

# NAVIGATING FAMILY TENSION: THE PERCEIVED INFLUENCE OF CONFLICT ON EMPLOYEE MOTIVATION IN FAMILY-OWNED BUSINESSES

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## ABSTRACT

The purpose of the study was to explore the perceived influence of conflict on employee motivation in family-owned businesses in South Africa. Given the economic significance of family businesses and their vulnerability to relational tensions, the study aimed to understand how different forms of conflict affect both family and non-family member employees. An exploratory qualitative research design was adopted. Semi-structured interviews were conducted with 15 family and non-family members employed in small- to medium-sized family businesses across multiple industries in South Africa. Data were analysed using thematic analysis to identify recurring patterns in conflict dynamics, motivational factors, and conflict management practices. The findings indicate that conflict commonly arises from interpersonal tensions, blurred boundaries between family and business roles, power imbalances and communication breakdowns. Unresolved conflict negatively affects employee motivation, particularly among non-family-member employees, resulting in emotional strain, decreased job satisfaction, and reduced productivity. However, structured communication practices, role clarity and employee recognition have been found to mitigate these effects and enhance motivation. The study provides practical insights for family business owners and managers by emphasising the importance of formal communication structures and clear role delineation. It contributes to the family business literature by empirically linking conflict dynamics to employee motivation and highlighting differentiated experiences of family and non-family member employees.

**KEYWORDS:** Conflict, employee motivation, family-owned businesses, organisational conflict.

**JEL CLASSIFICATION:** M10, M13, M26

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## INTRODUCTION

Family-owned businesses are a major part of the South African economy as they are key drivers in assisting the high rate of unemployment (Mahomed & Mtembu, 2021; Hoverd, 2023). The current unemployment rate in South Africa is 31.9% in the third quarter of 2025. This indicates that the sustainability of South African businesses remains an economic and social concern. Amongst these businesses, family-owned businesses are a critical part of South Africa's economic context, the survival rate is worrying, as only 30% of these businesses transition to successful second generation, and even less (10%) to third generation businesses (Investec, 2020). Furthermore, the business landscape in South Africa is shaped by a unique combination of socio-economic and institutional factors that distinguish it from many other African contexts. South Africa operates within a comparatively sophisticated financial and regulatory system, yet continues to face profound socio-economic inequality, high unemployment rates and historical structural disparities (Viviers & Venter, 2025). Policies implemented in South Africa, such as Broad-Based Black Economic Empowerment (B-BBEE) and other governance frameworks,

influence the ownership structures, succession planning and managerial decision-making within family-owned businesses (Kupangwa et al., 2023). These contextual characteristics make South Africa a particularly compelling setting for exploring the intersection of conflict and employee motivation in family businesses.

The primary challenge, however, concerns the sustainability of the family-owned business. This sustainability is often affected by conflict caused by the overlap of family business roles, creating sources of tension that disrupt decision-making, damage working relationships, and negatively influence employee motivation and performance (Parashar & Sharma, 2020). Conflict in family-owned businesses occurs between family members, family and non-family members or among non-family member employees, each of which presents its own management challenges (Rosecká & Machek, 2022). Despite the prevalence of conflict, only 37% of family-owned businesses in South Africa have developed formal structures to manage it more effectively (PricewaterhouseCoopers, 2023).

Employee motivation is an important part of family-owned businesses as their success often depends on small, closely connected teams. Herzberg's Two-Factor Theory identifies unmanaged conflict as a source of dissatisfaction that undermines employee motivation when hygiene factors, such as interpersonal relationships and working conditions, are negatively affected. Irwan (2024) argues that ineffective conflict management can undermine employee motivation, ultimately constraining productivity and broader organisational performance. However, much of the existing literature examines conflict within general organisational settings, offering limited insight into the relational and governance complexities that characterise family-owned businesses. Given the overlapping family and business systems within these organisations, conflict may manifest differently and carry distinct motivational implications.

This study addresses this contextual limitation by examining how perceived conflict influences employee motivation within South African family-owned businesses. By drawing on the lived experiences of both family and non-family employees, the research seeks to extend current management scholarship beyond generic organisational models and towards a more contextually embedded understanding of motivation in family businesses. In practical terms, the findings aim to inform conflict management approaches that sustain employee motivation, organisational effectiveness, and long-term business continuity. While the study's findings are contextually grounded in South African family-owned businesses, the insights gained may be relevant to other emerging-market contexts characterised by overlapping family-business systems and evolving governance frameworks. However, given the qualitative and context-specific nature of the research, the findings are not intended to be statistically generalisable across the African continent. Instead, the findings offer theoretically transferable insights that may inform future comparative studies in similar socio-economic settings.

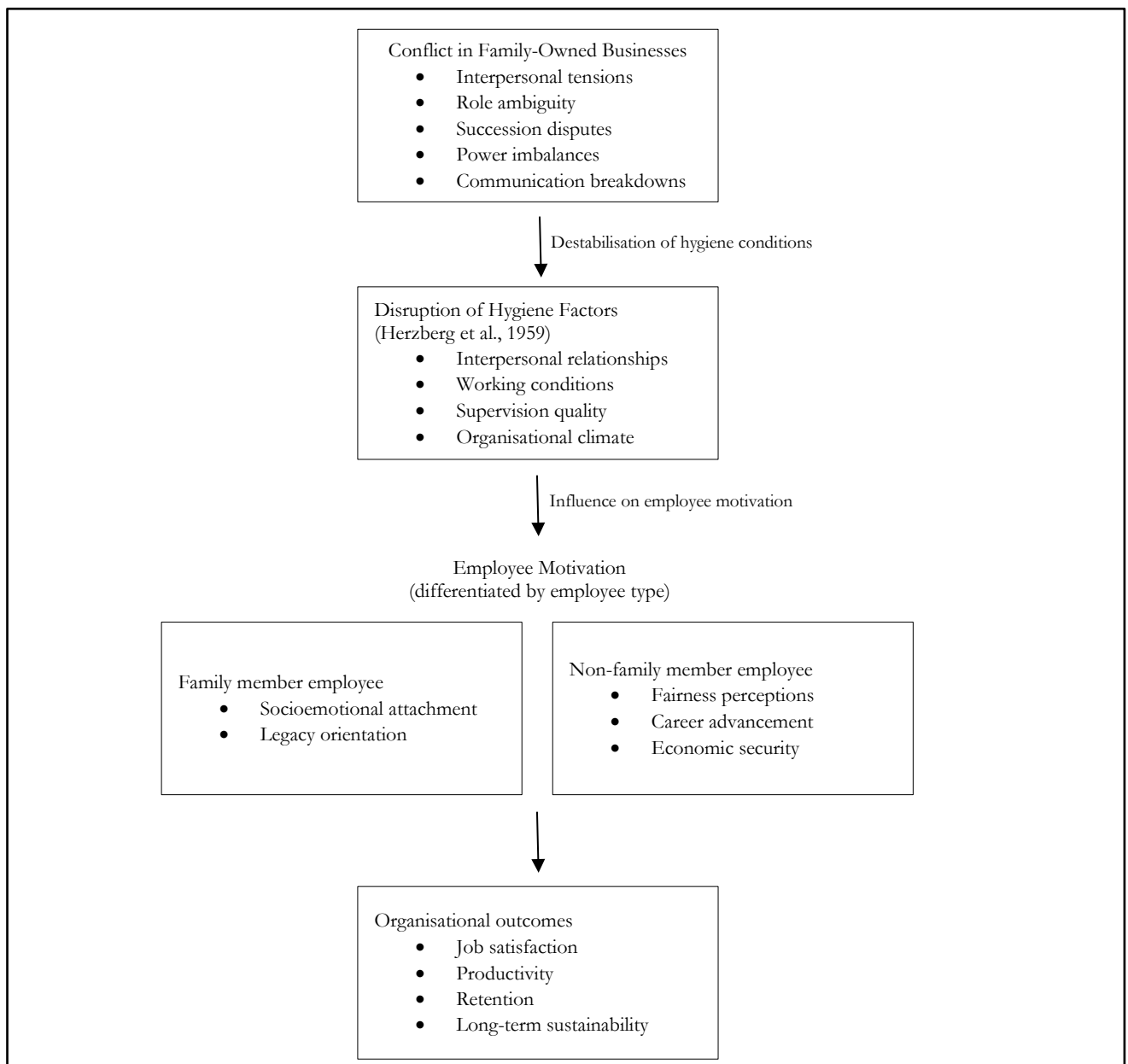
## **1 THEORETICAL FRAMEWORK**

The study is theoretically anchored in Herzberg's Two-Factor Theory, which differentiates between motivators (intrinsic drivers of satisfaction) and hygiene factors (conditions that prevent dissatisfaction) (Herzberg et al., 1959; Herzberg, 2003). Motivators include achievement, recognition, and opportunities for growth, whereas hygiene factors encompass interpersonal relationships, quality of supervision, and working conditions. While the presence of motivators enhances satisfaction, the absence or deterioration of hygiene factors generates dissatisfaction. Within family-owned businesses, the unresolved interpersonal conflict experienced may destabilise key hygiene conditions, particularly relational harmony and communication structures. Unlike conventional corporate settings, family businesses are characterised by overlapping family and business structures (Chrisman et al., 2005), which intensify emotional interdependence and blur professional boundaries. As a result of this, conflict may not only

affect workplace functioning but may also carry socioemotional implications that extend beyond the business's formal structures.

Socioemotional wealth theory further suggests that family businesses prioritise non-economic goals such as family control, identity preservation and transgenerational continuity (Berrone et al., 2012). These priorities may then heighten sensitivity to conflict and amplify its motivational consequences, particularly when emotional harmony is perceived as threatened. Consequently, conflict in family-owned businesses may act as a destabilising factor that undermines hygiene factors, thereby reducing employee motivation, especially among non-family members who may lack socioemotional attachment to the business.

*Figure 1* Conceptual framework linking conflict and employee motivation in family-owned businesses



(Source: Researcher compilation)

The study conceptualises conflict as an antecedent that disrupts hygiene factors, influencing employee motivation differently between family and non-family members.

Figure 1 presents the conceptual positioning of the study. Conflict within family businesses is theorised to disrupt key hygiene factors, particularly interpersonal relationships and working conditions. Drawing on Herzberg's Two-Factor theory, the framework suggests that such disruption generates dissatisfaction and diminishes employee motivation. Given the relational embeddedness of these family businesses, the motivational impact of conflict is expected to vary between family and non-family member employees. The reduced motivation that may be experienced is then associated with broader organisational outcomes, including job satisfaction, productivity and long-term sustainability. This framework, therefore, guided the interpretation of the qualitative findings.

## **2 LITERATURE REVIEW**

### **2.1 Family-owned businesses: conceptual definition and South African context**

Family businesses have a strong historical presence and prevalence in society, as they contribute significantly to local and national economies (Siakas et al., 2014). Although there is no universally accepted definition (Davis & Tagiuri, 1989), scholars generally agree that it is an organisational form in which family members hold significant ownership and there is an intention to perpetuate the business across generations (Mura, 2020). This signifies that emphasis is placed both on the structural dimensions (such as family ownership and managerial control) and process dimensions (family influence on business continuity), which distinguishes family businesses from sole proprietor and non-family member businesses (Haag et al., 2023). A challenge associated with family businesses, however, is the desire to meet both personal and business goals, which often necessitates a choice between them (Chrisman et al., 2014).

In the South African context, though, family businesses are widely acknowledged as one of the dominant organisational forms, with estimates suggesting they constitute a substantial majority of businesses and contribute meaningfully to the economic activity and unemployment within South Africa (Asah, 2025). Although comprehensive national statistics are limited, extant evidence indicates that family businesses account for a large share of business ownership and economic output, with some data indicating that approximately 80% of South African businesses are family-owned and contribute significantly to the Gross Domestic Product (GDP) (Asah, 2025; Maharajh et al., 2024). Research on family businesses listed on the Johannesburg Stock Exchange (JSE) further supports their prevalence within the formal sector of society (Viviers & Venter, 2025). Despite the importance of family businesses in South Africa, they still face persistent challenges related to succession, governance, conflict, and institutional support, with only a minority successfully transitioning to second and later generations (Asah, 2025; Jina, 2013). These contextual nuances emphasise the distinctiveness of South African family businesses and underscore the need to ground research into their internal dynamics and outcomes.

### **2.2 Conflict in family-owned businesses**

Conflict has been recognised as a complex challenge in family-owned businesses due to the overlap between family relationships and business roles (Biel, 2024). This conflict often arises between family members, family and non-family members, and non-family-member employees. This is often driven by issues of preferential treatment, ambiguous roles, succession disputes and damaged family relationships (Brown, 2022; Rosecká & Machek, 2022). These are the dynamics that often differentiate conflict in family-owned businesses from conflict in non-family businesses. Several authors have found that unresolved conflict in family-owned businesses is a typical reason for trust issues, disruption in decision-

making as well as reduced organisational performance and employee outcomes (Abuzaid et al., 2022; Mismetti et al., 2025). The absence of formal conflict resolution practices exacerbates these issues, increasing the risk of employee disengagement, turnover and long-term business failure (PricewaterhouseCoopers, 2023). Conflict resolution management is a critical element in ensuring that family-owned businesses have sustainable family relationships and succeed through multiple generations.

The broader literature on conflict distinguishes between (i) task conflict, which enhances decision quality under specific conditions and (ii) relationship conflict, which generally undermines trust, cohesion and performance (Kellermanns & Eddleston, 2004). However, in family businesses, emotional attachment and shared history often blur the boundary between these conflict types. Disagreements over aspects of the business, such as strategy or operations, can escalate into relational disputes due to the integration of identity and family legacy in the business (Berrone et al, 2012). This, therefore, implies that conflict in businesses can lead to more socioemotional consequences than in non-family businesses. Socioemotional wealth (SEW) theory further explains this dynamic by proposing that family businesses prioritise non-economic goals such as family control, identity perseverance and transgenerational continuity (Viviers & Venter, 2025; Berrone et al, 2012). While these priorities strengthen long-term commitment, they may also be more sensitive to internal disagreements and reduce openness to external perspectives. Authors have found that unresolved conflict in family businesses contributes to weakened governance, impaired strategic decision-making, and reduced overall organisational performance (Abuzaid et al., 2022; De Massis et al., 2018). However, the majority of these studies are situated in European and North American contexts, leaving family businesses in emerging markets underexplored. Given differences in aspects such as governance structures and socio-cultural dynamics, conflict may vary significantly across contexts such as South Africa.

### **2.3 Employee motivation in family-owned businesses:**

A key determinant of productivity, commitment and organisational success is employee motivation (Boryshkevych & Yakubiv, 2023; Mwaba & Qutieshat, 2024). Motivation has been regarded as stemming from both intrinsic and extrinsic factors. Intrinsic factors are aspects such as personal fulfilment and achievement, while extrinsic factors are elements such as remuneration and job security (Xie, 2024). In family-owned businesses, employee motivation is shaped by the unique relational and structural dynamics that affect how employees experience fairness, recognition, and opportunity.

Family and non-family member employees are motivated by differing factors. Family members are often motivated by long-term business continuity and non-economic goals, whereas non-family employees tend to place greater emphasis on economic rewards and career progression (Mura et al., 2021; Wei & Chen, 2023). The differences highlight the integral role that management practices play in addressing the motivational needs of these groups, particularly where conflict amplifies perceptions of unfairness and exclusion.

Although Herzberg's Two-Factor Theory has faced criticism for methodological limitations in its original empirical design, subsequent research continues to support its central proposition that deteriorating hygiene factors lead to reduced job satisfaction and motivation (Nafe & Alizadeh, 2022). In an environment as intense as that of a family business, where interpersonal dynamics are a key component of daily operations, hygiene factors such as communication quality, supervisory relationships and organisational culture may be particularly disruptive. This therefore suggests that conflict within family businesses may exert a disproportionate motivational impact relative to more formalised corporate contexts.

### **2.4 Conflict and employee motivation**

Several studies have found that poorly managed conflict negatively affects employee motivation, productivity, and organisational performance (Irwan, 2024; Alma'Arif et al., 2022). However, the integration of conflict and motivational constructs within the specific context of family-owned businesses remains limited. Much of the existing literature examines these constructs independently, without sufficiently accounting for the hybrid relational and governance structures that define the family business. Furthermore, prior research often assumes relatively formalised HR systems and clear reporting structures, conditions which may not always be present in small and medium-sized businesses (Nyamubarwa & Chipunza, 2021). The absence of formal conflict resolution strategies, combined with strong interpersonal interdependencies, may intensify motivational consequences when disputes arise (PricewaterhouseCoopers, 2023). Despite increasing scholarly attention to family business governance and socioemotional wealth, limited research examines how conflict is perceived by both family and non-family employees, particularly in emerging market contexts.

The fragmentation highlights both a theoretical and empirical gap. There is a clear need to integrate motivational theory with family business governance scholarship to better understand how relational conflict shapes employees' experiences within family business systems. Addressing this gap, the present study investigates how perceived conflict influences employee motivation in South African family-owned businesses, thereby contributing contextually grounded insights to both the family business and organisational behaviour literature.

### **3 METHODS**

#### **3.1 Research approach and design**

To carry out the research study, the following primary research question was posed: How is conflict perceived to influence employee motivation within South African family-owned businesses? The study utilised a qualitative research approach to better understand the perceived influence of conflict on employee motivation in family-owned businesses in South Africa. The study further adopted an interpretivist paradigm, which was suitable for this study as it focused on understanding the subjective nature, experiences and perceptions of the participants rather than seeking generalisable statistical outcomes. A qualitative approach was selected over a quantitative design due to the relationally embedded and emotionally charged nature of conflict within family-owned businesses. In such contexts, conflict is usually intertwined with socioemotional considerations, making it difficult to collect meaningful insights through quantitative survey instruments. While a quantitative design may have identified correlations between conflict and motivation, it would not have adequately uncovered the nuanced interpersonal dynamics and contextual interpretations. Given the limited empirical research on this phenomenon in South Africa, an exploratory qualitative design was deemed most appropriate. Furthermore, a cross-sectional, exploratory design was employed, which allowed the researcher to capture participants' experiences and perspectives at a single point in time. This design enabled the identification of patterns and relational dynamics while remaining responsive to contextual complexities.

#### **3.2 Population and sampling**

The target population of the study comprised family and non-family members working in small- to medium-sized family-owned businesses in South Africa. The accessible population comprised employees from six family-owned businesses, selected for their relevance to the research objectives and willingness to participate in the study. Access to the participating businesses was obtained through direct engagement with the business owners, who acted as organisational gatekeepers. Once organisational consent was granted, employees were invited to participate voluntarily via an information letter outlining the purpose of the study, confidentiality, and assurances regarding ethical procedures. A purposive, non-probability

sampling strategy was employed to select participants who could provide relevant insights into workplace conflict dynamics.

Inclusion criteria:

- Employment within a family-owned business operating in South Africa
- A minimum tenure of one year to ensure sufficient exposure to organisational dynamics

Exclusion criteria:

- Temporary employees
- Employees with less than one year of tenure

The final sample of the study comprised 15 participants across 6 businesses, providing representation from both family and non-family employees. The industries included were printing, plumbing, and manufacturing, allowing for contextual variation across sectors. Basic demographic information, including employment status (family or non-family member), tenure and role within the organisation, was collected to contextualise the participants' perspectives. However, demographic variables such as age, gender, and educational level were not collected, as the study focused on relational positioning within family businesses rather than on demographic determinants.

### **3.3 Data collection**

Data was collected through semi-structured interviews conducted over a three-week period. The interview guide was developed from constructs identified in the literature and explicitly aligned with the study's research objectives. The interview guide was reviewed by the research supervisor to ensure conceptual alignment, clarity, and neutral phrasing. Minor refinements were made prior to data collection to improve the flow of questions and minimise leading prompts. All interviews were conducted by the researcher to ensure consistency in questioning, probing and interaction style. The semi-structured interview format allowed for comparability across participants while providing sufficient flexibility to explore emergent issues in depth. Interview questions focused on:

- Nature and sources of conflict
- Existing conflict management strategies
- The perceived influence of conflict on employee motivation
- Differences in experiences between family and non-family member employees

Interviews were conducted either face-to-face at participants' workplaces or via Microsoft Teams for remote employees. Interviews ranged from 10 to 25 minutes, with an average duration of 22 minutes. Participants were informed of the voluntary nature of the study, assured of confidentiality and anonymity and advised of their right to withdraw at any stage without consequence. Written informed consent was obtained prior to participation. All interviews were audio-recorded with permission and transcribed verbatim. To enhance contextual depth, the researcher took notes during interviews for any non-verbal cues. Transcripts were then cleaned for readability by removing non-meaningful filler expressions. All audio files and transcripts were securely stored and anonymised during transcription.

### **3.4 Data analysis**

The study employed a thematic analysis approach, which allowed the researcher to systematically identify patterns, categories, and overarching themes within the qualitative data collected. A six-phase method for thematic analysis was used to guide the examination of collected data (Braun & Clarke, 2006). Firstly, the audio recordings were transcribed verbatim, which allowed the researcher to familiarise themselves

with the content by reading and re-reading the transcripts. The removal of redundant phrases, filler words, and nonverbal expressions helped improve clarity and focus.

Key ideas and concepts related to aspects of conflict and employee motivation were generated from the initial codes identified directly from participants' statements. The developed codes were grouped into categories that reflected the most common patterns and further refined into key themes. The process undertaken ensured that the analysis remained grouped by participants' experiences, whilst allowing the researcher to identify broader trends and insights. The themes that were identified in the study were (i) the nature and sources of conflict in family-owned businesses, (ii) the impact of conflict on employees and organisational performance, (iii) the role of family relationships in the workplace and (iv) conflict resolution and management strategies.

### 3.5 Trustworthiness and ethical considerations

Qualitative research ensures that rigour and truth are prioritised (Cypress, 2017). Trustworthiness is a crucial aspect of the credibility and reliability of qualitative findings, given their subjective nature (Dodgson, 2019). To address the trustworthiness of the study, credibility, transferability, dependability and confirmability need to be considered. Credibility is the extent to which the findings accurately reflect participants' experiences (Dodgson, 2019). In the study, credibility was established through prolonged engagement with participants, in-depth semi-structured interviews, and accurate transcription of participants' responses. The transferability of a study refers to the extent to which its findings can be applied to different contexts beyond the original study (Haag et al., 2023). The transferability of the study was ensured by providing rich, contextualised descriptions of the participants, businesses and the observed patterns, which allow the researcher to assess the applicability of the findings to other family-owned businesses.

The consistency of the research findings over time indicates the study's dependability (Haag et al., 2023). The study's dependability was ensured by documenting the process, including data collection and analysis, whilst ensuring transparency and replicability. Lastly, confirmability concerns the neutrality of the findings, ensuring that the study's conclusions are derived from the data rather than influenced by the researcher's subjective perceptions (Haag et al., 2023). With reference to the study, confirmability was ensured by maintaining an audit trail of coding decisions and analytical processes, as well as conducting thorough reviews of the researcher's interpretations by the researcher's supervisor, thereby minimising potential bias. The researchers endeavoured to prioritise and protect the participants throughout the research process and ensure integrity at all times. Both business owners and individual participants who took part in the study provided their informed consent and were assured that any responses would be treated with the utmost confidentiality. The participants were further informed that they had the right to withdraw from the study without suffering any consequences. The researcher also ensured that bias was reduced and integrity was maintained by using correctly worded interview questions that did not allow the researcher to influence participant responses, and by ensuring that the findings accurately represented the data collected. Ethical clearance for the study was obtained from the Independent Institute of Education's Emeris ethics committee (CI00100220261) prior to any data collection. The data collected was safely stored, anonymised, and accessible only to the researcher and the supervisor.

## 4 RESULTS AND DISCUSSION

The findings from the collected data are presented and discussed in this section. The study sought to answer the research question: *How is conflict perceived to influence employee motivation in South African family-owned businesses?* The findings reveal that conflict primarily influences employee motivation by destabilising relational structural "hygiene" factors. Conflict was perceived not as an isolated organisational event but

as an embedded relational process which is shaped by family dynamics, authority structures and perceived fairness. Four interrelated themes are discussed below, with each directly addressing the research question and situating the findings within the literature.

Firstly, to contextualise the thematic analysis, an overview of the participants will be provided. Secondly, the findings are presented as four main themes which capture the main patterns observed in the data: (1) nature and sources of conflict in family-owned businesses, (2) impact of conflict on employees and the family-owned business, (3) the role of family member relationships in family-owned businesses and (4) organisational approaches to improve employee motivation.

*Table 1 Profile of participants*

Participant	Role in Business	Years of Service	Employee Status
P1	Head of Customer Success	4	Family
P2	Head of Engineering	3-4	Non-family
P3	Sales	2	Family
P4	Administrator	4	Non-family
P5	Sales Account Manager	6	Family
P6	Sales Representative	2.5	Family
P7	Head of Sales	22	Non-family
P8	Bookkeeper & HR	3	Non-family
P9	Printer	1	Non-family
P10	Internal Sales & Administration	3	Non-family
P11	Sales	1.3	Non-family
P12	Sales	5	Non-family
P13	Sales & Co-owner	11	Family
P14	Sales & Co-director	26	Family
P15	Personal Assistant	4	Family

*(Source: Researcher compilation)*

Table 1 presents the demographic profile of the participants included in the study. Seven of the fifteen participants in the study were family-member employees, whilst eight were non-family-member employees. The participants in the study held a diverse range of organisational roles, including operational, administrative, managerial, and ownership positions. Further to this, the sample also included two participants who had partial ownership in the family-owned businesses, which provided insights into conflict from both employee and leadership perspectives.

Nine of the employees who took part in the study were employed in sales-related roles, indicating that sales functions were a key part of the business's daily operations. The tenure of the participants ranged from one year to twenty-six years. All participants met the minimum criteria, including at least 1 year of employment in the family-owned business. Two of the participants had served in the business for over two decades, which allowed for a longitudinal perspective on conflict dynamics to be determined.

#### 4.1 Theme 1: Nature and sources of conflict in family-owned businesses

Interpersonal tensions, communication breakdowns and structural ambiguity are seen as the main causes of conflict in family-owned businesses. Participants in the study described how blurred boundaries between family and work roles allow personal disagreements to influence an individual's behaviour at work. One family member explained that "If I'm not getting along with my father outside of work, it affects work. And if I'm not getting along with him because of work, it affects outside of work" (Participant 6). This attests to Brown (2022), who argues that informal interpersonal conflict is a defining characteristic of family-owned businesses.

Further to this, interpersonal conflict was commonly attributed to emotionally charged communication types. “My father shouts at the driver or one of our family members if we do not do something correctly or if he is too busy, he takes his anger out on us” (Participant 15). This finding demonstrates that authority and emotion overlap in family-owned businesses, causing tension that affects both family and non-family employees. Organisational conflict is also related to unclear roles and informal structures, where one participant notes that “being a family business, there are no specific titles. So there’s no general manager...” (Participant 7). This reinforces Harris and Ozdemir’s (2020) study, which found that a lack of formalisation contributed to work-related disagreements, as blurred organisational boundaries contribute to conflict within the business.

Participant 2 states that “there can be power struggles in terms of decision-making”, further explaining that family members often believe they deserve authority, whether they have skills or not. This indicates that perceived inequality, power dynamics, and nepotism can contribute to conflict. Sun et al. (2022) and Spahi et al. (2022) assert that when nepotism is present in an organisation, motivation is reduced and conflict is enhanced. Furthermore, Participant 8 notes, “there’s one rule for family members where it doesn’t apply to non-family members.” This indicates that perceived inequality was particularly prevalent among non-family-member employees. This finding relates to a study by Wei and Chen (2023), who state that unfair treatment in a business increases tension and disengagement. Research confirms that nepotism and perceived unfair treatment reduce motivation and increase disengagement (Barnett & Kellermanns, 2006; Wei & Chen, 2023). The present finding shows that this effect is pronounced in South African family-owned businesses, highlighting the importance of structural clarity and equity.

Moreover, communication breakdowns were also seen to contribute towards conflict. The participants identified that miscommunication and non-communication were key triggers. Participant 7 described this as ““when there’s no communication”, while others noted the absence of formal communication strategies. When asked about conflict-management strategies, Participant 11 mentioned: “I don’t think there are any”. PricewaterhouseCoopers (2023) reports that a small number of South African family businesses have structured strategies in place to address conflict. Though where adequate communication channels did exist, conflict was seen to be more manageable, as explained by Participant 1, “The communication lines are there, and they’re open”. This concurs with Zaidi et al. (2024), who report that open dialogue is associated with reduced tension.

#### **4.2 Theme 2: Impact of conflict on employees and the family-owned business**

Conflict was found to have a strong emotional and motivational impact on employees. Participants who took part in the study described feelings of unhappiness, frustration and emotional strain, with one participant noting “It affects employee motivation because if my boss and I have an argument... I really want to leave because I’m not happy anymore” (Participant 15). Mismetti et al. (2025) found that employees often experience conflict as emotionally stressful. Several participants also explained that they felt unheard and demoralised, with Participant 9 explaining this as “It seems like my word is not heard. We’re not on the same level”, whilst Participant 7 expressed this as “a bit disheartening. Imm (2022) and Irwan (2024) found that conflict in an organisation creates emotional responses such as demotivation and disengagement. Furthermore, this aligns with Herzberg’s Two Factor Theory (Herzberg et al., 1959; Herzberg, 2003), which posits that hygiene factors, specifically interpersonal relationships and working conditions, are critical to preventing dissatisfaction. When conflict undermines these factors, motivation declines. Similar findings have been reported in family businesses, where unresolved affective conflict reduces job satisfaction and engagement (Kellermanns & Eddleston, 2007; De Dreu & Weingart, 2003).

Further to this, avoidance was observed to be a common coping mechanism among non-family-member employees. Participant 3 stated, “I don’t really let it get to me. Just stay in my own lane”, while Participant

13 explained that they “don’t acknowledge conflict”. Participants also acknowledged that avoidance temporarily reduces confrontation, but it discourages open communication, with Participant 11 stating that avoidance results in employees “not speaking their minds or not raising their concerns.” This finding concurs with Gavrić (2021), who found that avoidance in a business will lead to unresolved conflict and reduced productivity amongst employees. Furthermore, the majority of participants found that unresolved conflict affects their motivation, with Participant 15 describing that unresolved tension “dampens my drive to work” and Participant 11 stating that it “erodes away motivation.” These findings reinforce Abuzaid et al (2022) conclusion that unresolved conflict threatens both employee well-being and organisational performance. These findings reflect evidence that employees in contexts of perceived injustice withdraw psychologically, limiting communication and participation (Gavrić, 2021; Judge & Colquitt, 2004). These findings therefore demonstrate that conflict not only affects motivation but can also reduce organisational performance by limiting engagement.

### **4.3 Theme 3: Role of family member relationships in conflict dynamics**

According to some participants, family relationships helped resolve conflict through open discussions within close family ties. Participant 10 explains, “It gets resolved because they can all sit together and discuss the conflict.” Gavrić and Braje (2024) support this finding by stating that trust and familiarity enable constructive conflict resolution. On the contrary, participants stated that family relationships can also cause heightened conflict, with Participant 11 noting that family conflict “can escalate ... when something that’s not business-related gets brought into the business.” Further to this, Participant 10 also notes that disputes between family members often persist “because no one wants to back down”. This concurs with a finding by Brown (2022), who highlighted the emotional intensity of family-based conflict. Moreover, non-family employees experience conflict dynamics as exclusionary, with Participant 2 stating that they feel “at a disadvantage” during conflicts involving family members. Harris et al. (2020) explain that blurred boundaries can marginalise non-family-member employees and undermine perceptions of fairness.

### **4.4 Theme 4: Conflict resolution and management practices**

Conflict resolution and management strategies were found to be important components of conflict and employee motivation. Communication was identified as a key strategy in conflict resolution, with Participant 5 stating, “Communication is the key”, while Participant 10 explained the importance of “sharpening your communication.” Furthermore, Participant 13 also emphasised the need for “weekly or monthly meetings just for open communication.” On the contrary, some participants also highlighted scepticism about participation in communication strategies, with Participant 8 noting that “most people won’t say anything,” suggesting that psychological safety remains a concern. PricewaterhouseCoopers (2023) found that formal conflict resolution strategies remain a concern in South African family businesses. Further to this, participants also expressed that recognition, incentives and a positive work environment are important elements to employee motivation. Participant 2 explains, “I get motivated... when I get treated with respect”, while Participant 8 explains that they are strongly motivated by “incentives”. This is in line with Escollada’s (2025) study, which finds that recognition and interpersonal relations are key motivators to employees.

Studies echo these findings, demonstrating that formalised conflict management and open communication are crucial in family businesses to sustain employee motivation and organisational stability (Suess, 2014; Zaidi et al., 2024). In a South African context, this study highlights a gap in formalised structures, suggesting opportunities for practical interventions to improve motivation and reduce the negative consequences of conflict.

In answering the research question, conflict was perceived to influence employee motivation primarily by destabilising relational and structural hygiene factors. Non-family member employees were particularly sensitive to perceived unfairness and used avoidance strategies, while family-member employees experienced emotional strain due to their socioemotional attachment. Family dynamics, both resolved and escalated conflict and communication, as well as recognition, emerged as critical interventions. These findings align with research on family business conflict but offer new insights into the South African context, particularly regarding the impact of informality, cultural norms and socioemotional attachment on employee motivation.

## **CONCLUSIONS**

This study explored the perceived influence of conflict on employee motivation in family-owned businesses in South Africa. The findings indicate that conflict arises from a combination of interpersonal tensions, blurred family-business boundaries, power dynamics, nepotism and communication breakdowns. Family-member employees often experience conflict differently from non-family employees, with varying motivational drivers and coping strategies influencing how tensions are managed. Emotional strain, reduced motivational drivers and negative workplace atmospheres were reported when conflict remained unresolved, highlighting the importance of structured communication and recognition in sustaining employee engagement.

A key contribution of this study is the identification of the dual role of family relationships in conflict dynamics. Strong family ties facilitated open dialogue and conflict resolution, but they could also exacerbate tensions when personal disputes spilt into workplaces. This nuanced understanding adds to the literature by emphasising that family-owned businesses must balance relational closeness with formal organisational structures to mitigate conflict. Furthermore, the study demonstrates that unresolved conflict affects non-family employees' perceptions of fairness and motivation, offering empirical support for previous theoretical assertions about the "dark side" of nepotism and favouritism in family businesses (Anand et al., 2025; Sun et al., 2022).

The findings suggest several mechanisms underlying these outcomes. Firstly, unclear roles and informal structures amplify misunderstandings, consistent with Herzberg's Two Factor Theory, which states that hygiene factors, such as interpersonal relations and working conditions, are negatively affected, leading to dissatisfaction. Secondly, divergent motivational drivers can create tension when these goals are misaligned. Finally, limited formal communication channels exacerbate the emotional and operational consequences of conflict, whereas open, structured communication and recognition systems mitigate these effects, reinforcing the works by Zaidi et al. (2024) and Escollada (2025).

Overall, the study confirms that conflict is a significant determinant of employee motivation in family-owned businesses and has implications for organisational sustainability and employee well-being.

## **LIMITATIONS OF THE RESEARCH**

Despite these insights, the study has limitations. The research focused on a relatively small sample of 15 participants from family-owned businesses, which may limit generalisability to other regions or larger, more complex organisations. The reliance on self-reported interview data may also introduce bias, as participants could have underreported sensitive conflicts or overemphasised positive coping mechanisms. Additionally, a cross-sectional design captures perceptions at a single point in time, limiting insights into how conflict and motivation evolve longitudinally. These limitations should be considered when interpreting the findings.

## PRACTICAL RELEVANCE

The findings of the study are particularly relevant to: (i) owners and managers of family-owned businesses; (ii) family-business consultants and governance advisors; (iii) human resource practitioners working within family businesses, and (iv) scholars in family business studies, organisational behaviour and human resource management. By identifying how conflict affects family and non-family members differently, the study offers practical insights into the importance of structured communication channels, fair governance mechanisms, and clear role delineation in sustaining employee motivation. The findings may assist practitioners in designing conflict-management strategies that balance relational closeness with formal organisational structures.

## DIRECTIONS FOR FUTURE RESEARCH

Future research should consider longitudinal designs to examine how conflict and employee motivation develop and evolve over time within family businesses. Expanding the sample to include further diverse industries, organisational sizes and geographic regions would strengthen comparative insights and enhance the generalisability of the study. Further studies could investigate the effectiveness of formal conflict-resolution policies and governance mechanisms in mitigating motivational decline among both family and non-family member employees. Additionally, research exploring the interaction between culture, leadership style and motivational systems would deepen understanding of how specific managerial practices buffer or amplify the effects of conflict. Such research would contribute to the continued development of family business theory and inform evidence-based managerial interventions.

## RESEARCH ETHICS, INFORMED CONSENT, AND CONFLICT OF INTEREST STATEMENT

Ethical clearance for this study was obtained from the Independent Institute of Education, Emeris ethics committee under approval number CI00100220261. All participants received information about the study's purpose and procedures, the voluntary nature of participation, their right to withdraw at any time without consequences, and the measures taken to ensure confidentiality and anonymity. Written informed consent, including permission to audio-record the interviews, was obtained from all participants before data collection. The authors declare no conflict of interest.

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