

Conflicts in Family Businesses:

An Investigation of Conflicts and the Role of Digitalization

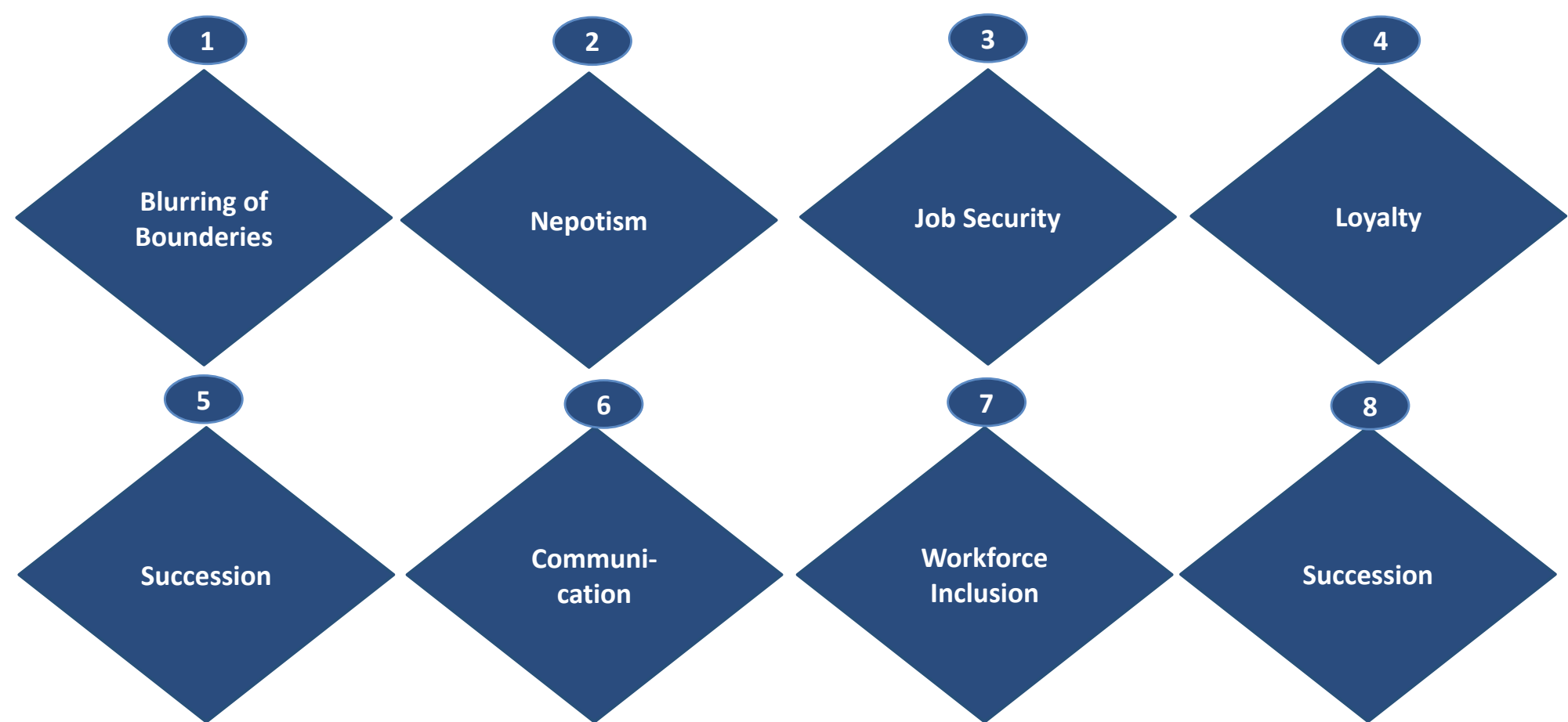
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Introduction

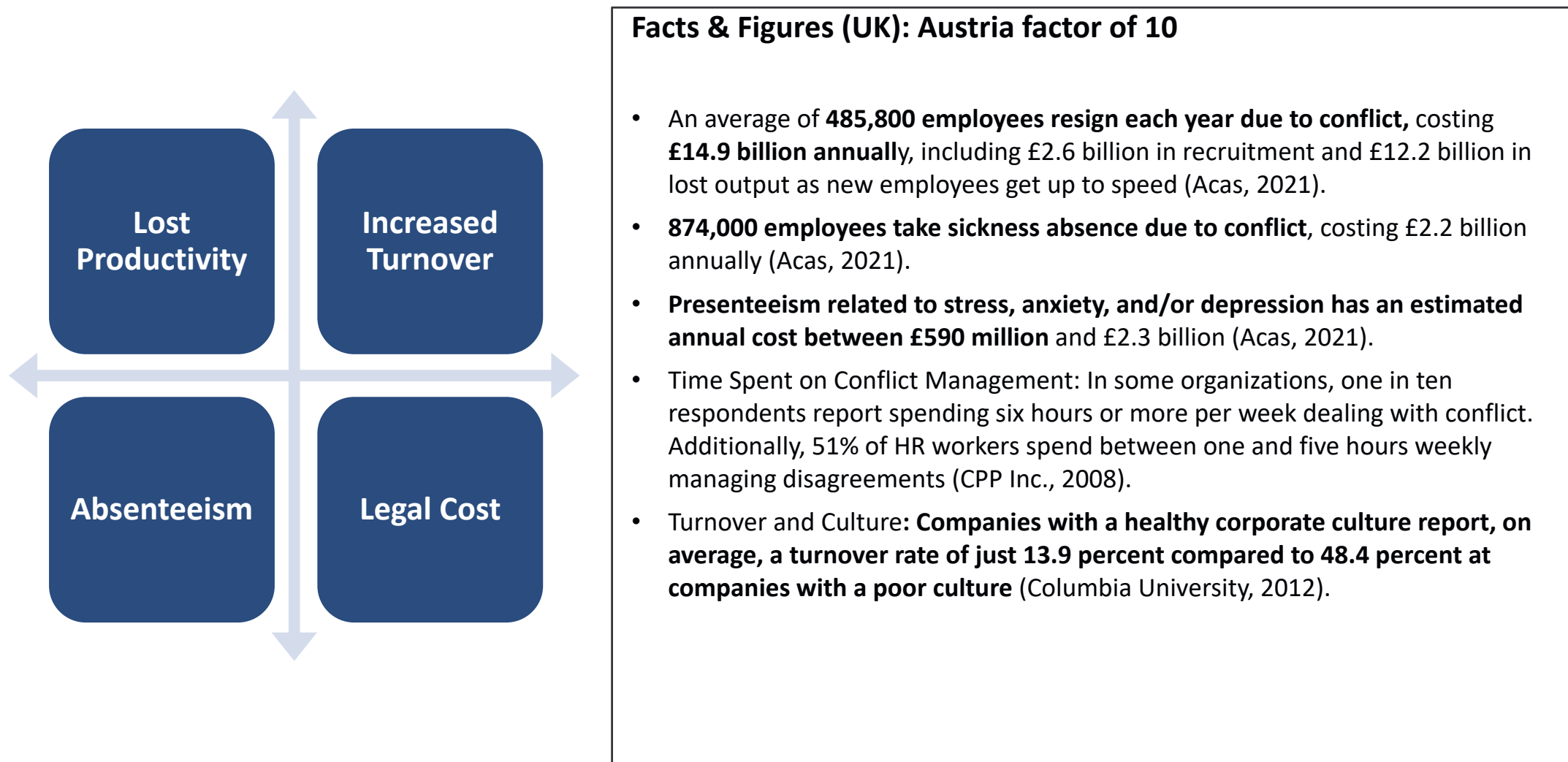
Definition of a conflict

“A process that begins when an individual or group perceives differences and opposition between itself and another individual or group about interests, beliefs, or values that matter to them”
(Dreu & Weingart, 2003)

Conflict types in family firms



What indirect and direct costs do conflicts have on firms?



Definition of „digital solutions“

Digital solutions refer to technological tools, platforms, and systems designed to improve business processes, enhance communication, and solve specific organizational challenges by leveraging digital technologies.

Digitalization and digital impact in family firms



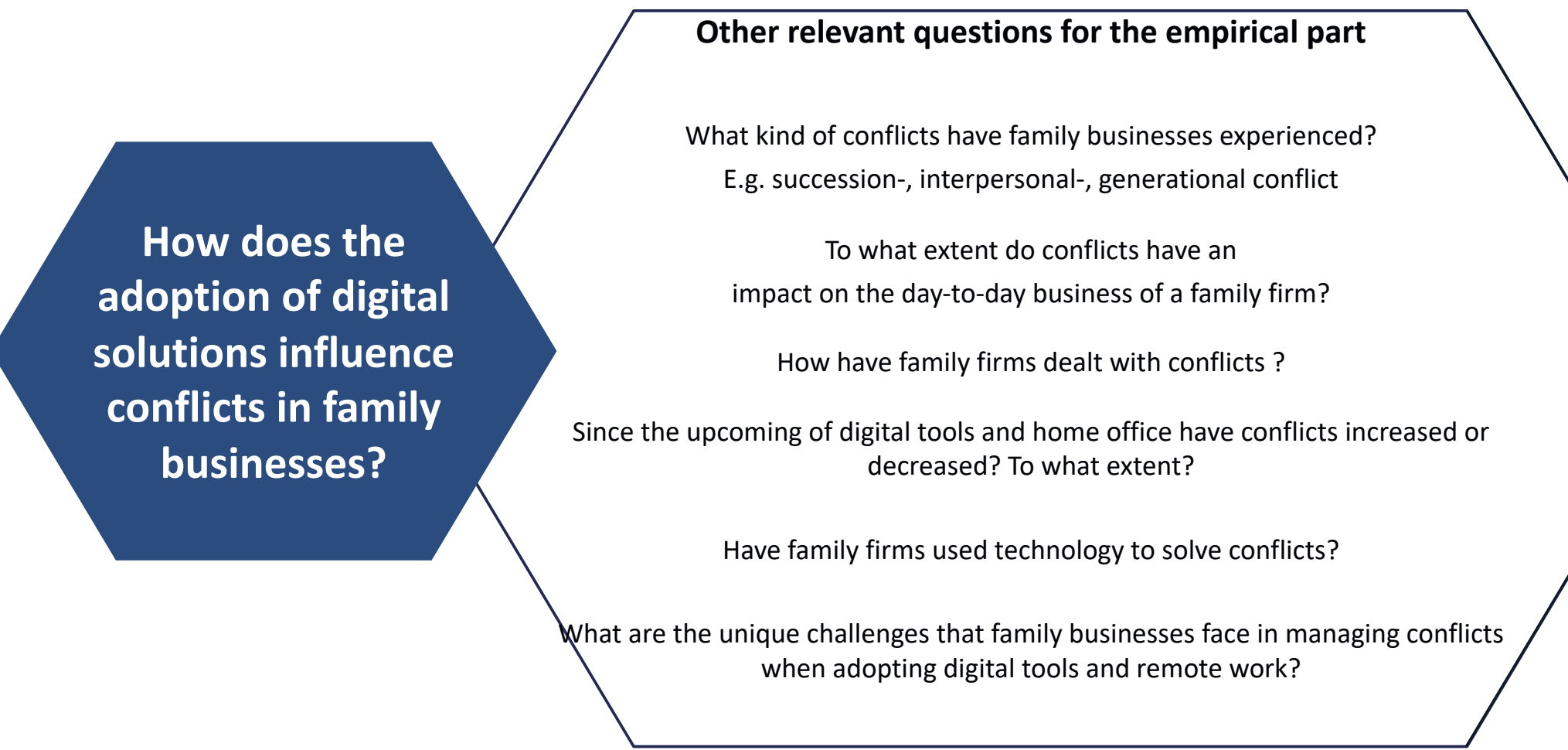
- Approximately **46% of firms across Europe, including Austria, increased their digital investments** as a response to COVID-19.
- Generally family firms are recognized for their significant uptake of digitalization during the pandemic
- Commonly **implemented digital tools in family firms include communication platforms (e.g., Slack, Microsoft Teams), project management software (e.g., Trello, Asana), and digital payment solutions.** These tools help **streamline operations, improve remote collaboration, and increase transparency**
- Despite this, **only 37% of family firms feel fully prepared for the digital economy, reflecting a challenge in finding the right digital solutions** and overcoming internal resistance, especially from older generations(Mastercard

(Source: Statistik Austria)

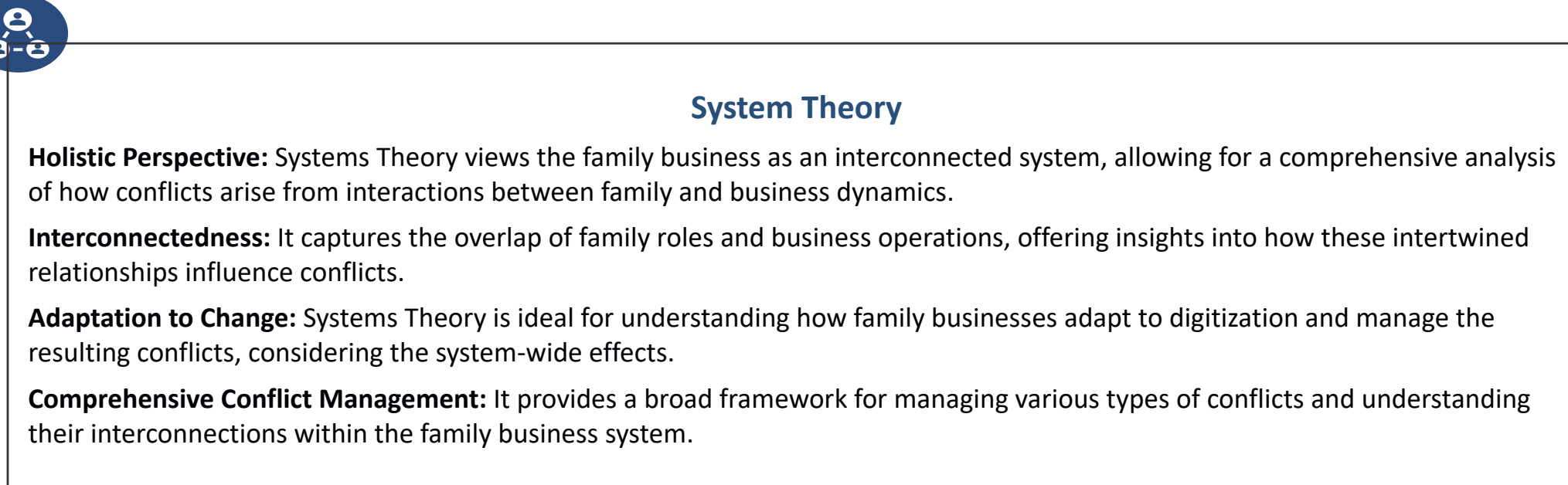
Research Gap

1. While digital tools are widely recognized for improving efficiency and communication, the specific impact of these tools on conflict dynamics in family firms has not been studied extensively. There is limited empirical evidence on whether digital platforms resolve or exacerbate conflicts related to family roles, power dynamics, or decision-making.
2. There is little investigation into how family dynamics, which often include emotional ties, hierarchy, and tradition, interact with the introduction of digital solutions. The question remains whether digital tools intensify existing family power struggles or help create more neutral ground for decision-making and communication.
3. Generational conflicts in family businesses are well-documented, but the role of digital competency gaps between younger and older generations in driving these conflicts has not been adequately explored. The adoption of digital solutions could create tension if older family members are resistant to change or struggle to adapt.
4. The rise of remote work and virtual collaboration during the pandemic has introduced new forms of digital engagement. However, there is minimal research on how remote work tools (e.g., Zoom, Teams) have affected conflicts in family firms, where personal and professional boundaries are often blurred.
5. Although digital mediation tools and conflict resolution platforms exist, their use in family business conflict resolution has not been widely studied. It remains unclear whether these tools provide effective mechanisms for resolving disputes within the unique context of family firms.

Research Question



Theoretical Foundation



Aim of the work

