The Family Business Assessment Tool®

....thoroughly researched for validity and statistical reliability

Thank you for your interest in our research concerning The Family Business Assessment Tool®. The Tool was developed to help families-in-business identify the challenges they face. After stakeholders complete a questionnaire dealing with the diverse aspects of the relationships among the individual, family, management and ownership, a comprehensive report is developed based on the diverse perspectives of the participants. The report provides both graphic analysis of the key issues facing the family and written recommendations tailored to the specific dynamics identified through the assessment. The Family Business Assessment Tool® is the only assessment process that has been independently researched, and the only one that provides thorough written analysis and recommendations for each of the key factors covered in the report.

The Family Business Assessment Tool® is available for use with families who own a business. If you are interested in using the tool to quickly discover the underlying issues facing a family business, please contact us at Dean Fowler Associates, Inc.

Dean Fowler Associates, Inc.
17100 W. North Ave. #202
Brookfield, WI 53005
dean@deanfowler.com
www.deanfowler.com
262-789-7367

Love, Power, and Money:

Implications of international research with
family businesses for collaborative consulting

Family Firm Institute Conference
October 21, 1999

Dean R. Fowler, Ph.D. [1]
Dean Fowler Associates, Inc.

James A. Bashford, Jr., Ph.D.[2]
University of Wisconsin, Milwaukee

ABSTRACT: Using principal components analysis and Cronbach Alpha analysis, our research determined eleven key factors which emerged from participants' responses to questions in The Family Business Assessment Tool®. Based on the questionnaire responses by 504 participants from 78 different family businesses, eleven primary factors where determined. In particular, the research results indicate that family culture and business practices are interrelated and that management succession dynamics provide an excellent focal point for integrating these two primary factors.

Introduction

In the growing family business literature, a distinction is often made between the emotional system and the business system within a family owned business. Rather than seeing these as two distinct systems, The Family Business Assessment Tool® was developed to uncover the interdependent and holistic interaction between the family and the business. In place of the term "family business", we prefer the term "families-in-business" to highlight how family issues are so integrally woven into the fabric of the family's business. The Family Business Assessment Tool® determines how these family dynamics interrelate with the primary issues facing families-in-business during times of transition, thereby uncovering the key factors that the family must address to preserve their ongoing legacy.

Based on over 17 years experience and consultations with over 170 family businesses, Dean Fowler developed a conceptual model for understanding the various challenges facing families in business. These challenges emerge from the interplay of four sets of distinct needs which must be addressed in a family business: individual, family, business, and ownership needs.

Other approaches to understanding families-in-business often recognize three distinct, but overlapping features - family, business, and ownership (Gersick, et. al., 1977) The feature differentiating our model from such approaches concerns the emphasis we place on individuals and the adult individuation process. Many authors refer to the family systems literature based on research or therapy with families which include minor children. Families-in-business, however, are shaped by the dynamics that emerge within an adult family, where multiple generations owning a business are all over age twenty-one. The issues surrounding the individual needs of these adults and the individuation process of becoming adult are critical in the life of a family business. In addition, our approach emphasizes the interaction between these four areas of diverse concern, rather than the distinction between the family system and the business system.

Through our consulting experience with families-in-business we identified a series of key success factors, which, in our judgement, must be addressed by all families owning businesses. The questions which explore these key success factors deal with the interrelationships among the four interwoven aspects of a family business. To measure a family's progress on each of these key success factors, we developed The Family Business Assessment Tool®.

As part of the consulting process with a family business client, The Family Business Assessment Tool® procedure involves four major steps. First, family members as well as non-family managers and advisors complete a questionnaire used to solicit input spanning a wide range of topics related to the key success factors. Second, a proprietary software program, which emulates our theoretical model, processes the responses on the questionnaire. Third, a report is generated which evaluates the responses and provides specific written recommendations to the family concerning the factors which the family needs to address. And finally, individual interviews are conducted that focus attention on the underlying issues that have been identified by all the respondents.

Research Studies

Very few research projects have studied intergenerational succession using data from both the senior and successor generations' perspectives. Most research has been based on survey data in which only one representative from the business, usually the CEO/owner, completes the questionnaire. Furthermore, very few studies have used principal components analysis to identify critical issues in family-owned businesses.

Max Wortman, Jr. (1994) provides a comprehensive review of research dealing with family business in general. An excellent summary of research dealing specifically with the succession process had been written by Wendy Handler (1994).

One of the earliest studies of succession that included the perspective of successors (Birley, 1986) gave a multiple choice questionnaire to students who came from family-owned businesses. One of the primary reasons these students sought family business employment was their sense of responsibility to the family, which was self-imposed rather than being imposed by their parents.

John Davis's dissertation (1982) on father-son relationships, while unpublished, is the basis for an article where his dissertation research conclusions have been summarized (Davis and Tagiuri, 1989). The research indicates a deterioration of father-son relationships during the period when the son’s age is between 34 and 40 years. His findings are reinforced through our research. Wendy Handler's dissertation (1989) also studied the succession process and the emotional dynamics which it entails. Based on her interviews with next generation successors, she developed a descriptive framework which takes into account both individual choices as well as family relationship influences having an impact on the quality of the succession experience (Handler, 1994). Her findings are similar to feedback we have received utilizing the Family Business Assessment Tool® indicating that mutual respect and positive sibling and family relationships contribute to the quality of the succession experience as well as to the fulfillment of the individual needs in career satisfaction.

Several years ago, a study was carried out which used Olson’s Circumplex Model of family dynamics (1988) in combination with issues concerning the relationship between the owner and the successor in a family owned business. The study dealt with topics of commitments, succession planning and successor training. One important conclusion of this research was that “family cohesion and adaptability do not directly effect the dependent variable succession planning and successor training.” (Lansberg and Astrachan, 1994, p. 55). Our research, on the other hand, indicates a fairly strong intercorrelation among family culture and the clear definition of business roles and structure and the corresponding management succession process.

Prince and File (1996) have recently surveyed 800 successors in failed family businesses. Their work will be presented in a forthcoming book. From the perspective of these successors, several issues were identified that led to the failure of the business to continue within the ownership of the family and included conflict among family members employed in the business as well as those not involved in the business. Financial issues, such as inadequate estate planning, however, were seen by the respondents as the most significant factors contributing to the failure of the family business.

Independent research carried out by Ernesto Poza (1997) with members of the family business program at Case Western Reserve University is perhaps most similar to the research which we have completed using The Family Business Assessment Tool®. Poza collected research data from 26 businesses representing 229 executives and family members. Two separate questionnaires were used. One questionnaire concerned the business and was answered by both family and non-family respondents. The other concerned the family and was only answered by family members. Our questionnaire, however, includes questions both about the family and the business and is answered by all participants. Several key findings are described by Poza, including the positive perceptions of the CEO when compared with other respondents, the impact of age on the response characteristics, and the positive interrelationships between family culture and business planning and management practices. Our research results support similar conclusions.

Barbara Dunn (1999) interviewed family members from five different family businesses as the foundation for her doctoral dissertation. Dunn focussed on seven task relationship themes that evoked responses and patterns of emotional functioning, and these included: health and/or death in the family, retirement, conflict, the dreams of the successor and the predecessor, ownership and estate planning, board and governance issues. Throughout Dunn draws strongly on Bowen family theory and also on life cycle stage development as seen in Levinson and in John Davis. Her research "... reinforce[s] the linkages between family and business at times of change in their family life cycles." (p. 51) In particular, she concludes that successful transitions are contingent on three key factors: first, the congruence of life cycles; second, having effective individual and family strategies for managing anxiety, and finally, the functional effect of the recruitment of outsiders on the maintenance of their clients' family functioning.

The September 1999 issue of Family Business Review (FBR 12,3) presents a collection of articles based on the 1997 National Family Business Survey. The research project was in part sponsored by the U.S. Department of Agriculture. Using a nationally representative sample of U.S. family businesses, interviews were carried out with 708 participants. The research was grounded in a holistic approach to understanding families-in-business which allowed for the overlap of family and business, rather than seeing them as a single or two separate, and distinct systems. The various conclusions covered in the collection of articles are too numerous to discuss in this review of research. However, the most significant aspect of the various studies is the household perspective taken, rather than seeing the issues through the lens of the business.

Methodology

The Family Business Assessment Questionnaire was distributed to 78 different family businesses. The same questionnaire was answered by both family and non-family respondents independent of their employment status in the business. The focus of the questions concerns the family and its interrelationship with the business. In addition to the demographic information, The Family Business Assessment Tool® uses a 83-item questionnaire. The participants included in this research project represent family businesses from the United States, England, Scotland, Ireland, and Australia. The businesses ranged in size from 3 million dollars a year in sales through slightly over 1 billion dollars in sales. Each family business represented in the study had at least two generations of the family actively employed in the business.

Most of these businesses were clients who used the Assessment Tool® as part of a consulting project. Others were members of university based family business centers and completed the questionnaire as part of a seminar program conducted by Dean Fowler.

The questionnaire was completed by 563 respondents. While all the participants returned the questionnaire, many individual questions were left blank. The large majority of these unanswered questions dealt with technical issues involving estate planning, and retirement issues, as well as general strategic business planning topics. Inactive spouses, non-family employees, and advisors tended to be the participants who left some questions unanswered. We assume these participants lacked the necessary knowledge to answer these technically oriented questions. In order to carry out our research project, therefore, we restricted the analysis to those questions on individual questionnaires having no more than five missing data points. Under this criterion 504 respondents were included in the research.

Demographic information was collected on each participant and was used to complete MANOVA analysis relative to the various factors. (See Table #4 in the Appendix)

CONTINUED ON NEXT PAGE

Table #1 Demographic Details of the 504 Participants

Gender	Employment	Family Relationship
329 Male 175 Female	55 CEO 214 Active Family 93 Inactive Family 121 Non-Family 21 Advisor	161 Senior 149 Successor 77 In-Law

Stock Ownership	Ages
74 Primary Shareholder 145 Minority Shareholder 156 Non-Shareholder 129 No Answer	4 < 19 68 20 - 29 178 30 - 39 120 40 - 49 109 50 - 65 31 65+

Once the usable data sets were defined, we then carried out statistical analyses to evaluate the data using principal components analysis followed by Cronbach Alpha analysis of item reliability. After the first analysis which yielded 19 factors, we dropped items with significant cross-loadings from further study. We also dropped factors which represented only a single item from the questionnaire. We used an oblique solution to complete our principal components analysis. The analysis derived a smaller set of component variables (the principal components) that are linear combinations of the original question items. Second, we carried out a Cronbach Alpha analysis to estimate the internal consistency of responses to sets of questionnaire items that loaded on common factors, which yielded twelve factors. We then dropped one of these factors from further analysis because its Cronbach Alpha of .436 was rather low. Our final analysis of the data involved a comparison of the intercorrelations among the final eleven principal components.

Principal Components Analysis

In this paper, we will discuss and report on many of these eleven factors. In Table #2, we have listed the eleven factors with the topic names and ordered them according to the theoretical model underpinning The Family Business Assessment Tool®. We have also indicated the corresponding Cronbach Alpha coefficients for each of the factors. The Cronbach Alphas were greater than .700 for five out of the factors, and greater than .624 for ten out of the eleven factors, indicating high reliability of the factors. The five factors with reliability Alphas higher than .700 fall into four distinct dimensions of our Model with the exception of the “Family Employment” dimension. Even this dimension has three factors with relatively high reliability.

Table #2 Key Factor Topics

Fowler Model	Factor	Topic	Cronbach Alpha
Family Dynamics			
	3	Family Culture	.935
	7	Career Satisfaction	.651
	11	Family Relationships	.625
Family Employment			
	6	Successor Development	.592
	9	Successor Competency	.628
	10	Compensation Standards	.689
Business Planning			
	1	Business Structure	.885
	4	Non-family Management	.782
Succession Planning			
	5	Management Succession	.852
	8	Financial Planning for Retirement	.693
Estate Planning			
	2	Tax Planning Strategies	.880

By using an oblique solution in our principal component analysis we were also able to examine potential correlations among the factors. Three of the factors with the highest reliability have relatively strong intercorrelations with one another as shown in Table #3. In these cases approximately 42% to 44% of the variance was shared in common by the factors with the remaining variance being independent. The other factors are more independent of one another and do not share significant variance in common. The interrelationship among three factors [namely, business structure (Factor 1), communications dynamics (Factor 3), and management succession (Factor 5)] support a multi disciplinary approach to dealing with the issues facing families-in-business.

Table #3 <u>Primary Intercorrelations</u>

	Factors										
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**
1	1.000	.316	.665	.379	.611	.262	.315	.194	.303	.407	.242
2	.316	1.000	.302	.235	.387	.139	.214	.299	.156	.319	.116
3	.665	.302	1.000	.538	.563	.386	.378	.232	.375	.475	.239
4	.379	.235	.538	1.000	.360	.225	.224	.148	.207	.302	.162
5	.611	.387	.563	.360	1.000	.225	.270	.200	.261	.270	.225
6	.262	.139	.386	.225	.225	1.000	.157	.092	.156	.191	.122
7	.315	.214	.378	.224	.270	.157	1.000	.127	.222	.229	.137
8	.194	.299	.232	.148	.200	.092	.127	1.000	.109	.154	.089
9	.303	.156	.375	.207	.261	.156	.222	.109	1.000	.194	.125
10	.407	.319	.475	.302	.270	.191	.229	.154	.194	1.000	.082
11	.242	.116	.239	.162	.225	.122	.137	.089	.125	.082	1.000

Finally, we completed our analysis of the data using multivariate analysis of variance (MANOVA) in order to study how different demographic sub-groups rated the various factors. In some cases, we found significant differences among the various groups as they answered questionnaire items forming the eleven factors (see Table #4 in the Appendix). These will be discussed below in our findings and discussion.

Implications for Consulting with Families-in-business
Findings and Discussion

Finding One: *Families-in-business must focus on the management succession process (Factor 5) and not simply on the estate and tax planning process (Factor 2).*

The Family Business Assessment Tool® uses a 1-7 Likert scale to measure the performance level of each item where 1 is the poorest performance, and 7 is the best performance. The 3.62 mean score for Factor 5 (management succession) was considerably lower that the mean ratings on the other ten factors, where the average of the mean scores was more than one full point higher (4.82). In addition, Factor 8 (the financial aspects of retirement planning) was rated as the second lowest scoring factor with a mean score of 4.55. While many senior generation primary shareholders have implemented estate plans to transfer ownership of the corporation to their children, they have not paid adequate attention to developing a method for the transfer of the management of the corporation.

This problem is compounded by the significant difference between the senior generation's assessment of the management succession plan and that of the successor generation. In fact, the MANOVA calculations indicate that the senior generation gives significantly higher ($p < .01$) performance ratings to this factor than the successor generation. This finding is consistent with the research completed by John Davis (1989) which indicated that age played a key role in father-son differences during the succession process. Poza (1997) in discussing Davis's findings suggests that the age factor may be broader than just a father-son dynamic. Poza suggests that a general tendency based on age, independent of family relationship, plays a role in the assessment of business processes (p. 145). Our research findings indicate that while age is critical for many factors, it is the family dynamic between the senior and successor generation, and not merely age, which is significant in the area of management succession. Age differences do not play a statistically significant role with this factor.

As mentioned previously (see Table 3), management succession (Factor 5) is correlated with business structure (Factor 1) and family culture (Factor 3). However, management succession is significantly independent (approximately 90%) of estate planning (Factor 2). Estate planning, on the one hand, primarily concerns the financial issues of ownership relative to the federal estate tax code, and not to the ongoing successful management of the business. Management succession, on the other hand, is a function of the interaction between the family dynamics and the organizational structure of the business.

Consultants to families-in-business, therefore, should focus attention on the interplay between family dynamics and the strategic organization of the business to develop a smooth management succession process. In my judgement, too much of the energy of family business consulting focuses on estate planning strategies. Instead, consultants need to address the whole system of the family and the business and not just the federal estate tax code.

Finding Two: *Clear criteria must be established to evaluate the development of successors (Factor 6) for future roles in the business, because the performance evaluation varies significantly among different demographic groups.*

To achieve family business continuity, the successor generation must be prepared for future leadership roles within the company. The evaluation of the successor's development of personal authority and responsibility for leadership as well as the successor's competency and business knowledge, however, varies based on the perspective of diverse groups within the family business.

Women respondents to The Family Business Assessment Tool® questionnaire give statistically significant ($p < .002$) higher ratings (mean of 5.71) in their evaluation of the development of successors (Factor 6) than any other group. In fact, non-employed family members give lower scores ($p. < .0001$) for Factor 6 than either the family or non-family employees of the business. In addition, the non-family employees give lower ratings ($p < .0001$) than family employees. Family employees, most of whom in our study are from the successor generation, believe they are better prepared (mean of 5.67) than the evaluation provided by employed non-family managers (mean of 5.21).

Criteria need to be established for both the initial rules of entry into the business, and for the ongoing assessment of the performance of family members as they develop and are promoted within the company. These criteria should be communicated throughout the family and the business so that all the stakeholders have a clear understanding of the qualifications, training, and development of the next generation of family members.

Finding Three: *In addition to the business competency of successors (Factor 6), the quality of family relationships (Factor 11) is also a critical, but evaluated differently by diverse groups.*

The theoretical model underpinning The Family Business Assessment Tool® emphasizes the importance of the individual adult development and maturity of family members as a crucial dynamic in the general health of family relationships. Characteristics of the interrelationships among family members make up the elements of Factor 11 (family relationships), including such items as boundaries between roles in the family and the business and adult interactions among family members.

The evaluation of family relationships, however, differs significantly among the diverse sub-groups within the family and the business. While women give significantly ($p < .002$) higher ratings then men do for the competency of successors (Factor 6), they give significantly ($p < .04$) lower ratings then men do for the quality of family relationships (Factor 11). In addition, 20 year olds also give significantly ($p < .002$) lower ratings of family relationships than all participants age 40 and older. It is also interesting to note that non-family employees give significantly ($p < .03$) higher ratings than family employees do in their evaluation of family relationships.

Consequently, women and young adults are more likely to be concerned with the quality of the family relationships while the non-family employees assess the family relationship more positively than the family members themselves.

Finding Four: *Family businesses which foster a positive environment for the non-family management team (Factor 4) are characterized by healthy family dynamics (Factor 3) and a clearly defined management succession plan (Factor 5).*

The family business' approach to non-family management is critical for both the morale and the success of the business. Compensation levels which are similar to real market values in the industry and region are one of the important measures of this non-nepotistic environment. But beyond compensation standards there is a positive link of approximately 29% common variance ($R = .538$) between professional management standards (Factor 4) and positive family culture within the family (Factor 3). A similar amount of common variance ($R = .563$) is also found between family culture and the management succession process at the family business (Factor 5).

Establishing and nurturing a positive environment for non-family managers is an interdisciplinary process related both to good business planning, and to positive family communications. As discussed in reference to successor development, our research indicates that non-family managers believe that performance measures for family successors are very important ($p < .001$) to counteract nepotism.

Finding Five: *The senior leadership of the family business has a significantly higher perception of the performance of all aspects of the family business. Therefore, the perspectives of the other stakeholders should be understood before developing recommendations for transition planning in family owned companies.*

For all eleven factors which emerged from our analysis of the data, the CEO, who is usually also the primary shareholder, provides a higher overall rating (mean score) than any other stakeholder group. These ratings were statistically significant in the area of management succession (Factor 5), where as we discussed earlier, the senior family members rate the process higher than the successors ($p < .01$), and in the evaluation of non-family managers (Factor 4) where the primary shareholders give higher ratings ($p < .04$) than minority shareholders.

Furthermore, family successors reaching the age for management transition have statistically significant lower ratings than the senior generation leadership. For example, persons in the age group of 40-49 rate clear business roles and organizational structure (Factor 1) lower than the over 65 year olds ($p < .02$). In addition, this same age group of 40 year olds rank their sense of career satisfaction and independence (Factor 7) lower than all other groups ($p < .001$).

Often in consulting relationships with family businesses, the consultant's "client" is the CEO or owner of the company. This is particularly true for those professions, such as accountants, lawyers, and financial planners, who work directly for the primary shareholder. The danger in this limited exposure to the broad range of stakeholders in the family business is being "inducted" into the CEOs perspective on the critical issues facing the business -- a perspective that over evaluates the performance on factors facing the family business. As our research indicates, the problem with such mono-vision is particularly critical in the areas of management succession and the management structure of the business.

Finding Six: *The family culture (Factor 3), the business culture (Factor 1) and management succession (Factor 5) are interdependent. Successful planning in family businesses must use an integrated approach which deals with the whole system, and not its isolated parts.*

For the most part the articles, books, research and resulting consulting strategies dealing with family businesses has taken a two systems approach to the topic: the family is one system, and the business is the other system. Even Poza's (1997) research, which explores the intercorrelations between these two systems, uses two separate questionnaires. From the two systems paradigm, the business is characterized as objective and rational where as the family is characterized as subjective and emotional. Frequently, proponents of this paradigm promote the separation of the family and the business and recommend having clearly defined boundaries between the two distinct systems (for example, see Ibrahim and Ellis, 1994 and Rosenblatt, et.al., 1995). The dual system paradigm is ingrained in the family business field.

The Family Business Assessment Tool®, however, was designed using a holistic paradigm to study families-in-business, rather than family businesses. The items in the questionnaire seek to evaluate the functioning of both the family and the business, as well as the interaction of the family and the business. In fact, component analysis of the items identified one factor (Factor 3) which deals primarily with family culture. The elements of family culture included such items as trust, respect, common values, and the characteristics of relationships among family members. All of the respondents answered questions about the nature of the culture of the family owning the business. These respondents included not only family members, but also advisors and non-family employees. Interestingly, MANOVA analysis showed no significant difference in the various groups' responses to the items involving family culture. With the exception of the tendency of the CEO to rate all questions higher, these fundamental culture characteristics are perceived similarly by the diverse groups of respondents with family employees giving a mean score of 4.69 and non-family employees, a mean score of 4.63.

The eleven factors in our study of family business are for the most part independent factors sharing less than 5% common variance among the factors on average. However, three factors do intercorrelate with one another as seen in Table 3, and together account for a large percentage of the total variance within The Family Business Assessment Tool®. The highest correlation (R= .665), in fact, is between family culture (Factor 3) and business structure (Factor 1).

The elements of business structure (Factor 1) included such items as the competency of managers, the use of planning methods, and clearly defined roles, responsibilities and reporting relationships. These two factors, family culture and business structure, share about 44% of their variance in common. Thus, while independent factors, they are highly intercorrelated. Our research findings are similar to those of Poza (1997) where family culture was statistically correlated with management practices, sharing approximately 20% in common variance (R=.44).

Rather than the emotional/rational dichotomy proposed by the two systems paradigm, healthy family cultures are based on rational structure, just as successful businesses practices often depend on "gut" feel for the market place, and vice versa.

In addition to the overlapping of these two factors, a third factor, management succession (Factor 5) is interrelated with business practices (R = .611) and with family culture (R = .563).

As discussed previously, the management succession process provides an obvious focal point where family culture and business practices must intersect.

While the two systems paradigm which dominates the family business field tries to justify the separation of these two factors, our research supports the view that integrates family culture and business practices. While professional disciplines may want to deal with these as two separate and distinct aspects of families-in-business, family members and non-family managers see these as intertwined into one whole system.

Conclusions

My presentation of the research findings may be understood as implications for consulting work with families-in-business. The very structure of The Family Business Assessment Tool® was designed to study the interrelationships between the owning family and their business ventures. Our questionnaire is integrative by nature, in that the same questions dealing with all aspects of the family, the business, and their overlapping domains were answered by family members both active and inactive in the business, and non-family managers who work in the business, but who interact with the family on a regular basis.

Beyond the six implications demonstrated by our research findings, there is a more fundamental lesson underlying The Family Business Assessment Tool®. The Family Business Assessment Tool® process was designed to help professionals who lacked the skills of family therapy to uncover underlying family issues as they worked with their family business clients. For most of these professionals, the "client" is a business that happens to be owned by a family.

The integrative assessment process is critical for consulting with families-in-business because it reframes the basic and fundamental issues which must be addressed in a consulting project. Most often, the clients define specific objectives to be addressed, and the professionals, by virtue of their discipline of origin, examine specific aspects of the family business. The presenting problems, however, and those studied by the professionals, are often symptoms rather than root causes.

Our research has demonstrated the basic intercorrelation between the family culture and business practices. To promote a more holistic approach to consulting with families-in-business, the assessment process provides a foundation to uncover diverse issues underlying the symptoms and presenting problems defined initially by our clients. The assessment process is similar to a medical physical examine to determine underlying health dynamics, rather than just addressing the symptoms that may prompt a visit to the doctor.

As a first step in every consulting assignment, professionals would enhance their value to the family and the business, if they first assessed the underlying interdependent factors present in the whole system. The results of the assessment may then be used to determine the broad based needs of both the family and the business. Such an assessment will shape the interaction with the client(s) and determine what team should be assembled to best serve and promote the health of the family-in-business.

Endnotes

1. President and owner of Dean Fowler Associates, Inc. a family business consulting firm specializing in the family emotional dynamics which have an impact of business strategy, in 17100 W. North Ave. #202, Brookfield, WI 53005 dean@deanfowler.com 262-789-7367

2. Research Psychologist and instructor at the University of Wisconsin at Milwaukee. References

References:

Birley, S. (1986). Succession in the Family Firm: The Inheritor's View. Journal of Small Business Management, 24, 36-43

Davis, J. A. (1982). The Influence of Life Stage on Father-Son Relationships in Family Companies. Unpublished dissertation, Harvard University.

Davis, J. A. (1989). The Influence of Life Stage on Father-Son Relationships in Family Owned Businesses. Family Business Review, 2, 47-74.

Dunn, Barbara (1999). The Family Factor: The Impact of Family Relationship Dynamics on Business-Owning Families During Transitions. Family Business Review, 12, 41-55.

Family Business Review, 12, 197-281. Note that the entire volume is a special issue devoted to studying family business from the household perspective.

Gersick, K.E., Davis, J.A., McCollom Hampton, M., and Lansberg, I. (1997) Generation to Generation: Life Cycles of the Family Business. Boston: Harvard Business School Press.

Handler, W. C. (1994). Succession in Family Business: A Review of the Research. Family Business Review, 2, 133-157.

Handler, W. C. (1989). Managing the Family Firm Succession Process: The Next-Generation Family Member's Experience. Unpublished dissertation, Boston University.

Ibrahim, A.B., and Ellis, W.H. (1994) Family Business Management: Concepts and Practice. Dubuque, IA: Kendall/Hunt.

Lansberg, I., and Astrachan, J. H., (1994). Influence of Family Relationships on Succession Planning and Training: The Importance of Mediating Factors. Family Business Review, 7, 39-59.

Olson, D.H., Russell, C. S. and Sprenkle, D. H. (Eds.). (1988). The circumplex model: Systemic assessment and treatment of families. New York: Haworth.

Poza, Ernesto J. and Alfred, Theodore and Maheshwari, Anil (1997). "Stakeholder Perceptions of Culture and Management Practices in Family and Family Firms -- A Preliminary Report." Family Business Review, 10, 135-155.

Poza, Ernesto Johnson and Alfred, Theodore (1998) "Changing the Family Business Through Action Research," Family Business Review, 11, 311-323.

Rosenblatt, P.C., de Mik L., Anderson, R.M and Johnson, P.A. (1995) The Family in Business: Understanding and Dealing with the Challenges Entrepreneurial Families Face. San Francisco, Jossey Bass.

Wortman, Jr., M. S. (1994). Theoretical Foundations for Family-Owned Business: A Conceptual and Research-Based Paradigm. Family Business Review, 1, 3-27.

Appendix Table #4

MANOVAs for Five Demographic Independent Variables Effects upon Eleven Factors (Principal Components) listing significant differences only.

1. Gender Effect:

Factor 6: [$F(1,502) = 12.2$, $p < .002$], with females giving higher ratings
Factor 11: [$F(1,502) = 4.54$, $p < .04$], with females giving lower ratings

2. Age Effect:

Group 1 = <19; Group 2 = 20-29; Group 3 = 30-39; Group 4 = 40-49; Group 5 = 50-65; Group 6 = >65

Factor 1: [$F(5,498) = 2.76$, $p < .02$], with Group 4 (40-49 year olds) giving higher ratings than Group 6 (over 65)
Factor 7: [$F(5,498) = 4.26$, $p < .001$], with Group 4 ratings being lower than those for Groups 5, 2 and 1
Factor 11: [$F(5, 498) = 3.96$, $p < .002$], with Groups 4, 5, and 6 giving higher ratings than Group 2

3. Relation to Family Effect:

Group 1 = Senior Family; Group 2 = Successor Family; Group 3 = Spouse; Group 4 = Non-Family

Factor 5: [$F(5,498) = 3.36$, $p < .01$], with Group 1 (Senior Family) giving higher ratings than Group 2 (Successor)
Factor 6: [$F(5, 498) = 6.33$, $p < .0001$], with Group 4 (Non-Family) giving lower ratings than Groups 1, 2, and 3

4. Relation to Business Effect:

Group 1 = CEO; Group 2 = Employed Family; Group 3 = Employed Non-Family; Group 4 = Non-Employed Family

Factor 6: [$F(4,499) = 9.29$, $p < .0001$], with Group 3 (Employed Non-Family) giving lower ratings than Groups 1, 2 and 4
Factor 11: [$F(4,499) = 2.75$, $p < .03$], with Group 3 giving higher ratings than Group 2

5. Relation to Ownership Effect:

Group 1 = Primary Shareholder; Group 2 = Minority Shareholder; Group 3 = Non-Shareholder

Factor 1: [$F(2,373) = 3.52$, $p < .02$], with Group 3 giving higher ratings than Group 1
Factor 4: [$F(2,372) = 4.52$, $p < .04$], with Group 1 giving higher ratings than Group 2