

BROTHERS IN BUSINESS: CASE COMMENTARY

“Carl, this has gotten way out of hand!” Elaine Martino exclaimed to her husband Carl”. That was your doctor on the phone. He said that with all the stress and conflict going on at the factory, you are not to go back to work until further notice. He’s afraid that your diabetes could lead to shock or a stroke. Carl, what are we going to do?”

Background to the stress and conflict

Things had been going from bad to worse for Carl Martino, aged 64 years. He and his younger brother Frank, aged 59, are equal owners of a small, moderately successful, niche manufacturing company, Biker’s Best, which assembles bicycle seats for most of the name brand European racing bikes.

For many years as the business grew, the two brothers got along fine. But more recently, the relationship between the two has soured and major decisions are not being made due to the brothers’ inability to agree on anything.

At one point, the company’s truck drivers walked off the job because Carl and Frank could not agree on a raise in wages. Equipment is being allowed to deteriorate without replacement or repairs being made.

“The brothers’ are unable to agree on anything, so pay rises cannot be agreed upon and equipment is not being replaced or repaired ”

Perhaps the biggest problem, however, is the open hostility between Carl and his nephew, Frank Jr, aged 28.

Frank Jr. repeatedly criticises Carl in front of employees, calling him “senile”, and has even told some customers that

Carl no longer works at the company. However, Carl is no angel either and refused to sign Frank Jr’s pay check for a US\$20 a week raise; Frank Jr. then filed a wage claim with the Department of Labor.

“The biggest problem is the open hostility, which has been associated with fist fights, especially in front of employees ”

On more than one occasion, these incidents have led to fist fights at the company between Carl and Frank Jr., and even between Carl and his brother. At a Board of Directors’ meeting, Frank once made a formal motion that: “Carl is not fit to eat with pigs”.

Carl recently approached his brother about retiring and being bought out, citing his own advancing age and ill health as reasons.

This seems to make sense to Carl because Frank Jr is active in the business, while Carl’s children have careers outside the company. Frank is interested but noncommittal, questioning whether he or the company can afford it.

“Carl, how can we get your brother to be fair to you when the two of you can barely talk to each other any more?” Elaine asks with growing frustration. “Do you think I should finally bury my pride and call Frank’s wife? After all, she is my sister”.

How might Carl and Frank resolve their differences?

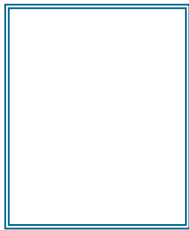
Communication issues are a common problem in many life scenarios. Undelivered communication is at the heart

A failure to communicate between the board members of a company can lead to personal conflict in the workplace, an inability to decide on day to day management and disputes with employees

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of many family conflicts. It appears that the same is happening in this case.

The fact that the two brothers cannot agree on anything to the point that it affects the day to day management of the business and the relationship between family members indicates that there is a need to address some rooted 'issues'. Usually people arrive at this point, when along the way they were holding back from truly 'communicating' with each other.

*“Communication problems
appear to be
the cause of the
conflict and have
got out of hand ”*

The hurt, pain or the feeling of being undervalued, if not properly talked through, usually transforms to issues of control, power struggle and the ego's desire to be right!

It is clear that the brothers have disagreements that cannot be handled in the 'normal' way. Things have gotten out of hand.

Getting the brothers to properly talk to each other

The first step to resolving the problems between Carl and Frank would be to find a way to get them to properly talk to each other.

The two sisters can initiate this. They have to find a way to get the two brothers together, ideally by involving a professional advisor (be it a mediator, family business advisor, consultant psychologist or a coach). The aim is to create a safe and open environment for the brothers to express their true feelings, desires and needs.

It is a gradual process, starting with each of the brothers and slowly involving Frank Jr if necessary, and depending upon the progression, the two sisters. The communication principles that the

brothers have to recognise and implement are:

- acceptance of personal views, opinions, values;
- balancing emotional upsets;
- relearning to trust;
- balancing power struggle;
- effective communication – what we say and what we do not say are equally important – communication is a built-up vocabulary of words and sentences – it is important how we deliver it, but equally important is how does the person hear it (i.e. perceived interpretation).

*“It is important to find a
way to get the two brothers
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safe and open environment
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The brothers must go beyond their current disagreements and find a way to talk to each other.

It seems that Carl has to take responsibility for the process because:

- he is the one who wants to leave the business, given his health problems and his children's lack of interest in the business;
- he has more at stake; and
- he has his wife's willingness to do something about it (i.e. awareness and support that they have to find a solution to the problem).

Frank Jr has to recognise that he is the younger generation and therefore to learn, and show, some respect for his uncle.

Once they overcome their anger, and are able to talk to each other, the two brothers have to find a way, accepted by both, so that Frank can buy Carl's share in the business. After all Frank's son appears to be the successor. ♦