't been distributed fair, so they took measures to correct them right away. And it showcases that they are not afraid of conflicts, rather they are solving them. Perhaps this may be connected to the family dimension and the family feeling in the firm which means that since the firm is a part of the family they will do everything to fix conflicts or issues."

Building on this, G1 talks about the family firm wanting to do everything for the company, i.e. wanting it to continue to exist:

"What make a family firm unique is it the family members have a different dedication to the business. Since it is THEIRS company, their baby so to speak. Family members in a family firms want to do everything to make the business to prosper. It inspires me and others to be the best we can, since we like them and want to do the best job we can. For them and for the business."

The going concern of a firm, is naturally a large part for any type of business. However, in a family firm, as stated prior, the family and the firm is very intertwined thus somewhat enhancing the going concern of the firm. In relation to process conflicts, we saw from the interviews that many firms were quick and active towards solving and implementing new solutions to these issues. This could be connected to the going concern of the firm, implying that family firms

feel that it is important to solve conflicts to ensure the survival of the firm. Also, the focus on going concern of the firm facilitates for focus to be on core matters, or namely matters that aids in ensuring the going concern of the firm, for instance tasks.

5   Analysis

5.1   Task conflict

Numerous scholars have argued that the high propensity for family firms to experience conflicts is based on family owners making decisions grounded on self-interest rather than the bigger interests of the company. It is argued that to a great extent family owners are not incorporating different levels of the firm into their imminent decisions (e.g. Schulze et al., 2003; Martin et al., 2017). In contrast to this, our findings indicate that decisions actually are not made solely on self-interest. Rather, the family owners in our sample incorporate wider interests from all levels of the firm. For instance interviewee E1 stated:

"If everybody's opinions are being heard and involved, you will reach a good third way or compromise. Nobody will think new, innovative or outside the box if it doesn't require. Thus these conflicts may force people to do something new and radical."

It may further be explained by the proximity to top levels of the firm, which serves as an influencing factor facilitating for the environment to be sharpened for task accomplishment. The closeness between different layers in the firms enable decision-making to not only be founded on self-interest traced back to the owner(s), but rather all levels of the firm may contribute, which is also supported by E1's statement. According to our findings, family firms are structured in such form that the proximity to actual decision makers are close to individuals whom in fact accomplish tasks, thus working intertwined with the overarching theme which is deemed to be sharpened environment for task accomplishment.

A part of that sharpened environment is a climate that that promotes discussion and constructive debate. Borrowing from the conflict literature concerning non-family firms, scholars have described how a setting which encourage constructive

discussion takes form as a consequence of task conflicts (Olson et al., 2007; de Wit et al., 2012). It is said that these discussions may lead to new ideas being considered carefully and that, overall, will lead to sound decision-making (Janssen et al., 1999; Edmondson & Smith, 2008;). These findings are quite similar to our findings in the context of family firms since many interviewees touched upon how an environment promoting communication emerged after a task conflict. Perhaps, the sound-decision making that has been developed may somewhat be connected to our findings concerning how task conflicts produce a sharpened environment for task accomplishment since decision-making is inevitably a part of this sharpened environment and thus becomes significant. Again, a connection to the proximity to top levels of the firm showcased by the sampled firms may be applicable here. Many interviewees argued that the proximity enables these discussions to take form, and that they felt as if the decision makers were paying attention to them and their ideas, which also influenced the decisions. In a way, it formed a positive circle with discussions and decision interplaying through the proximity factor.

Apart from this, conflict literature on non-family firms claim that task conflicts may in fact be counterproductive in the way that it might hinder performance, innovation and creativity (De Dreu, 2006; Clercq et al., 2008; Jehn et al., 2010;). However, our findings contrast these notions. Close to all interviewees talked about task conflicts instilling some sense of creativity and problem-solving which helped enhance task accomplishment, which is contradicting to previous literature on the matter. Perhaps the distinguishing factor, or namely why task conflicts are positively associated with innovation and creativity in family firms but not in non-family firms may be connected to the family dimension of the family firm. According to our findings, the proximity to top levels of the firm serves in reducing the number of steps a decision has to go through which also sparks a sense of innovation and creativity when task conflicts occur. The interviewees argued that the decision makers listened to them which encouraged them to increasingly and continuingly be creative and innovative in their thinking. Also, since the way to a decision was quite short the interviewees could

observe how an idea turn into something tangible, which also further sparks creativity and problem-solving because you see that something may happen.

Overall, it may be observed that our findings on some occasions agree and on some occasions disagree with previous scholars and literature. It agrees with some of the positive effects found in the context of non-family firms. However, the findings somewhat indicate that these effects are being enhanced by the family dimension of the firm. It disagrees with the negative effects found in both non-family and family firm context since the interviewees overall argued for the family dimension having a positive outcome on the positive effects associated with task conflicts. In other words, those negative effects found by previous scholars in the context of a non-family firm, may in fact be positive effects in our context of a family firm due to the family dimension of the firms.

5.2 Relationship conflict

While scholars argues that relationship conflict is related to negative outcomes, particularly for family firms (Lee & Rogoff, 1996; Kellermanns & Eddleston, 2004), our findings suggest something different. The negative outcomes have in the literature been said to distract family firms' performance, caused by the poor communication and excessive time that is spent on the conflicts (Simons & Peterson, 2000). Our findings however propose that the negative outcomes can be avoidable with a feeling of a family throughout the firm. As prior research argues how the family involvement positively impact the firm in terms of business norms (Zattoni, Gnan & Huse, 2015). The discoveries suggest that the family feeling further impacts the firm atmosphere, thus all its members. The majority of the interview participants had experienced a healthy family atmosphere in their workplace, which supports an environment that is open and appreciative of conflicts. Prior researchers have linked relationship conflict to negative emotions, which has been related to nepotism, role ambiguity etc. (Memili et al., 2013), which has limited the familiarization between firm members. Contradictory, the family feeling the interviewees experienced in their family organizations' has enabled a climate, open of discussing different beliefs.

Due to the family feeling, family members had the ability to overcome their disagreements, not hold grudges toward each other and return to their strong family ties. According to the findings, it effected the whole atmosphere in the sampled family firms when the family feeling was adopted, thus encouraged the nonfamily members to handle their relationship conflicts in similar fashion. Moreover, the findings supposed that to openly discuss differences, gain your understandings of other's point of view. Thus enables a familiarity to avoid certain topics of discussion in light of future conflicts. Conflicting differences is said to further provide the opportunity to understand your colleague, which increases the group cohesion in the family firm.

Past researchers have argued that the probability for conflicts to erupt in firms, is higher in family businesses than nonfamily businesses, due to the firm and family bond (Kellermanns & Welsh, 2013). Even if this is true, the empirical findings suggest that conflicts could be positive, since it able the members to connect with one and other, which lead to stronger group cohesion. Yet again, there is a need for a strong family feeling for this to occur. Conflicts usually rims with something negative. As previous scholars have focused on observing family firms as entities that are prone of negative emotions such as anger frustration and irritation (Rousseau et al., 2018). Thus, disregarding how the family feeling could contribute to positive effects in relation to relationship conflicts. However, conflicts are reoccurring in almost all relationships and thus it is important to move past these tensions.

Previous literature have addressed the conflicts in family firms to sometimes be hidden or silent, when they are not addressed. Thus difficult to recognize which endure the tensions (Astrachan & McMillan, 2003). Yet, the identified family feeling in the interviews made the firm members to address the conflict right away. The issue prior researchers had about family firms' inability to grab on to conflicts, turned out to be the contradictory with the samples, since the family feeling enabled them to make the conflict to take place. Which is vital to sustain the relation within the family, when acknowledging disputes as soon they arises (Sorenson, 1999).

In the everyday life, it is common for siblings, spouses and friends to argue with one and other. Either if you have seen it in the public or in your own home, the conflicts do not conclusively mean that the two sides are sworn enemies from now on. As such, interviewee E1 said: "*We have conflicts as a family and solve them as one. Ultimately, it gets you closer to that person*" about conflicts regarding the firm members' relationships. Families are usually committed to their relationships and would not let one conflict split them (Mahto, Davis & Khanin, 2014). Trust and commitment was thus a reoccurring response to positive emotions by the interviewees, regarding the family firm. Moreover, the trust and commitment that could be established from a family feeling may explain why some family firms have stronger group cohesion, than those previously researched (Bernard & Doan, 2011). Since family members are regularly more comfortable with one another and thus more comfortable expressing beliefs, families can keep their conflicts short vivid when addressed (Zattoni, Gbab, Huse, 2015). Alike, the findings suggest that when there is an environment of open discussion in family firms, it enables the members to strengthen their connectivity, when a collective understanding is gained. By avoiding poor communication and by manage to keep conflicts short vivid, family firm members can move past previous tensions and reinforce their bond.

5.3 Process conflict

Literature on process conflicts in non-family firms found that process conflict may lead to people deciding on task logistics, i.e. deadlines, roles and responsibilities (Jehn & Mannix, 2001; Jehn & Bendersky, 2003). This is relatively similar to our findings which state that process conflicts have been associated with clarity, i.e. clarity on roles, deadlines and responsibilities. Also, our findings indicate that the overall effect of process conflict is that the focus on the core matters, i.e. completing tasks, is improved as a result of process conflicts, which quite well agrees with mentioned literature. However our findings also indicate that this perhaps might be enhanced in family firms, since the firms in our sample possess a rather strong going concern for the firm, which in turn may be explained by the interconnection between the firm and the family. The interconnection between the two elevates the emphasis put on improving

processes. In other words, family firms wish task logistics to be sorted, i.e. to provide clarity and enhance efficiency, in order to improve the focus put on tasks. An improved focus on tasks, as a consequence of process conflicts, also satisfy the factor of going concern in the firm, since the improved focus imply a greater probability that the going concern will be satisfied.

Moreover, according to our findings, process conflict has resulted in many firms in our sample reforming their processes, or namely made them more clear and efficient. This agrees with previous literature (Handler, 1997). However, Handler (1997) also claimed that process conflicts may interfere with the accomplishment of tasks because time is placed elsewhere, which is in contrast to our findings. It is contrasted in the sense that the findings indicate that process conflicts result in improved focus on task through clarity on task logistics and enhanced efficiency, rather than not which is claimed by some scholars. Therefore, our findings indicate that process conflicts in fact do not interfere with the accomplishment of tasks, because without process conflicts the firms interviewed would not have been able to produce clarity in task logistics and enhanced efficiency, and as a result would have lowered the focus on tasks, thus impairing the accomplishment of tasks. Neff (2015) investigated what could constitute a non-financial performance driver in family firms. The author argues that clarity in various forms may be crucial for family firm performance. This resonates well with our findings which indicate that clarity leads to improved focus on task, which in turn inevitably may lead to improved family firm performance. This would also go well with the overall going concern of the firm implying that a process conflict, due to clarity and enhanced efficiency, eventually may lead to increased performance, which further satisfies the going concern of the family firm.

Lately, there has been a surge in family firm literature concerning entrepreneurial orientation as a driver for enhanced performance in family firms. It is being argued that family firms that manage to be entrepreneurial may also experience higher performance (Hernández-Perlines, Moreno-García, & Yáñez-Araque, 2017). In other words, entrepreneurship may perhaps be a crucial factor in family firms strive of being competitive. This notion may also be connected to our

findings concerned improved focus on tasks as a result of process conflicts and the going concern of the firm. Several interviewees described how the firms were open to changes in the processes to enhance both clarity and efficiency, showcasing to some degree entrepreneurial orientation in the firm. As per our findings, this overall may lead to improved focus on tasks which in turn may positively affect performance in those firms. Thus, the entrepreneurial orientation in the firms interviewed, i.e. openness to changes in processes, may result in improved focus on tasks, i.e. higher performance. Furthermore, a connection between the entrepreneurial orientation and the strong going concern of the firm may also be made. Namely, in some instances the firms may only satisfy the going concern by showcasing at least some entrepreneurial orientation. Hence, ensuring the competitiveness of the firm through improved task focus and hopefully higher performance.

5.4   The enabling model of the conflict-effect phenomenon in family firms

The interviews and the subsequent gathered empirical material produced some interesting findings concerning how task and process conflict positively may stimulate relationship conflict, i.e. stronger group cohesion. These findings stand, perhaps, a bit in contrast to literature presented in the literature review and other relevant literature in the field.

For instance, many interviewees described a situation where process conflict indirectly lead to stronger relations amid employees, hence stronger group cohesion. Particularly, some interviewees talked about reorganizations as a tool for strengthening relations amid employees. This contrasts what some scholars have claimed previously (e.g. Ashkenas, 2011). The argumentation behind these notions was that reorganizations "forced" employees to change their core groups and interact with new and different personalities in the firms. Even though you work in the same firm, one tends to come closer to the immediate circle that performs similar tasks. A reorganization would thus mean that old groups will be broken and new ones will be formed. The interviewees claimed that this particular phenomenon, that of people changing departments and hence groups, aided in enforcing old, and developing new relationships. Overall, this would inevitably

mean stronger group cohesion, not only across particular sections or departments in the firm, but also across the entire organization. Interestingly, our findings indicate that family firms entail a family feeling, inherent from the fact that the firm is owned by a family, which seems to trickle down to the rest of the firm and thus enabling positive effects from relationship conflicts to emerge. Perhaps this could also explain why it seemed as process conflict in terms of reorganizations could result in stronger group cohesion. The family feeling might serve as a factor when new people enters new groups or when the firm goes through a reorganization. Namely, the family feeling facilitates for strong relationships to form disregarding of where in the firm.

Similarly, when discussing various forms of task conflicts with the interview objects, communication was touched upon by next to all interviewees. Communication, discussion, debate. The list is long with the different wordings the interviewees used to describe this. However, interestingly, the interviewees also seemed to describe how the developed communication climate, due to task conflicts, aided in strengthening relationships among employees communicating. Previously, some scholars have argued for the importance of employee communication and the emergence of a healthy organizational climate which may be connected to relationships amid employees, or group cohesion (Smidts, Pruyn, & Van Riel, 2001; Nordin, Sivapalan, Bhattacharyya, Ahmad, & Abdullah, 2014). Several interviewees described how these conflicts forced people into stating their opinion about certain matters, and hence the atmosphere or climate became more open. The interviewees seemed to attribute opinions concerning the work positively to the persona which positively influenced relationships. This is in contrast to what some scholars have claimed prior about task conflicts morphing into relationship conflicts because of attribution of work-related opinions to personality (e.g. Jehn, 1997). However, as mentioned, in our case the interviewees apparently positively attributed task conflicts to the personality which in turn may lead to stronger relationships and group cohesion eventually. Perhaps, the proximity to top levels of the firm and the family feeling in the family firms sampled enables this to occur. When the firm culture is such that discussion and debate is encouraged and new ideas are being listened to, then perhaps this

mirrors down onto the employees who imitate these behaviors when task conflicts occur. Then, afterwards the task conflict the family feeling, which has enabled a welcoming and "family-ee" environment to be formed, enters the picture and facilitates for this positive attribution to happen.

Figure 6. The enabling model of the conflict-effect phenomenon in family firms
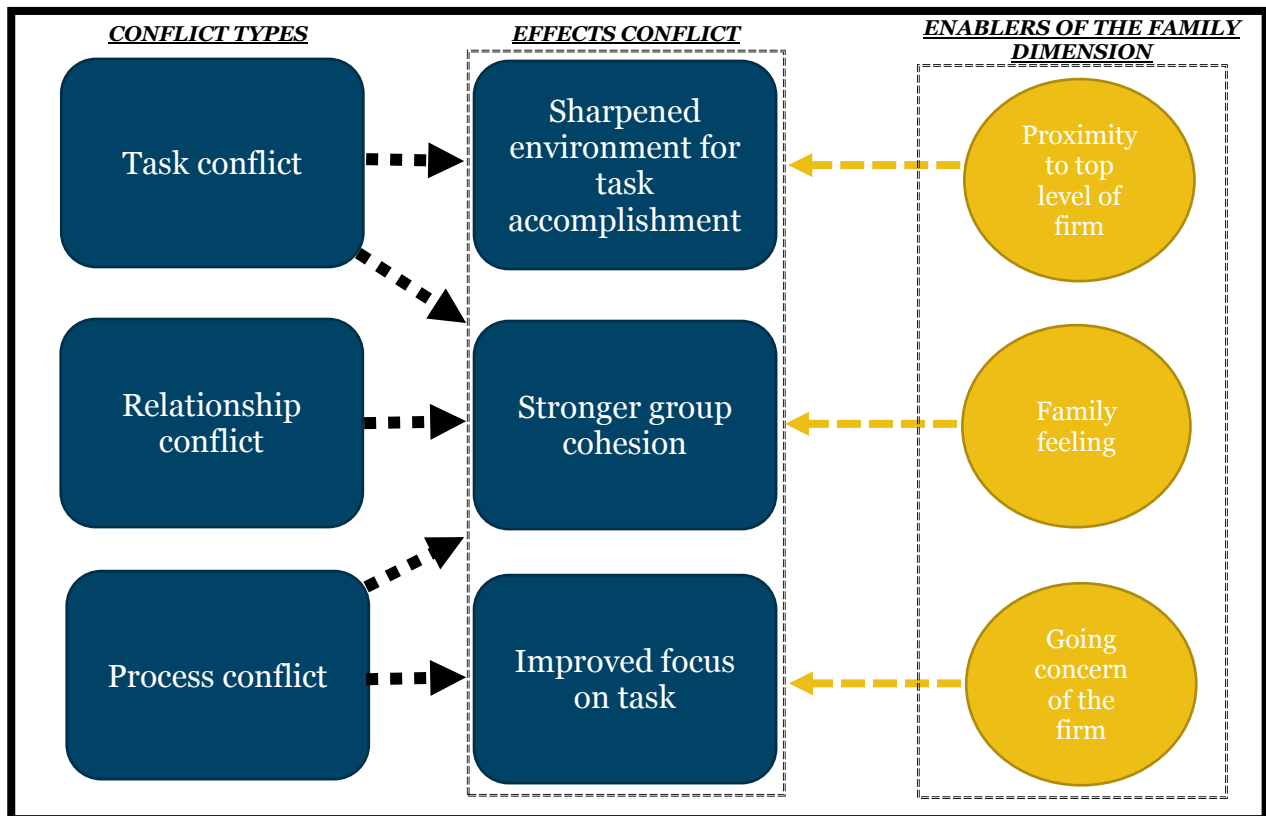
As may be observed in the model, our findings indicate that the three conflict types produce different positive effects separately. However, our findings point towards the fact that both task conflict and process conflict may produce similar positive effects as relationship conflict, namely stronger group cohesion in various forms. These effects are thought to occur within the context of a family firm. As can be seen in the figure, the family dimension of the firm in various forms as mentioned in the section empirical findings is deemed to enable these positive effects to occur (yellow circles with yellow dashed lines).

However, it may also be possible to argue for the effect of relationship conflict, stronger group cohesion, to be a part of the sharpened environment for task accomplishment. This, because by definition, groups are part of the environment

in which task accomplishment occurs. This notion or argumentation, while resting on a rather logical foundation, did not enjoy any support in our empirical material. Potentially, the lack of support for this notion in our empirical material could be explained by the family feeling only being applicable to relations on group level. Thus the greater environment in the case of task conflicts are perhaps not influenced by the family feeling, and therefore our empirical data did not indicate any relation between effects of relationship conflict and effects of task conflict. Apart from this, the enabler proximity to top level of firm may also play a role in this. Perhaps the proximity to top levels in family firms only applies to closeness in the form of decisions and ideas, reducing the number of steps an idea or decision has to travel. As such, the proximity found in family firms perhaps entails a more content- or task-based proximity, rather than relationship-based. Consequently, this might also further explain why our findings did not indicate any relationship between stronger group cohesion and sharpened environment for task accomplishment.

How process conflicts in family firm enables improved focus on tasks has been concluded with the findings. When family firm undergoes changes about who that should perform the given task, the findings suggests that it is vital that all members are onboard in order to succeed. Since the conflict at hand contributes to discussion and dialogs for improvements in family businesses, the allocated tasks come to be clear to the members. As the "ice has been broken" from previous process conflicts of disagreements, it enables members to continually openly discuss further differences do effectively improve the firm's processes. With a clear task process, family firm members has the ability disregard misunderstandings and thus more effectively find enhancements in i.e. task logistics. These positive effects comes to life with the linkage between family members, as the findings advocates that the family atmosphere is contagious throughout the family firm. Which has been enabling for the going concern of the firm, since the care family members holds to the firm has been shared with the nonfamily members. Thus enabling the positive effects when members are keener to effectively move past conflicts, for the sake of the family firm. While it has been found that task conflicts in family firms positively effects the sharpening of the

task environment, thus proximity to the top level of the firm, the findings does not support that for process conflict. Which may be, since process conflict is more concerned with that member that is implementing the task, rather than what task-decision that should be made. This may be apparent since task conflicts sparks the ability to discuss new improvements and solutions nonstop, while the discussion within process conflict may silence when tasks has been distributed and task logistics has been concluded. When the task logistics has been decided by elaboration among family firm members, subsequently, there is no evidence that the communication is forgoing, but rather to focus on the clearer tasks.

6   Conclusions

6.1   Conclusions

This paper has explored the positive effects of conflicts in family firms. Generally, conflicts have been associated with negative connotations and literature have previously predominantly focused on the negative side. As a result, the purpose of this study was to explore the positive effects of different conflict types – task, relationship and process – in family firms. To fulfil the purpose, three research questions were posed:

1. What are the positive effects of task conflicts in family firms?
2. What are the positive effects of relationship conflicts in family firms?
3. What are the positive effects of process conflicts in family firms?

What are the positive effects of task conflict in family firms?
According to our empirical data, the positive effects of task conflicts in family firms are deemed to be threefold: it improves communication climate, increases creativity and problem-solving and it enables new and better solutions to be considered. Overall, these effects may sharpen the environment for task accomplishment. Previous scholars have argued that family owners make decisions (i.e. tasks) based on self-interest, and thus may impair the task accomplishment (Martin et al., 2017). However, our findings suggest that this is not the case. Perhaps it might be explained by the proximity to top levels of the firm, which is evident in many family firms, since it enables this type of environment to be formed. The proximity to top levels of the firm serve as an enabler for this effect to occur. In other words, the specific component of the family firm that is the proximity allows for task conflict to produce positive and beneficial effects.

What are the positive effects of relationship conflicts in family firms?
Similarly to the previous conflict type, relationship conflict are deemed to produce several positive effects in family firms. The effects are threefold: it increases interpersonal familiarization, connection between individuals and team feeling. Combined, our findings and analysis suggest that these effects contribute

to the group cohesion strengthening. Scholars have almost exclusively previously argued for the negative effects of relationship conflict in general and family firms in special (e.g. Lee & Rogoff, 1996; Kellermanns & Eddleston, 2004). Our findings contradict this which perhaps might be explained by the prevalent feeling of a family in the firms interviewed, which enables the outcomes of relationship conflict to be overwhelmingly positive. More specifically, the family feeling, which is deemed a component of the family firm, works as an enabler for relationship conflict to produce effects that enable positive effects to form.

What are the positive effects of process conflicts in family firms?

Our empirical findings suggest that the positive effects of process conflicts in family firms are twofold: it produces clarity in task logistics and enhances efficiency. Overall, our findings suggest that these effects combined contribute to the focus on task being improved. This resonates well with the going concern of the firm, which our findings indicate enables these effects to take place. Our findings contrast some previous literature which claim that process conflicts impair task accomplishment (Handler, 1997). However, our findings suggest that the task focus is improved as a result of process conflicts.

6.2   Contributions

6.2.1   Theoretical contributions

Continuing on the road of previous literature within conflicts and family firms, it has predominantly entailed negative connotations and the damaging effect of conflict in general, and in family firms in particular (Jehn & Mannix, 2001; Kellermanns & Eddleston, 2004). This thesis has managed to map out the positive effects of task-, relationship-, and process conflict, which contributes to theory and literature. These findings somehow dissemble previous findings and notions held by scholars that conflicts inherently produce negative effects, especially in the context of a family firm. The inherent nature of a family firm, with the firm being closely entwined with the family, has been deemed to enhance and escalate the damaging effects of conflicts (Kotlar & De Massis, 2013; Rousseau et al., 2018). Contrary to this, this thesis showcase that the family dimension or component of the family firm in fact may enable or facilitate for

these effects to emerge. Thus, this paper advances the literature on conflicts and family firms by providing another perspective on conflicts in said context. That conflict not only produces negative components, but in fact may also bring about positive components.

Previous scholars within the field of conflicts have almost exclusively found relationship conflict to produce negative effects in the context of family firms. The nature of the relationships in family firms are deemed extra delicate compared to non-family firms, which is why negative effects have only been found (Kellermanns & Eddleston, 2004; Loignon et al., 2016; Rousseau et al., 2018). However, in contrast to this, our findings suggest otherwise. Namely, that relationship conflict occurring in the context of a family firm may produce positive effects. According to our findings, relationship conflict generate interpersonal familiarization, connection between individuals and team feeling, which together may be summarized under stronger group cohesion. In other words, this paper advances the literature on conflicts by introducing positive effects of relationship conflicts, which also may serve as a way of changing the perspective on relationship conflicts in family firms. Relationship conflicts are of crucial and enhanced importance and interest since prior to this numerous scholars have argued for its effects being the most adverse and detrimental to performance and the firm (Yang & Mossholder, 2004; De Dreu, 2006; Clercq et al., 2008). Seeing as the relations in a family firm are somehow distinguished from other business entities, this difference has been deemed to produce the negative effects (Davis, 1983; Kidwell et al., 2011). However, our findings indicate that it is the specific relations in a family firm, or the family feeling, that allows for the positive effects of relationship conflict to occur in a family firm, which is somehow new in the literature.

The family dimension of family firms constitutes a large part of the explanation why previous scholars and authors have associated conflicts with negative outcomes in family firm contexts. It has been argued that due to the interconnectedness of the firm and the family, the occurrence of negative conflicts are more prominent in family firms, thus the family dimension of the

firm hinders positive effects to take place (Lee & Rogoff, 1996; Kellermanns & Eddleston, 2004; Rousseau et al., 2018). However, our findings and analysis suggest quite the opposite that the family dimension of the firm is indeed working to enable positive effects of conflict in family firms. As such, our thesis contributes to theory by introducing several enablers of the family dimension (proximity to top level of firm, family feeling and going concern of the firm) which enable positive effects to take place in the family firm context. It advances the literature by providing a different perspective on the family dimension and when it may work in favour for the firm in relation to conflicts.

Lastly, our model, labelled the dynamic model of the conflict-effect phenomenon in family firms constitute another contribution to theory and literature. It contributes to literature in the sense that it combines the different conflict types, positive effects from them, and enablers of family firm dimension in one model. This model explains the effect of conflicts in the context of a family firm, and which factors or enablers of a given family firm that works in enabling these effects to occur. As such, the model constitutes a contribution, and further advances the literature on conflict in family firms by depicting a construction of positive effects of conflict in family firms.

6.2.2   Practical contributions

Moreover, for managers the implication of this is that conflicts are not a phenomenon that should be avoided at all costs or "locked-down" under the surface. Instead, managers should try to embrace and bring up conflicts to be able to reach the effects outlined in this thesis. Namely, it aids in questioning the long held negative association to conflicts which may thus also serve as an eye-opener for business people to successfully deal with conflict in order to reap benefits. Also, this thesis helps in questioning the somewhat automatic and instinctive association to negativity concerning conflicts between individuals on a personal level. The somewhat inherent perception is that conflicts on a personal level may serve as a "wall-builder" between people, however, this thesis has displayed that conflict even on a personal level may produce beneficial effects. Thus, managers can raise their awareness concerning this and acknowledge the potential positive benefits of these types of conflict, especially in terms of group cohesion.

6.2.3   Societal Contributions

Considering that family firms constitute such a vital and huge part of the world economy (Bird et al., 2002) and the reported difficulties for family firms to survive into the second and third generation due to conflicts (Kaye, 1996; Sreih et al., 2019) this thesis aids in de-dramatizing the consequences of conflicts by showcasing that positive effects may emerge from conflicts. Since they constitute such a large part of the world economy, family firms are a significant force in business, and thus an economic player with great importance. For society, the importance of family firms cannot be enough emphasized, and the withdrawal of family firms due to conflicts greatly impact society through job losses, tax losses and value losses. This showcase the significance of family firms in society, and the importance to continue the research into family firms to ensure the continuing survival of this business form. Our thesis has somewhat illustrated that conflicts in family firms do not always have to be associated with something inherently damaging. Rather, conflicts may produce beneficial effects in family firms. Consequently, this thesis contributes to society by providing a new and fresh outlook on conflicts, which have many times been the cause for family firms failing. Hence, with this fresh outlook, the number of family firms suffering from conflict may be reduced.

6.3   Limitations

Even though the samples fulfilled the criteria of having experienced conflicts in a family firm, they still had some limitations. The time limit was a factor that encountered some limitations that prevented us from gathering further insight into the effects of conflicts. With additional samples, our thesis would have gained different perspectives and findings that could have changed the finalized conclusion thus strengthening the accuracy of the answered research questions. The samples were found in Sweden, within the same area, which could have a significant effect on the results. A geographic diverse sample would have proved us with different outcomes, since other sample participants may act differently when it comes to conflicts, besides a different behavior by the family that probably affects the firm in a different way.

The samples further consisted of participants mostly employed by SMEs, where multinational enterprise employees could have experienced a different and more complex family atmosphere, and in general a different perspective of conflicts in family firms. Unlike SMEs, where it may be easier to sense the family dimension, thus more likely to solve conflicts, since you may bump into your "nemesis" more frequently. Moreover, company A was the only firm with more than one interviewee, which strengthens the family firm's standpoints and validity of their conflict behaviors, and was perhaps lacking for company B to I. Further, different interviewees from the same firms may have provided different views of the family firms' conflicts. Since conflicts are facilitated by the individuals' emotions, different sample interviewees could have presented dissimilar results.

The time limit moreover restricted the ability to conduct all interviews face-to-face. This could have affected the quality of the data collection. The small number of data that was not communicated in person was communicated through phone, where the expression of feelings and body language was excluded, which could have decreased the overall quality of the semi-structured interviews. Further, the conducted codes and themes of the findings are subjective to the people conducting them. Therefore our findings may have been interpreted differently by other researchers, which could have limited the ability to use more fitting codes and themes.

6.4   Future Research

The component limiting our thesis could be researched by future scholars. We wish for future researchers to choose a different sample design, since you can argue that the purposive sampling made the data biased. That the samples agreed to participate in the research could be due to their previous experiences of solving conflicts in their workplace. While the potential participants who declined may had issues with individuals in their family firm, which made them uncomfortable to contribute. Another sample design would thus be suited for future researchers, since the sample should speak on behalf of the population, as it is apparent that not all people see the positive effects of conflicts in family firms.

Future researchers should further attempt to capture more time, to gather additional samples in their study for several reasons. A wider sample, including participants from different regions and with a larger variety of the size of family firms, would have improved the accuracy of the results. With a wider sample, future researchers would receive alternative findings for how family firms are affected by conflicts with different perspectives. Considering the additional findings that can be extracted from a deeper sample, future researchers should look at other positive effects which can be generated by conflicts in family firms.

The unexpected findings that suggest how process conflicts could benefit the relationship conflict, brings an interesting topic for future researchers to further study. The linkage between the conflict types have prior been researched, yet there is no previous research that proposes how process conflicts would improve the relationship. Previous literature has focused on, and found, support for the effects of process conflict as an isolated event. Thus, no linkage between process conflict and other conflict types, i.e. relationship, have been sought for. Perhaps, future research should seek to pinpoint what elements of a process conflict may lead to improved relationships, since this thesis has found support for such linkages. However, greater attention aimed at this potential linkage is needed.

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Appendices

Appendix A: Interview Schedule

Appendix A: Interview Schedule

Topic	Questions

Introduction	• Introduce ourselves and our thesis
	• Ask for anonymity and approval for audio recording (consent form)
	• Ask for introduction of interviewee
	  - Role in company
	  - How is it working in a family firm?
	  - Explain according to you what makes a family firm unique?
	  - In what ways do the fact that the firm is a family firm become evident?
	  - Have you experienced conflicts or disagreements in the firm? If yes, could you describe it? If no, why do you think that there has not been any conflicts?

Task conflict	• Have you experienced diverging views or opinions?
	• **If yes**:
	  - Could you describe the situation? Why do you use those words to describe it?
	  - How did you go about solving it? Why this way?
	  - How did it make you feel? Others feel? Why do you believe this is the case?
	If no:
	  - Could you describe a potential situation?
	  - How would you go about solving it? Why this way?
	  - How would it make you feel? Others feel? Why?
	• Have you experienced conflicts or disagreements concerning interpretation of facts, procedures or policies?
	• **If yes:**
	  - Same as above
	If no:
	  - Same as no above
	• Have you experienced conflicts or disagreements concerning business or work decisions?
	• **If yes:**
	  - Same as above
	If no:
	  - Same as no above
	• Have you experienced conflicts or disagreements concerning distribution of resources?
	• **If yes/no:** Same as above

	• What emotions do you associate with conflicts?
	  - Positive? Why these?
	  - Negative? Why these?
	• Have you experienced incompatibilities between:

Relationship conflict	- Worker/family, Family/family, worker/worker - Can you describe how it looked like? - How did it make you feel, others feel? Does it make any difference for you if it is a family member or a non-family member? Why? • Have you experienced conflicts concerning personal taste, values, and/or political preferences? **If yes:** - Could you describe the situation? - How did you go about solving it? Why this way? - How did it make you feel, others feel? - What did it do with the group dynamic? **If no:** Same as above • When two or more people are incompatible, how does it affect or what happens with the: group? Other workers? Firm?
Process conflict	• Have you experienced conflicts or disagreements concerning task logistics, i.e. time- and role allocation, deadlines, distribution of workload, order of tasks etc? - Could you give an example of this? - How did you go about solving it? Why this way? - How did it make you feel, others feel? • Have you had any reorganizations regarding the firm or employees? - How did the group react? Positive, negative? Why do you think they reacted this way? - Was the reaction noticed in the firm or day-to-day operations? In what ways? - How did you handle this reaction?
After the conflict (asked after each question about a conflict)	• You state that you have experienced XX conflicts in your firm, what happened after both short and long term in terms of: - Individuals, - Groups, - Managers, - Firm

Appendix B: Consent Form

Appendix B: Consent form

JÖNKÖPING UNIVERSITY
Jönköping International
Business School

Date: 2019-02-25
Petros Tesfai and Selmir Fazlic
Jönköping International Business School (JIBS)
Email: fase1596@student.ju.se

CONSENT FORM FOR RESEARCH PARTICIPATION

This form indicates that I consent to participating in the JIBS administered Master's Degree Research Project:- "Positive effects of conflicts in family firms".

I understand the information provided and my questions have been answered to my satisfaction. I agree to participate in this activity, realizing that I may withdraw at any time without reason and without prejudice. I understand that my organisation has agreed to participate in this research, and that my participation is voluntary.

I understand that all information provided is treated as strictly confidential and will not be released by the investigator. I have been advised on what the purpose of the project is and what will be done with the data upon completion of the research (including safe storage).

_____   _____

Participant's name (PLEASE PRINT)   Date

_____

Participant's signature

Participant's email address:_____
(PLEASE PRINT)