Understanding entitlement mentality as a source of conflict in Philippine business families

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ABSTRACT

The topic of entitlement has been subject of a growing number of researches, although these have been limited to the disciplines of psychology and law with sporadic articles in academic and business settings. Discussions on the effect of the entitlement mentality on family businesses are found mostly in non-academic literature. Drawing from the interviews of seven business families, this research explored the link between the concept of fairness and entitlement mentality. It would appear that family members exhibited excessive entitlement when they perceived that there was lack of fairness. There was persistent and escalating conflict when there was no similarity in the way family members defined. Based on the responses of the interviewees, a self-reported instrument was designed to capture a family member’s perceptions of fairness. The similarity or divergence of the results should help family members understand the source of their conflict. They can then work towards convergence.

Keywords: family business, entitlement, conflict, fairness

INTRODUCTION

When entrepreneurs start businesses that turn a profit, there is an implicit expectation that the profits generated would be shared by family members and that the business operations will eventually be turned over to the next generation. This expectation makes family members believe that they are entitled to the business and, inevitably, the family wealth by virtue of their family name, regardless of whether they contributed to the growth of the business or not. If there is more than one family member who shares the view that the family wealth should be distributed, then there is also the expectation that the distribution of family wealth and power that accompanies entitlement will be done so in a fair manner. But what is fair and do family members share the same definition of fairness?

A cursory review of publicized squabbles among family members reveals that the underlying cause of conflict is the inability of family members to agree on what is a fair allocation of the family wealth and business power that they feel they are entitled to. For instance, siblings Grimalda, Aldo, Rodolfo, and Vasco Gucci were battling for what each believed was a fair share of the family business wealth when their father, Guccio Gucci passed away in 1953. The feud passed on to their children that eventually led to the sale of large portion of the business to an outsider (Barmash, 1988). In Canada, brothers Harrison...
and Wallace co-founders of McCain Foods, struggled to ward each other’s children from dominating the family business, when their other brother Robert, who had led the family business, died in 1977 (Gordon & Nicholson, 2008). Wallace eventually lost a legal battle against his brother and started his own food business (Shufelt, 2011). The Ambani brothers of India fought over the control of their father’s Reliance Empire. One brother was resentful of the flamboyant life style of the other (Bundhun, 2014).

In 2015, Bianca Rinehart won her battle against her mother Gina, who had changed the terms of the Hope Margaret Hancock Trust, preventing Bianca from enjoying the trust fund that she was entitled to when she turned 25 (Robb, 2015). The children of Stanley Ho from one wife also sued their father for what they perceived to be their share in the business wealth. It was understood that Stanley’s estate would be equally divided among his 16 children from three wives (Mao, 2011).

In the Philippines, there are many families that have battled it out in public. During the last decade, the noted stories are from the families of Ilusorio and Co. The Ilusorios brought to court, counter suits against each other, wanting a greater share in the wealth left by their deceased father in 2001. One camp accused the other of hastening the death of Ponciano Ilusorio and attempting to change the will (Garcia, 2015). In the case of Green Cross, Gonzalo Co It, eldest of four children, claims that he established the family business with his own resources and thus it was unjust for his siblings to buy him out using the company funds. However, his siblings counter that Gonzalo was only a conduit, and that their father was the actual founder of the business. Consequently, as legitimate heirs, they claim they are entitled to the business wealth (Jimenez-David, 2014).

Gordon and Nicholson (2008) opine that the persistent cause of conflict is the perception that one is cheated of something one deserves. If one pursues the logic, it would mean that if individuals do not feel they are entitled to something, then there is nothing to argue about. Further, if there is perceived fairness in the manner by which entitlements are distributed, there too is no basis for argument. Consequently, this research forwards that entitlement mentality explains persistent, unproductive conflict in family business. Escalating, non-productive conflict hinders the long-term sustainability of the family business.

LITERATURE REVIEW
Conflict surfaces when there are at least two divergent and opposing views. Since divergent views are inevitable, then conflict is to be expected. Dane, Leichtentritt, Metz, and Huddleston-Casas (2000) opine that it is the way that conflicting parties respond to conflict that defines their quality of life. If families are unable to address their conflict, it can lead to not only to emotional consequences, but to financial strains as well. They continue that the conflict tends to intensify the more family members use aggression, withdrawal, and submission as their conflict resolution styles (p. 266).

Identifying the underlying cause of conflict helps families address issues frontally, though not aggressively, rather than in a circuitous manner brought about by withdrawal and submission. When conflict addressed, this allows families to focus on business issues rather than family issues. If it remains unaddressed, the growth of family businesses is stymied, leading to business slow down or closure. Layman (2012) cited unresolved conflict as one reason that can contribute to failed succession. Levinson (1971) echoed this when he described how tense father-son relationships discourage the son from taking over the leadership. Without a successor, business survival is at risk. Finch (2005) agrees that
the failure to reach an accord leads to business mortality. This has serious repercussions especially for stakeholders whose lives depend on the business. When the businesses close down, employees would need to compete with the rest of jobseekers in finding employment, suppliers would need to look for other business partners, and the economy of the community where the business is located may be negatively affected.

There should be no doubt that family business owners desire to do things right. However, what is right however is relative. Thus, family business owners can adopt practices that may be counter-intuitive for others but still feel right for them. For instance, it is typical to treat children equally even when circumstances differ, such as when children belong to different age groups. Some will agree that equality is the right thing to do so to avoid being accused of favoritism; others will argue that it is not right. There will be those who will claim that children should get what they need or what they deserve.

For many families, it is normal for children to enjoy the benefits of family wealth, even if the children do nothing to deserve it. Brown and Jaffe (2011) point that entrepreneurs generate the family wealth while their children are surrounded with wealth. More often than not, the next generation moves around in circles with other wealthy families. Without a notion of where the wealth is coming from, there is a tendency for children of wealth entrepreneurs to take their family wealth for granted. Thus, it leads to a sense of entitlement.

Hughes (2008) reminds that the term “entitlement” used to have a good connotation, subsequently marred when it became associated with the attitude of citizens who expected government to provide for all their needs despite being non-productive. Such attitudes were previously observed in people who grew up in wealth (Piff, 2014). Nowadays, some have gone so far to say that an entire generation is growing up to be entitled and narcissistic (Alexander & Sysko, 2012; Amble, 2005; Karofsky & Karofsky, 2002; Rourke, 2011). Torres (2008) questions this view. He believes that Generation Y are miscast and that their attitude is born out of the socio-economic environment they have been exposed to since birth.

Regardless, when individuals feel cheated, there is a natural tendency to react in a negative manner rather than in a manner, that fosters alliances. Thus family members who feel entitled, but do not get the proportionate wealth and power they feel they deserve, may exhibit dysfunctional behavior. Consequently, family members should dig deeper and explore their interpretation of fairness. In the process, they will discover how entitlement mentality influences their concept of fairness.

**RESEARCH DESIGN**

This research brought together two fields of study – conflict management and family business. It drew from the literature on conflict management that leads to research on fairness. It considered Adam’s equity theory that has given rise to the equity sensitivity theory and justice theory (as cited in Huseman, Hatfield, & Miles, 1987). It is the a priori assumption that perception of fairness is the precursor of entitlement mentality. The research will contextualize this by situating these phenomena in the realm of family business. The research logic is schematically presented in Figure 1.
Recurring Family Business Conflict Themes: ownership continuity or change, executive leadership continuity or change, power and asset distribution, management vision (Davis & Harveston, 2001)

Type of Conflict: task, process, relationship (Kellermanns & Eddleston, 2004)

Issues of Fairness: equality of opportunity, equality of results, equity, anarchy (Feng et al., 2013; Taylor & Norris, 2000)

Entitlement Mentality: deserve more than one puts in, deserve as much as one puts in, deserve less than one puts in, does not deserve since one does not put it (Huseman, Hatfield, & Miles, 1987; Naumann, Minsky, and Sturman, 2002)

Entitlement Manifestations: tolerance, maintain/restore justice, instinctive aggression, reflective aggression (Fisk, 2010; Moeller, Crocker, & Bushman, 2009; Reidy, Zeichner, Foster, & Martinez, 2008)

Figure 1. Schematic Representation of the Research Logic

To operationalize the research logic, the researcher asked the questions listed in Table 1.

As of yet, there is no instrument to measure the sense of entitlement in family businesses. At best, Huseman, Hatfield, and Miles (1987) developed an instrument referred to as the Equity Sensitivity Instrument (ESI) applied to perceptions of employees on job equity. By distributing 10 points between two opposing statements, the five-item instrument determines whether an employee is benevolent or entitled. Using the input-output ratio following Adam’s equity theory, the score of an employee was plotted on a spectrum. Benevolents are employees willing to give more than they receive, as “benevolents” while “entitled” are employees those who wanted to receive more than what they bring in. Clark et al. (2010) modified this into a triadic measure where the 10 points were spread over three statements. On the other hand, Sauley and Bedeian (2000) believe that their 14-item Equity Preference Questionnaire is a better measurement of entitlement of equity sensitivity. Regardless, all instruments thus far have focused on entitlement mentality of employees. This was partly remedied by Campbell et al. (2004) in their Psychological Entitlement Scale that looked at entitlement apart from organizational setting.
### Table 1. Interview Guide Questions

<table>
<thead>
<tr>
<th>Guide Question</th>
<th>Construct</th>
</tr>
</thead>
<tbody>
<tr>
<td>What type of discussions has the family had that led to differences in opinion? What was the outcome?</td>
<td>Prevailing Family Business Theme</td>
</tr>
<tr>
<td>Has there been discussion on a specific issue that keep coming back? Are there issues that the family refuses to discuss? Why do you think this is so?</td>
<td>Type of Conflict</td>
</tr>
<tr>
<td>Do you think family members should be treated fairly? What do you mean by fair?</td>
<td>View on Fairness</td>
</tr>
<tr>
<td>Should family members be treated differently than non-family members? Why or why not? (For instance, should certain positions be reserved for family members) Should some family members be treated differently than others? Why or why not? (For instance, should family members involved in the business be compensated differently than those who do not?)</td>
<td>Type/Degree of Entitlement</td>
</tr>
<tr>
<td>In the conflict situation that you raised earlier, how did you respond? How did the other family members respond?</td>
<td>Entitlement Manifestation</td>
</tr>
</tbody>
</table>

This paper tries to situate entitlement in family business by presenting a self-assessment tool that considers the most common issues raised by business families. However, it is not an instrument meant to be scored since conflict in family business is not so much that family members feel entitled or not. Conflict arises because there is a difference in perceptions. Thus, the self-assessment encourages family members to reflect on their beliefs and perceptions; then, they can discuss similarities and differences among each other. By communicating, they are able to move one step up to finding resolutions that will help save the business and the family.

### RESEARCH METHODOLOGY

The case method was used to study the phenomenon of entitlement. Using an embedded multi-case design, the units of analyses for this research were business families and its family members. The family businesses were at least in its second generation or if not, were transitioning into the second generation.

The snowball technique was used in identifying family business participants that experienced conflicts. After each interview, the respondents were asked to suggest families they knew who experienced visible conflict, whether resolved or not, and who may be open to discuss their experience with a researcher. The focus on families with resolved or unresolved conflict allowed the researcher to assess how the conflict affected family and business outcomes. Excluded from the study were family businesses where family members appeared to have healthy relationships since the focus of the study was on the relationship of unresolved conflict to family business development. Also excluded were families that were not open to be interviewed or to admit they had conflict. Based on prior experience of the researcher, it is difficult to get whole families to speak about conflict to complete strangers. The referral of previous interviewees served as an entry point for the interviews.

The researcher interviewed case participants individually, and as a family whenever circumstances permitted. The opportunity to interview the participants as a
family allowed the observation of family dynamics that strengthened data reliability. A semi-structured approach was used for the interview. For all cases, it was evident that the root of repeated conflict was the inability to receive what family members perceived to be due them. Thus, there was no need to utilize probing techniques to elicit perception of fairness and entitlement.

The objective of this phase of the research was to develop a self-assessment tool to help family members discover possible sources of conflict, whether this results from a sense of entitlement and/or perceptions about what is fair. To accomplish this task, the researcher noted commonalities in the stories of family members on conflict issues. These commonalities became the basis for the 22 statements in the “What is Fair in the Family Business” instrument.

DISCUSSION OF RESULTS

Altogether, the researcher interviewed seven business families composed of about 30 family members. Table 2 shows the profile of the business families. Of the seven cases, four are still operating, two no longer exist in its original form, and one has changed its business to leasing. Despite differences in circumstance, the stories became all too familiar.

The interviews revealed that family members had strong feelings about fairness. The problem was there were different interpretations of fairness. Moreover, in conflicted families, the family members did not share the same interpretation. Fairness could mean that everyone received exactly the same benefits and privileges as everyone else. Fairness could mean that the individual, who deserved it more due to circumstances, would receive more than others would. Fairness could also mean that the individual who needed something more, would get more.

Table 2. Profile of Case Participants

<table>
<thead>
<tr>
<th>Case</th>
<th>Business</th>
<th>Current Generation</th>
<th>No. of family branches</th>
<th>Manila-based?</th>
<th>Ethnic Origin</th>
<th>Business Outcome</th>
<th>Family Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Hospital, college</td>
<td>2nd</td>
<td>6</td>
<td>Yes</td>
<td>Filipino</td>
<td>Ongoing</td>
<td>Strained</td>
</tr>
<tr>
<td>2</td>
<td>Department store</td>
<td>3rd</td>
<td>6</td>
<td>No</td>
<td>Filipino</td>
<td>Reduced to property rental</td>
<td>Vocal dissent</td>
</tr>
<tr>
<td>3</td>
<td>Mall</td>
<td>2nd</td>
<td>6</td>
<td>No</td>
<td>Chinese</td>
<td>Ongoing</td>
<td>Quiet dissent</td>
</tr>
<tr>
<td>4</td>
<td>Jewelry retail</td>
<td>2nd</td>
<td>5</td>
<td>Yes</td>
<td>Filipino</td>
<td>Ongoing</td>
<td>Polite</td>
</tr>
<tr>
<td>5</td>
<td>Restaurant</td>
<td>3rd</td>
<td>12</td>
<td>Yes</td>
<td>Filipino</td>
<td>Disbanded</td>
<td>Antagonistic</td>
</tr>
<tr>
<td>6</td>
<td>Real estate</td>
<td>2nd</td>
<td>5</td>
<td>Yes</td>
<td>Filipino</td>
<td>Disbanded</td>
<td>Antagonistic</td>
</tr>
<tr>
<td>7</td>
<td>Leather retail</td>
<td>1st</td>
<td>4</td>
<td>Yes</td>
<td>Filipino</td>
<td>Ongoing</td>
<td>Tentative</td>
</tr>
</tbody>
</table>


There was also the matter of timing. If fairness meant equality, did a family look at being given equal opportunities at the start or did it mean being given equal opportunities at the present time? According to Ooghe, Schokkaert, and Van de Gaer (2007), equality of opportunity means that everyone is given the same benefits and privileges at the start (for instance, comparative education and travel opportunities) and it is up to the individual to make the most of it. On the other hand, opportunity of results means that, at the present time, everyone should have the same benefits and privileges. In family business, this can mean similar compensation even if one started working in the
business longer or one has a higher position. These differences in perception were highlighted during the interviews. It explained why in some instances, family members felt cheated.

At the surface, family members argued about fairness. When entitlement mentality entered the picture, rational interpretations of fairness were ignored. Instead, highly entitled individuals were satisfied, only if they received equal or more than others even if others legitimately earned the right to receive something more than them. This is where the interviews became quite interesting. In all seven cases, there was at least one family member who felt more entitled than the rest or others perceived that at least one family member was getting more than what he or she truly deserved. The latter statement implies that sometimes a family member does not know or acknowledge that he or she is treated specially.

The interviews also revealed that business families did not differentiate family wealth from business wealth. After all, the business was established for the family. Consequently, if family wealth was distributed equally, then business wealth should also be distributed equally. This became a bone of contention in some cases. Family members who held responsible positions in the family business believed, and perhaps rightfully so, that they deserved to get more from the business than others do. Yet, family members who did not even work in the business or who had no expertise or interest in the business, expected that they should be given the same rights and privileges by virtue of their family name. The conflict can be resolved if family wealth is treated differently from business wealth. If done so, this will allow business owners to give some family members comparable assets and remove them from the business.

Finally, a common thread among the cases was a dominant parent, usually a strong matriarch, who was able to control the behavior of siblings even if there were perceptions of unfair practices. However, when the dominant parent passed away, the suppressed feelings of unfairness erupted. It is at this time when varying interpretations of fairness surfaced. There was always one party who insisted on maintaining the status quo because that is how the dominant parent would have wanted it; and there was at least one opposing party who insisted that fairness as defined by the parent (usually equality) was inappropriate given changing circumstances.

**INSTRUMENT DESIGN**

From these findings, an instrument was developed to capture a family member’s perceptions of fairness (see Appendix). As mentioned, the instrument is not meant to be scored. Rather, it is meant to help family members recognize the similarities or differences of their interpretation of fairness. In most instances, there would be differences and this could explain the source of conflict. If indeed, the source of conflict lies in the differences, then family members can work towards more convergence. Communication is the starting point.

**Expectations from the business**

The decisions regarding the granting of positions, compensation, benefits and allocation of wealth were questioned in family businesses with conflict. When the founders were alive, family members did not openly contest the circumstance of their employment. However, when the next generation family members took over the business, there was a tendency for some members to challenge the wisdom of the founders. This
usually started from family members who felt they were entitled to more, since they put in more hours in the business than their siblings have. Since changes on how positions and compensation is determined can be unsettling, there will be family members who will resist discussions and prefer the status quo. In the cases where there were no changes, those who felt entitled grew resentful while those who supported the status quo also felt hurt and disappointed. In the cases where there were discussions, these became heated as family members contested the basis for entitlement.

In a classic example, a Cruz sibling (case 3) questioned why the company was financing the education of all his nieces and nephews. To him, this meant his siblings were receiving more than he was since he did not benefit from the privilege, having no children. His sibling countered that he is actually enjoying more from his monthly salary since all siblings receive the same amount even if they have more children to feed. He retorted that compensation should be tied to the position and that family circumstance should not determine how much an individual receives. Thus, the education benefit that his nieces and nephews enjoyed should not be taken from company funds. The conversation then becomes emotional with one party asserting the intentions of the deceased founder that the business is for the family.

From the typical conversation, it appears that family members may have differing views about how they should be compensated. There are those who will believe that family members in the same generation should receive the same amount regardless of their contribution, while others may assert that compensation is dependent on position title. Still there are others who will argue that compensation is gender-specific since males are the heads of the family while females have spouses who should take care of the financial needs of the family. Then there are those who will trust in the wisdom of the parent (Q1 in instrument, see Appendix).

The above scenario presumes that all family members are involved in the family business. There are circumstances however where only some family members are active participants and thus expect more from the business than their siblings who are not involved in business operations. A third-generation family member belonging to the Reyes clan (case 2) could not understand why her father would not give her any salary even if she worked in the business. Her father reasoned that anyway, she partly owned the business. Yet at the end of the year, all of the children received the same amount of year-end bonus. Thus, she concluded that she did not need to work hard since her siblings enjoyed the same benefits as her even if they did not work in the family business.

From this conversation, it became evident that family members may have realistic or unrealistic expectations of what they believe the business “owes” them. Question 2 in the instrument probes into this expectation. There will be those who expect a position with monthly salary, personal and monthly allowances, benefits that extend to their family branch as well as shares of stock usually received when the older generation passes away. There will be others who will expect much less. This however, may be dependent on what the others receive. After all, a family member within the same generation should reasonably expect that they have entitlements similar to their siblings.

The literature has shown that what an individual expects to receive is relative to what others receive. If this were the case, then family wealth should be distributed equally at all times (Q3). However, there will those who will contend that some siblings deserve more due to personal circumstances or because they have contributed more than others did. Thus, justice would dictate that they receive more.
Then and Now

The interviews revealed that the feeling of injustice is not one that somebody suddenly wakes up to. It is one, which gnaws into the core until there is a trigger that causes it to emerge. The Hizons (case 5) were very envious of a middle sibling who appeared to be the favorite of their mother. Even as a young lad, he would accompany their mother to the restaurant and he thus learned the business thoroughly. His siblings had their respective responsibilities and some probably spent longer hours in the restaurant than he did. Yet, his mother treated him specially. He realized the extent of the resentment towards him when their mother passed away.

Question 4 to 7 probe into a family member’s perception of whether he or she received a fair share of the family business wealth as well as his or her reaction to it. The set of questions provide insights on whether feelings of entitlement and resentment were rooted in past or present events. It also provides insight on how a family member views a sibling’s level of contentment or discontentment. When matched with the results of another sibling, it should provide more information on a possible “problem” family member.

Questions 8 and 9 present the perception of family member’s on the family relations before there was conflict and at the present time. It alerts family members to the perceived changes of how family members relate with each other in and out of the family business.

Roots of entitlement attitude

Research shows that entitlement is a learned behavior. This means that if parents raise their children to enjoy the family wealth without a fair exchange of input, then children will grow up believing the world owes them. The Lim’s (case 6) who previously managed a real estate development business as a family were provided shares of stock in the firm and given positions even when they did not know how to manage the business. The matriarch insisted that each sibling have an equal share of the business that she funded. However, only one family member, the only female who raised the idea of the business, possessed the entrepreneurial spirit. The business grew under her stewardship and her siblings lived luxurious lives because of it. When the economic environment collapsed and business profits suffered, the siblings continued to draw from business, expecting to maintain their lifestyles. It did not take long for the business to declare bankruptcy. The story does not stop there.

The only female started her own real estate development business from scratch funded by proceeds of the inheritance of her husband. Her siblings resented her for not investing the funds in the floundering family business. Without any source of income, her siblings decided to sabotage her operations by destroying her credibility as a property developer.

The case of the Lim family shows that the matriarch encouraged her children to be dependent on her and the family business. Questions 10 through 15 are meant to draw out how family members were raised. It will give indications of whether parents were enablers of entitlement behavior or not and whether this was consistent among the children. For instance in Q12, a parent may over parent by making decisions for children and being always present to solve problems. This encourages dependency behavior that feed into feelings of entitlement.
Paying forward

Sometimes, it is easy to claim one thing, then do another. For instance, there are family members who may insist that merit should be the basis of wealth distribution. This means that a person who contributes more to the business must receive more. Yet when they have their own families, there is a tendency to share resources equally.

The eldest Abad sibling (case 1) was responsible for the establishment of hospitals in and outside Manila. While he solely owns operates three hospitals and a nursing school in the province, he insists that he is entitled to a share in the profits of the family business where he sits as chairman. The president of the hospital and college is the youngest, who has for a very long time, been receiving the same compensation as his five siblings. It was under his leadership that the family businesses began to make respectable profits. Understandably, he feels he deserves more. Meanwhile, he raises his four children to expect that each of them will receive the same benefits and privileges, and no one receiving more.

Questions 16 and 17 ask family members how they intend to behave if wealth is to be distributed among their children. The questions temporarily change the state of mind of the family member from being a recipient of benefits to being a donor.

Laying it out

The Garcias (case 4) and Perezes (case 7) have family businesses where some family members are not involved. The eldest Garcia sibling wonders why her sister has to live in the ancestral home even if she is the current president of their business. She is actually more upset is her brother-in-law who has not shown that he can independently support his family since he is relying on his wife’s wealth. She would like the house sold and the proceeds divided equally among the five siblings. Then, her sister can choose to do what she wants with her share of the proceeds. For the Perezes, the natural-born siblings question their parents’ decision to treat all siblings equally, including the adopted sibling who was then too young to work in the family business. The elder Perez siblings are married and have different number of children. The third sibling who is actively involved in the business believes that he deserves a little more since he has three children. The eldest, who is being groomed to take over but who shows little interest, does not agree since this means he would be getting less because he is unmarried.

Questions 18 to 22 are questions where family members indicate the degree to which they agree or disagree with the statements. Sometimes, what an individual perceives is different from what an individual believes. The five statements are concrete examples of how fairness is applied. Rather than ask conceptual questions about how they view fairness, the statements draw this out. Like the questions before, the answers of family members should be compared against each other. The disparities, if any, can then be discussed.

CONCLUSION AND FUTURE RESEARCH

Conflict is inevitable in family business. There is nothing wrong with it. The problem is when conflict is persistent and escalates to a point that business operations are adversely affected. As evidenced by the cases, unresolved conflict destroys businesses and upsets family harmony.
Interviews with family members revealed that conflict arose due to feelings of entitlement and the differing perceptions of fairness. Some family members felt they deserved rights, benefits, and privileges because these were legitimately earned. Other members felt they deserved the same because they carried the family name. When these family members held the belief in the extreme, they tended to exhibit dysfunctional behavior.

In many instances, family members do not realize the source of their conflict. The “What is Fair in the Family Business” instrument helps family members understand their own perceptions and that of other family members. By openly comparing the results of the self-administered instrument, family members may appreciate the source of their conflict. This appreciation and understanding will help them in finding the appropriate resolution to their conflict. With open, honest, and constant communications, families may eventually learn to live harmoniously with one another. Ideally, the family business will benefit in the process.

For business families that are not yet conflicted, it helps that family members also gain that awareness of how each views fairness and entitlement. In this way, they are able to address early on, potential sources of conflict. If indeed parents enable the entitlement mentality, then early realization may help them correct dysfunctional practices. Not all families need to go through unwanted experience of family disharmony.

The study of the effect of entitlement mentality in the family business is important to understand because it can result in escalating conflict that in turn affects business longevity. This paper looked only at developing an instrument to help family members understand perceptions of fairness and entitlement. It did so by interviewing business families who have suffered from unresolved conflict. It may benefit if researchers can explore the usefulness of the instrument and to add other facets of conflict, fairness, and entitlement that may have been missed out. After all, the instrument took into account the experiences of only seven business families. Moreover, it would be interesting to see how other cultures respond to the same issues.

Finally, this paper contributes to the body of literature by bridging the social sciences with management and merges theories on conflict management with family business. While the area of entitlement has been subject of a growing number of researches, these are limited to the disciplines of psychology and law with sporadic articles in academic and business settings. Discussions on the effect of the entitlement mentality on family businesses are found mostly in non-academic literature. This research took a more structure approach to establish a linkage between entitlement mentality and unproductive family business conflict. It brought in a new perspective that offers a practical insight that would hopefully spur further research on its effect on family business longevity.

ACKNOWLEDGMENT
This output is one paper generated from the research on entitlement mentality that was wholly funded by the DLSU-Angelo King Institute as part of the Entrepreneurship and Family Business program. The original and complete work entitled “Entitlement Mentality: Undertones in Unproductive Conflict in Family Businesses” is expected to be published in Angelo King Institute Selected Essays on Entrepreneurship and Trade, Volume II. Both the table and the appendix are part of the original work.
REFERENCES


APPENDIX
What is Fair in Family Business?

1. Family members who work in the family business should be compensated as follows:
   a. Equally among the members of the same generation
   b. Depending on position, the higher the position the higher the compensation
   c. Males should be given higher salaries than females
   d. Depends on the parent

2. Since we have a family business, I expect to be given
   a. A position with salary, personal benefits and monthly allowances, benefits that extend to my family, shares of stock
   b. A position with salary, personal benefits and monthly allowances, benefits that extend to my family
   c. A position with salary, personal benefits and monthly allowances, shares of stock
   d. Personal benefits and monthly allowances, benefits that extend to my family, shares of stock

3. Family wealth should be distributed as follows:
   a. Equally for all siblings
   b. Equitably depending on the need of each sibling
   c. Proportionately depending on the contribution of each sibling to the family
   d. Depending on how the parent likes

4. So far I believe that
   a. I have gotten a fair share of the family business wealth
   b. I may have received a little more than the rest and I have no complaints
   c. I may have received a little less than the rest and I have no complaints
   d. I have not gotten my fair share and I feel cheated

5. If there is injustice, I will
   a. accept it as the will of the elders
   b. complain about it
   c. fight for it but will stop if it will mean destroying family harmony
   d. fight for it even if it means destroying family harmony

6. In the present situation, I feel
   a. My siblings and I are content with how the family business wealth has been distributed
   b. My siblings are not content with the distribution and are resentful
   c. I am not content with the distribution and I am resentful
   d. My siblings and I are not content with how the family business wealth has been distributed and we are all resentful

7. In the present situation, I feel
   a. There is no struggle to change how family business wealth is shared
   b. There is a silent struggle to equalize perceived inequities in wealth distribution
   c. There is a vocal struggle to equalize
   d. It is a hopeless case
8. Currently,
   a. The family is as close as when my parents were around
   b. The family is close but not as close
   c. There are family factions
   d. The family has drifted apart
9. I can describe family meetings as
   a. Relaxed and fun
   b. Cautious and uncomfortable
   c. Very tense and controlled
   d. Adversarial
10. When we were growing up, my parents emphasized that
    a. All of us had to work in the family business, regardless of qualification
    b. Anyone of us could work for the family business
    c. We had to be qualified to work in the family business
    d. Only selected family members could work in the family business
11. I grew up in an environment where
    a. My parents were like friends
    b. My parents more lenient but strict
    c. More strict but lenient
    d. My parents were very strict and controlling
12. While growing up, if I was in trouble my parents would normally
    a. Solve the problem for me
    b. Help me solve the problem
    c. Listen to me and allows me to solve it on my own
    d. Leave me alone
13. When my siblings and I were growing up,
    a. Each of us received the same allowance
    b. Each of us received allowances depending on our age
    c. Each of us had to do family chores to earn our allowance
    d. We received no allowance
14. When I was growing up, my parents would
    a. Applaud me for a task because I was good at it
    b. Applaud me for a task even if I was not good at it
    c. Not applaud me even if I was good at it
    d. Not applaud me because I was bad at it
15. I believe
    a. I was the favorite child
    b. I was one of the favorite children
    c. My sibling was the favorite child
    d. I was the black sheep
16. I want my children to
    a. Work in the family business
    b. Work elsewhere and then the family business
    c. Work in my business
    d. Do what they want
17. When I am at the point that I have to distribute my wealth, I will do so
   a. Equally
   b. Equitably
   c. Proportionally
   d. Whatever way I want

How strongly do you agree or disagree with the following statements?
5 – very strongly agree, 1- very strongly disagree

18. A sibling who works in the family business should get more than a sibling who
does not work in the business.
19. A sibling who is the President/General Manager of the family business should
receive a higher salary than a sibling holding a different position.
20. A sibling who is mentally or physically incapacitated should be given the same
amount as a sibling who is not incapacitated.
21. A sibling who takes care of a parent should get more than a sibling who does not
take care of a parent.
22. A sibling with more children should get more than a sibling who is single or has no
children.