Financial And Relationship Predictors Of Family Business Goal Achievement

Sharon M. Danes[1], **Nita Fitzgerald**[2] and **Kevin C. Doll**[3]

The purpose of this study was to investigate the relationship among financial decision involvement, assertive conflict mode, and goal achievement for farm family business husbands and wives. For wives, managing finances and tension over finances predicted decision involvement, income adequacy perception predicted assertive conflict mode, and age, off-farm employment, income adequacy perception, locus of control, managing finances and tensions over finances predicted goal achievement. For husbands, age, off-farm employment, and managing finances predicted financial decision involvement, tensions over finances predicted assertive conflict mode, and age, off-farm employment, locus of control, income adequacy perception, and assertive conflict mode predicted goal achievement.

Key words: *Conflict mode, Family business finances, Family relations, Financial decisions, Goals*

Often family businesses are run by multiple family members rather than a single person (Rosenblatt, de Mik, Anderson & Johnson, 1985). Relationships in family businesses are dynamic in nature in that incidences in one arena (e.g., family members' decision making patterns and conflict modes) will have effects in the other arena (e.g., the financial health of the family business) (Marshack, 1998; Stafford, Duncan, Danes & Winter, 1999). Management problems may be a concern in family businesses because emotions from family relationships can interfere with business financial decisions (Levinson, 1987) which, in turn, can divert limited resources from the targeted goals of the family business (de Vries, 1996; Jaffe, 1991).

This interconnectedness between the family and business systems creates a unique situation for financial counselors who might be working with them. Money and power are interlinked in family businesses, especially those operated by couples (Rosenblatt et al., 1985). So who the client is can affect the extent or accuracy of information received or the potential for the execution of problem solving alternatives. Financial troubles can cause distress in relationships and those couples in distressed relationships engage in less constructive behaviors potentially affecting the problem solving dynamics (Christensen & Shenk, 1991; Gambrill, 1977; Metz, Rosser & Strapko, 1994). The purpose of this study is to investigate the relationship among financial decision involvement, assertive conflict mode, and goal achievement for farm business husbands and wives controlling for a set of contextual variables.

Conceptual Framework

The FIRO (Fundamental Interpersonal Relations Orientation) conceptual model was the framework that provided the foundation for the concepts and measures in studying the relationship of financial and relationship predictors of goal achievement in family businesses. Its origin lies in Schutz's theory of group development and has been adapted for use in both organizational and family settings (Doherty, Colangelo & Hovander, 1991; Schutz, 1958).

The model posits that inclusion, control, and integration are three aspects of interpersonal dynamics within organizations and, in this order, they constitute a developmental sequence through which group process occurs and viability is sustained (Schutz, 1958). **Inclusion** interactions refer to structure (who is in and out of the group; clarity of roles; consensus on the decision making process), connectedness, and shared meaning (consensus about goals and priorities).

Control interactions reveal who has influence and power during conflict. The premise of the control dimension is that constructive modes of conflict management contribute toward integration. It assumes that conflict is disruptive

1. *Sharon M. Danes, Professor, Family Social Science Department, College of Human Ecology, University of Minnesota, 1985 Buford Avenue, St. Paul, MN 55108. Phone: (612) 625-9273. Fax: (612) 625-4227. E-mail: sdanes@che.umn.edu*

2. *Nita Fitzgerald, Graduate Student, Family Social Science Department, College of Human Ecology, University of Minnesota, 1985 Buford Avenue, St. Paul, MN 55108. Phone: (612) 625-2266. Fax: (612) 625-4227. E-mail: fitz0194*@tc.umn.edu

3. *Kevin C. Doll, Graduate Student, Family Social Science Department, College of Human Ecology, University of Minnesota, 1985 Buford Avenue, St. Paul, MN 55108. Phone: (612) 624-3732. Fax: (612) 625-4227. E-mail: dollx002*@tc.umn.edu

This material is based upon work supported by the Cooperative State Research, Education, and Extension Service, U.S. Department of Agriculture under Agreement No. 95-37401-1820. Any opinion, findings, conclusions, or recommendations expressed in this publication are those of the author and do not necessarily reflect the view of the U.S. Department of Agriculture.

only when values and beliefs not shared are basic to a relationship; tolerance of conflict cannot only forestall destructive outbursts of conflict which have been denied expression, but can also be innovative (Busby, 1977; Coser, 1964).

Consider the paradox within family businesses concerning conflict: Although tolerance of conflict can foster a social climate that allows individuals to express and test themselves as well as establish their identities (Busby, 1977), too much or destructive conflict can detract from providing and communicating clear goals for a family business. Those goals are among the most powerful means for guiding the behavior of the people in an organization (Tagiuri & Davis, 1992).

Integration allows for individual and collective, creative problem solving, planning for change, trust, and a sense of fellowship. Integration refers to managerial interactions that balance the business as an individual system, family as an individual system, and the family business as a single system working toward the well-being of the whole.

Generally, inclusion can affect family business success because there is often inappropriate carryover or patterns of interacting, rules, and roles. Family and business systems compete for time, energy, and financial resources of individual family members and of the family collectively (Rosenblatt et al., 1985; Stafford et al., 1999). Dimensions of control can influence success because needs or demands of either system can cause such a level of tension as to lead to decisions that are good in the short run, but not for long run viability (Kaye, 1991; Schutz, 1958). Ward (1987) indicates less than 30% of successful family businesses make it to the third generation (grandchildren of the original founders) chiefly because they lack a clear framework for thinking about the future of their businesses and their families (integration).

Literature Review

Financial Decision Involvement

Decision making processes in families, and particularly in family businesses, often include both partners of a couple. When two decision makers within the family share the same decision, an emotional interdependence evolves and it is important to investigate the impact of that emotional climate on decision making processes (Danes & Rettig, 1993; Godwin & Scanzoni, 1989a; Scanzoni & Polonko, 1980; Scanzoni & Szinovacz, 1980). In fact, Eichler (1981) and Safilios-Rothschild (1976) have severely criticized family decision making studies that have ignored emotional interdependence.

Although there have been decision making studies that have included emotional or perceptual factors since those authors proclaimed their concern (examples are Danes & Rettig, 1993; Godwin & Scanzoni, 1989a, 1989b), there have been fewer studies on financial decision making that have done so. Godwin and Scanzoni (1989b) have indicated that differences across decision content areas suggest that family decision making process is contingent upon situational factors. Thus, it is a crucial time to study financial decision making in farm family businesses—it is a time of change when conscious decision making is at the forefront.

The personal characteristics of decision makers are precursors to the preferred ways by which they apply decision processes. Individual perceptions influence decision processes (Godwin & Scanzoni, 1989b; Gallagher & Delworth, 1993). In fact, Gallagher and Delworth (1993) indicated that family conflicts could arise as farm women's' financial input from their off-farm employment empowers them to participate more often in financial decisions.

Rosenfeld (1985) and Sawer (1973) found that age does not affect the decision making involvement of farm women. However, Hira (1997) and Rosen and Granbois (1983) found that participation in financial decision making varied by age. The same inconsistency in findings applies to education. Wilkening (1958) and Sawer (1973) found no relationship, Rosenfeld (1985) and Rosen and Granbois (1983) found a positive relationship, and Wilkening and Bharadwaj (1968) found a negative one. Research in psychology provides evidence that locus of control may be broadly related to decision making (Lefcourt, 1972). Rosen and Granbois (1983) found that having an internal locus of control facilitates greater involvement in decision making.

Family Business Conflict

Conflict is inevitable whenever there is an environment in which boundaries between family and business are not clear. There is a potential for even greater conflict under harsh economic conditions when the tensions between family and business goals can be high (Danes & Rettig, 1993; Rosenblatt, 1991). Conflict management is a special concern to those within family businesses for maintaining long term viability (Kaye, 1991).

Constructive conflict can drive the family business system toward its objectives but sustained and/or unaddressed conflict can mire the system (Ward, 1987). Planning for change may not occur because of conflicts within the business (Ibrahim & Ellis, 1994; Kaye, 1991). Too much conflict can threaten the survival of the family business or the family itself; members may leave the business, diminishing its capacity, or a needed change may not be made within the business at a crucial regeneration point.

While it is normal to have conflict in relationships, what repeatedly surfaces as the critical factor in affecting the relationship satisfaction is how the couple manages those conflicts (Bowman, 1990; Epstein & Baucom, 1989; Peterson, 1983). Assertive modes of conflict (positive, constructive, and engaging responses structured in a clear, direct, and noncoercive manner) tend to promote beneficial conflict resolution, and subsequently, overall relationship satisfaction (Metz et al., 1994).

Occasions for conflict will increase to the extent that goals of the family business members are both highly valued and incompatible (Peterson, 1983). When people are together on a day-to-day basis in a family business, strife between them can become a matter of consuming concern, especially when conditions of frequency are combined with those of strength and duration (Levinson, 1987; Peterson, 1983).

It is important to recognize that family business conflicts often have significant features which do not fit the prevailing dispute-resolution models (Kaye, 1991). Members of a family group of co-workers quite often are fighting about deeper issues than the ones with which they claim to be incensed. Often their reasons for sustaining the conflict are stronger than their ostensible desire to resolve it.

For example, a major business decision about expanding the family business may be hindered by sibling rivalries within a two-child/parent partnership. What may be most financially advantageous for the family business may be lost because one particular sibling perceives that by compromising on their view, they may loose credibility in the eyes of the parent compared to the other sibling. In this case, the deeper issue within the conflict is the sibling competition rather than the family business expansion options.

Family Business Goals

What is currently known from the literature about family and business goals is that they differ among family businesses (Isaacs, 1991; Rosenblatt et al., 1985; Rosenblatt, 1991; Ward, 1987), family businesses can be lost through destructive levels of tension between family and business goals (Rosenblatt, 1991), a strong family business calls for open communication about goals and a desire to resolve misunderstandings (Isaacs, 1991), and, activities among system subunits must be coordinated and regulated in order to ensure the system's stability (McCullom, 1988; Miller & Rice, 1975). The overlap of the family and business subsystems goals can strengthen the business but also jeopardize it (Stafford, et al., 1999).

The goal dynamic changes by stage of the business life cycle (Churchhill & Lewis, 1983; Robinson, Pearce, Vozikis & Mescon, 1984; Ward, 1987); early in the life of the business, the owner must spend his/her time positioning the firm in the market and as it ages owners redirect their energies toward managing the entity. Under certain economic conditions, destructive conflict between family and business goals can impact the viability of family businesses (Danes & Rettig, 1993; Rosenblatt, 1991).

Wicker and Burley (1991) found that couples who founded and sustained their business over time had fewer conflicts over the goals of the business. The overlap of the family and business systems is highlighted in a study by Boles (1996); in family businesses, work-family conflict was a predictor of job satisfaction whereas for owners who did not work with family members, income was the predictor of job satisfaction. That premise is further supported by Churchhill and Hatten (1997) who found that the transfer of non-market power within the family business is dependent upon the family roles and interrelationships.

Hypotheses

Tagiuri and Davis (1992) investigated the goals of the owner-managers of successful family businesses, but indicated that further research is needed on a more varied range of business success levels and from other members of the family business. Obtaining information from more than one member of the family is crucial; it provides a more complete picture of the family business dynamics because of the different realities that individual family members experience. This study examines the reality of husbands and wives in farm family businesses. The hypotheses are tested for each gender in separate models.

Hypothesis 1: Financial decision involvement, assertive conflict mode, and goal achievement are influenced by a set of contextual variables (age, education, off-farm employment, locus of control, separate financial accounts, income adequacy perception, frequency of managing family finances, and financial decision tension).

Hypothesis 2: Financial decision involvement will positively influence the use of the assertive conflict mode.

Hypothesis 3: Financial decision involvement, and the use of the assertive conflict mode will positively influence goal achievement.

Methods

Sampling Procedures

A random sample of 206 farm businesses was drawn from a list of farms compiled by the state Agricultural Statistical Service, excluding those that were considered "hobby" farms. This list is the most comprehensive list of farms in the state. The sample represents counties from the entire state. It includes farm couples from all age ranges, income levels, and types of farms located within the state.

A questionnaire was sent to both the husband and wife of the farm family business. A postcard reminder was sent to those not responding after two weeks. Follow-up telephone calls were made to those respondents who had not returned the questionnaire after 3½ weeks. The data from the study were compared to census data for farm populations. That comparison indicated that the demographic data from this study closely resembled those from the overall farm population.

Data Analysis
In preliminary analyses for the study, frequencies, crosstabulations and correlations were done, and checks for linearity were performed. Pearson product-moment correlations indicated that there were no problems with multicollinearity.

Parallel path models were performed for husbands and wives. Separate analyses were performed despite the fact that data were collected from both members of the couple involved in the business. There is a fairly large body of literature that addresses the methodological and conceptual issues around using the dyad as the unit of analysis (examples are Larsen & Olson, 1990; Maguire, 1999; Thompson & Walker, 1982). Key among the controversies within that literature is the distinction between individual and relationship properties. In dyadic research, the unit of analysis is the relationship itself and the focus is on understanding the relationship (Thompson & Walker, 1982).

The focus of this study is individual characteristics. So often financial counselors are able to consult with only one individual from a family business that is operated by a couple. As a result, understanding individual characteristics of the family business members is crucial. Some properties that are associated with relationships are individual in nature (Larsen & Olson, 1990; Maguire, 1999). Such is the case in this study.

The path analysis included three regression equations; standardized regression coefficients are used in the figures depicting the path analysis. Ordinary least squares regression was used in the study. The first regression analysis used financial decision involvement as the dependent variable. The second regression analysis used assertive conflict mode as the dependent variable, and the third regression analysis used goal achievement as the dependent variable. The path analysis included three additional equations to determine the indirect as well as the direct effects among the variables (Alwin & Hauser, 1981).

The independent, contextual models were age, education, off-farm employment, locus of control, separate financial accounts, income adequacy perception, frequency of managing finances, and financial decision tension.

Variables

Independent Variables
The age range for the husbands was 29 to 77 (mean = 51, SD = 12), and for wives it was 25 to 77 (mean= 48, SD = 11). Education ranged from 6 years to 19 for husbands and from 8 years to 20 for the wives. The mean education in both cases was high school.

Locus of control was the degree to which respondents perceived their lives to be internally or externally controlled (Bugaighis & Schumm, 1983; Ferguson, 1993; Rotter, 1966). A seven-question Likert scale was used with responses coded from strongly disagree (1) to strongly agree (5). The questions were summed; the range for husbands was 14 to 33 (mean= 24, SD = 3) and for wives the range was 11 to 35 (mean= 22, SD = 4). The higher the locus of control value, the more internal control the respondent perceived.

The wives and husbands were asked if they had separate checking accounts for business finances and family finances. A dummy variable was created with "1" representing the presence of separate accounts; 47% of the husbands indicated there were separate accounts and 50% of the wives indicated such. Wives and husbands off-farm employment status is represented by a dummy variable in which "1" represents working off the farm. Fifty-six percent of the wives work off the farm and 37% of the husbands do.

The frequency with which each member of the couple managed the family finances was asked. The response was indicated on a Likert scale from not frequently (1) to very frequently (5). The mean for wives was 4.0 (SD = 1.2) and for husbands, 4.8 (SD = 1.8). The respondents were queried about their perception of income adequacy on a 6-point scale from "1" representing "not at all adequate" to "6" representing "can afford about everything wanted and still save money." The mean for both husbands and wives was 3 (SD = 1).

Each member of the couple was asked about the level of tension and disagreement around financial decisions; they responded on a Likert scale from none at all (0) to a great deal of tension (6). The mean for husbands was 2.4 (SD = 1.7) and for wives, the mean was 2.2 (SD = 1.7). The variable distribution was very close to a normal curve.

Dependent Variables
Financial decision involvement in this study indicated who was involved in the discussions about seven financial decisions within the family business. This variable was the indicator of inclusion from the FIRO model. The question was introduced with this statement: "Many discussions take place each day about decisions that need to be made within the family and the farm business. On a scale from 'not at all' (0) to 'very much' (6), circle the number that best reflects how much you are involved in discussions about the following kinds of decisions."

Table 1 indicates the distribution of responses for wives and husbands. Approximately 50% of the wives said they were very heavily involved in discussions about which family living bills to pay, whether to buy or sell land, and whether to improve the house versus invest in the business. For the husbands, 64% indicated they were heavily involved in discussions about whether to buy and sell land. About 50% were involved in which farm operation bills to pay and whether to buy or sell land. Although there is some tendency toward a traditional distribution of decision process about financial decisions by gender lines, it is not clear-cut.

There were statistically significant differences between husbands and wives on five out of the seven decision process questions. Husbands had higher means for the decision situations of buying or selling more land, whether to borrow money, and which farm operation bills to pay compared to the means for wives in those decision situations. Wives had higher means for how much money to allocate to family living and which family living bills to pay compared to the husbands. The seven questions were summed into a scale. The range was 0 to 42 for both wives and husbands; the mean was 28 (SD = 11) for wives and the mean for husbands was 29 (SD = 11). The alpha reliability score was .86 for husbands and .88 for wives:

The assertive conflict mode variable (control indicator from the FIRO model) is a summed index of seven items asked on a scale of "never" (1) to "very often" (5). The items were introduced with this statement,

"When you experience disagreement or conflict in your relationship, or when you experience events that might lead to a disagreement, how do you typically react? Please circle the number that indicates how often you behave in the following ways."

The seven items included: (1) calmly ask your partner to talk, (2) discuss the issue with your partner, (3) try to talk about it constructively, (4) listen to your partner's feelings, (5) try to cooperate, (6) try to work it out with your partner, and (7) try to find a positive solution to the disagreement. The variable ranged from 17 to 35 for wives (mean= 26; SD = 3.9) and ranged from 13 to 35 for husbands. The alpha reliability was .82 for husbands and .84 for wives.

The family business goal achievement variable (integration indicator from the FIRO model) is a summed scale of the level of achievement of seven family and business goals: profit, long term viability, adequate capital, harmonious family relationships, balance between work and family, good family income, and secure retirement resources. The scale on which each question was asked was "have achieved very little" (1) to "have achieved almost entirely" (5). The range for husband goal achievement was 11 to 35 (mean= 24.2, SD = 5); for wives, it was 9 to 35 (mean= 24.2; SD = 6). The alpha reliability for wives was .83 and for husbands was .81.

Table 1.
Frequency Of Financial Decision Involvement

	Wives							Husbands						
	Not at all 0	1	2	3	4	5	Very much 6	Not at all 0	1	2	3	4	5	Very much 6
How the record keeping is to be done	10%	7%	9%	14%	15%	10%	35%	6%	9%	9%	10%	12%	14%	40%
Whether to borrow money	6	8	11	10	10	15	39	5	5	3	10	11	12	54
Which farm operation bills to pay	10	11	9	12	8	10	40	6	7	3	8	12	14	50
Whether to buy or sell land	7	6	8	12	7	12	48	5	4	6	5	7	9	64
Whether to improve the house versus invest in the business	4	5	6	9	10	17	49	3	1	7	14	20	16	39
How much money is allocated to family living	5	3	6	15	12	16	43	5	5	7	15	20	21	26
Which family living bills to pay	5	4	5	10	11	12	53	8	8	6	14	12	17	35

Results

Parallel path analyses were performed for husbands and wives. Figure 1 presents the results for wives. Figure 2 presents the results for husbands.

Wives

The first regression equation used financial decision involvement as the dependent variable controlling for the independent, contextual variables (Figure 1). The R^2 for the equation was .18, indicating that approximately 18% of the variance of financial decision involvement was explained by the variables in the model. The F score for the model was 5.38 ($p < .001$).

Frequency of managing family finances and financial decision tension were statistically significant in predicting the financial decision involvement of wives, with frequency of managing finances being the highest predictor. The more the wife knew about the finances because of management responsibilities, the more she was involved in the finance decision process. High tensions over financial decisions decreased her involvement. Some evidence was found to support Hypothesis 1.

The second regression equation used assertive conflict mode as the dependent variable controlling for the independent, contextual variables and financial decision involvement. Thirteen percent of the variance in assertive conflict mode was explained by the variables in the model. The F-score for the equation was 3.23 ($p < .001$). Income adequacy perception and financial decision involvement were statistically significant predictors in the use of the assertive conflict mode. Wives who perceived higher income adequacy and who were more involved in financial decision involvement were more likely to use the assertive conflict mode. Some evidence was found to support Hypothesis 2.

The third regression equation used goal achievement as the dependent variable. Forty-nine percent of the variance in goal achievement was explained by the independent variables. The F-score was 18.83 ($p < .001$). Age, off-farm employment, locus of control, income adequacy perception, frequency of managing finances and financial decision tension were statistically significant in predicting goal achievement. Working off the farm and having high tension over financial decisions detracted from goal achievement. Increasing age, internal locus of control, higher income adequacy, and higher involvement in managing finances led to higher goal achievement. Some support was found to support Hypothesis 3.

Indirect effects were calculated according to Alwin and Hauser (1981). There were no substantial indirect effects.

Husbands

Thirteen percent of the variance of financial decision involvement was explained by the independent, contextual variables in the first regression equation (Figure 2). The F-score was 3.68 ($p < .001$). Age, off-farm employment, and frequency of managing family finances were statistically significant in predicting financial decision involvement. Younger husbands were more involved in financial decisions. Working off the farm detracted from involvement in financial decisions. The more husbands were involved in financial record keeping, the more they were involved in decisions about finances. Some support was found for Hypothesis 1.

Nine percent of the variance of assertive conflict mode was explained by the variables in the model. The F- score was 2.23 ($p < .05$). Tension over financial decisions was the only variable that was statistically significant in predicting assertive conflict mode. When tensions over finances was high the assertive conflict mode was not used. Some support for Hypothesis 2 was found.

The R^2 for the regression equation with goal achievement as the dependent variable was .42; the F-score was 14.17 ($p < .001$). Age, off-farm employment, locus of control, income adequacy perception, and the use of the assertive conflict mode were statistically significant predictors of goal achievement. Working off the farm detracted from goal achievement. Older husbands, those with more internal control, those with higher perceived income adequacy, and those who more often used assertive conflict behaviors indicated higher levels of goal achievement. Some support was found for Hypothesis 3. There were no substantial indirect effects found in that analysis.

Summary and Discussion

The most critical factor in whether wives are involved in financial decision-making in farm family businesses is how often they managed the finances. That involvement, however, is tempered by the degree of tension existing over finances. Being involved in financial decision-making empowers wives to use more constructive, engaging modes of conflict. Younger husbands, those not employed off the farm, and those more frequently involved in managing finances indicate they are more involved in the financial decision-making process. When tensions over finances are high, less constructive modes may be utilized, including flight (withdrawal) or fight (aggression).When high financial decision tension was reported by husbands, they indicated that they didn't utilize assertive conflict behaviors. Assertive conflict behaviors were reported by farm wives when they perceived adequate income and when they were more involved in the financial decision process.

For both farm business husbands and wives, four independent variables consistently explained goal achievement. Older farm husbands and wives, those who didn't work off the farm, and those who perceived internal control and higher income adequacy reported higher goal achievement. Two independent variables were statistically significant for wives but not for husbands; the more frequently wives managed finances, the higher they reported their goal achievement and the lower the tension level over financial decisions, the higher was the level of goal achievement as reported by wives. Those husbands who reported a higher use of the assertive conflict mode, also indicated a higher level of goal achievement.

When counseling a client that is part of a family business couple, it is important to determine who does the financial record keeping and make sure that person is involved in order to maximize effectiveness in accurately determining problems and identifying realistic solutions. In addition, a series of questions can be asked to begin to understand the decision making context of the family business couple. By doing this questioning, the counselor takes an important step in assessing the potential for various problem solving alternatives and for determining the best person(s) to affect change. For instance, if the financial decision context is conflictual, and the person with the final decision- making power or implementation power is not the client in the office, then the probability for a successful solution strategy is not high.

The decision-making context could be assessed by utilizing the questions in Table 1. Three questions may be asked around each financial decision area: (a) who is involved in these decisions? (b) who makes the final decision? and (c) whose decisions are followed or implemented? In the course of answering these questions, clients may reveal additional information related to the couple's communication patterns and ways of handling conflict over financial matters.

This study indicates that both financial factors and relationship factors are important when working with family business members. Several options are presented for financial counselors who work with family business couples: (1) financial counselors may need additional training to advance their skills related to conflict management and communication for working with couples regarding finances; (2) a referral list of resources could be developed for use when relationship issues are beyond the counselor's level of training or comfort; and/or (3) simultaneous family therapy work can be routinely suggested to parallel financial counseling for family business couples in order to address the inevitable stresses in family businesses.

Doherty (1995) developed a guide for parent educators called, "Levels of Family Involvement for Professionals" that could be used for financial counselors, as well. It consists of five levels of involvement. Within each level, three areas are identified to help professionals determine their readiness for involvement: identified knowledge base, appropriate personal development, and skill base. The five levels are: (1) institution (or financial context) centered, (2) information and collaboration, (3) feelings and support, (4) brief focused intervention, and (5) family therapy.

Depending on their skills, most financial counselors should be operating in Level 2, with some cases involving a move to Level 3 in family involvement. A financial counselor's readiness for involvement in Level 2 includes: knowledge of both financial and community resource content area; personal openness to engaging families in collaborative ways; and a series of skills including eliciting pertinent information through effective questioning, listening, communication and problem solving. Counselor readiness for Level 3 involvement includes: knowledge of family development issues and individual and family reactions to stress; personal awareness of one's own feelings in relation to family members; and ability to tolerate family members' feelings without fleeing or trying to fix them. Few financial counselors have sufficient readiness to go beyond Level 3, and it is at this point that additional training may be needed or referrals should be made.

Although the research question and the unit of analysis for this study was the individual, more knowledge about the viability of family businesses operated by couples can be obtained through the use of the dyad (couple) as the unit of analysis. That type of analysis would focus on the interdependence and the pattern between the two individuals operating the family business (Maguire, 1999; Thompson & Walker, 1982). Results from such studies would inform individuals functioning from Levels three to five of Doherty's (1995) "Levels of Family Involvement for Professionals," levels for which the majority of financial counselors do not have adequate training.

This study has identified some of the array of dynamics that are found in farm business couples around financial decision making as it affects the financial health of the family business. These findings suggest what financial counselors may already know—that relationship issues have an important impact on family businesses and need to be acknowledged and addressed when working with couples. Suggestions and guidelines are provided for financial counselors and educators to address the gaps in knowledge base, personal readiness, and skill base for moving to deeper levels in working with couples.

References

Alwin, D. F. & Hauser, R. M. (1981). The decomposition of effects in path analysis. In P. V. Marsden (Ed.), *Linear models in social research* (pp. 123-140). Beverly Hills, CA: Sage.

Boles, J. S. (1996). Influences of work-family conflict on job satisfaction, life satisfaction, and quitting intentions among business owners: The case of family-operated businesses. *Family Business Review*, *9*(1), 61-74.

Bowman, M. L. (1990). Coping efforts and marital satisfaction: Measuring marital coping and its correlates. *Journal of Marriage and the Family*, *52*, 463-474.

Bugaighis, J. A. & Shumm, W. R. (1983). Alternative measures of perceived locus of control. *Psychological Reports*, *52*, 819-823.

Busby, B. (1977). The contribution of conflict analysis to home management theory. *Journal of Consumer Studies and Home Economics*, *1*, 289-297.

Christensen, A. & Shenk, J. L. (1991). Communication, conflict, and psychological distance in nondistressed, clinic, and divorcing couples. *Journal of Consulting and Clinical Psychology*, *59*, 458-463.

Churchhill, N. C. & Hatten, K. J. (1997). Non-market based transfers of wealth and power: A research framework for family business. *Family Business Review*, *10*(1), 53-67.

Churchhill, N. C. & Lewis, V. L. (1983). The five stages of small business growth. *Harvard Business Review*, 30-50.

Coser, L. (1964). *The functions of social conflict*. Glencoe, IL: Free Press.

Danes, S. M. & Rettig, K. D. (1993). Farm wives' business and household decision involvement in times of economic stress. *Home Economics Research Journal*, *21*(3), 307-333.

De Vries, M. K. (1996). *Family business: Human dilemmas in the family firm*. London: International Thompson Business Press.

Doherty, W. J. (1995). Boundaries between parent and family education and family therapy: The levels of family involvement model. *Family Relations*, *44*, 353-358.

Doherty, W. J., Colangelo, N. & Hovander, D. (1991). Priority setting in family change and clinical practice: The family FIRO model. *Family Process*, *30*, 227-240.

Eichler, M. (1981). Power, dependency, love and the sexual division of labor. *Women's Studies International Quarterly*, *4*, 201-209.

Epstein, N. & Baucom, D. H. (1989). Cognitive-behavioral marital therapy. In A. Freeman, K. M. Simon, L.E. Beutler & H. Arkowitz (Eds.) *Comprehensive handbook of cognitive therapy* (p. 491-513). New York: Plenum.

Ferguson, E. (1993). Rotter's locus of control scale: A ten-item two-factor model. *Psychological Reports*, *73*, 1267-1278.

Gambrill, E. D. (1977). *Behavioral modification: Handbook of assessment, intervention, and evaluation.* San Francisco: Jossey-Bass.

Gallagher, E. & Delworth, U. (1993). The third shift: Juggling employment, family, and the farm. *Journal of Rural Community Psychology*, *12*(2), 21-36.

Godwin, D. D. & Scanzoni, J. (1989a). Couple decision-making: Commonalities and differences across issues and spouses. *Journal of Family Issues*, *10*, 291-310.

Godwin, D. D. & Scanzoni, J. (1989b). Couple consensus during marital joint decision-making: A context, process,outcome model. *Journal of Marriage and the Family*, *51*, 943-956.

Hira, T. (1997). Financial attitudes, beliefs, and behaviours: Differences by age. *Journal of Consumer Studies and Home Economics*, *21*, 271-290.

Ibrahim, A.B. & Ellis, W.H. (1994). *Family business management; Concepts and practice*. Dubuque, IA: Kendall/Hunt.

Isaacs, L. D. (1991). Conflicts of interest. *Small Business Reports*, *16*(12), 28-38.

Jaffe, D. T. (1991). *Working with the ones you love: Strategies for a successful family business*. Berkeley: Conari Press.

Kaye, K. (1991). Penetrating the cycle of sustained conflict. *Family Business Review*, *4*(1), 21-41.

Larsen, A. & Olson, D.H. (1990). Capturing the complexity of family systems: Integrating family theory, family scores, and family analysis. In T.W. Draper and A.C. Marcos (Eds.), *Family variables: Conceptualization, measurement, and use*, (19-47). Newbury Park: Sage.

Lefcourt, H. M. (1972). Recent development in the study of locus of control. In B. A. Maher (Series Ed.), *Progress in experimental personality research: Vol. 6* (pp. 1-39). New York: Academic Press.

Levinson, H. (1987). Problems in managing a family owned business. In C. E. Aronoff & J. L. Ward (Eds.) *Family business sourcebook: A guide for families who own businesses and the professionals who serve them*. Detroit: Omigraphics, Inc.

Maguire, M.C. (1999). Treating the dyad as the unit of analysis: A primer on three analytic approaches. *Journal of Marriage and the Family*, *61*, 213-223.

Marshack, K. (1998). *Entrepreneurial couples: Making it work at work and home*. Palo Alto: Davies Black.

McCullom, M. E. (1988). Integration in the family firm: When the family system replaces controls and culture. *Family Business Review*, *1*(4), 399-417.

Metz, M. E., Rosser, B. R. S. & Strapko, N. (1994). Differences in conflict-resolution styles among heterosexual, gay & lesbian couples. *Journal of Sex Research*, *31*, 293-308.

Miller, J. P. & Rice, A. K. (1975). Selections from systems organization. In A. D. Coleman and W. H. Bexton (Eds.), *Group relations reader*. Sausalito, CA: GREX.

Peterson, D. R. (1983). Conflict. In H. H. Kelly et al. (Eds.), *Close relationships* (p. 360-396). New York: Freeman.

Robinson, R., Jr., Pearce, J. A., Vozikis, G. S. & Mescon, T. S. (1984). The relationship between stage of performance and small firm planning and performance. *Journal of Small Business Management*, April, 45-52.

Rosen, D. L. & Granbois, D. H. (1983). Determinants of role structure in family financial management. *Journal of Consumer Research*, *10*, 253-258.

Rosenblatt, P. C. (1991). The interplay of family system and business system in family farms during economic recession. *Family Business Review*, *4*(1), 45-57.

Rosenblatt, P. C., de Mik, L., Anderson, R. M. & Johnson, P. A. (1985). *The family in business*. San Francisco: Jossey-Bass.

Rosenfeld, R. A. (1985). *Farm women: Work, farm, and family in the United States*. Chapel Hill: University of North Carolina Press.

Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs*, *80*(1), 1-28.

Safilios-Rothschild, C. (1976). A macro- and micro-examination of family power and love: An exchange model. *Journal of Marriage and the Family*, *38*, 355-362.

Sawer, B. J. (1973). Predictors of the farm wife's involvement in general management and adoption decisions. *Rural Sociology*, *38*, 412-426.

Scanzoni, J. & Polonko, K. (1980). A conceptual approach to explicit marital negotiation. *Journal of Marriage and the Family*, *42*, 31-44.

Scanzoni, J. & Szinovacz, M. (1980). *Family decision-making: A developmental sex role model*. Beverly Hills, CA: Sage.

Schutz, W. C. (1958). *FIRO: A three dimensional theory of interpersonal behavior*. New York: Rinehart.

Stafford, K., Duncan, K.A., Danes, S.M. & Winter, M. (1999). A research model of sustainable family business. *Family Business Review*, *12*(3), 197-208.

Tagiuri, R. & Davis, J. A. (1992). On the goals of successful family companies. *Family Business Review*, *5*(1), 43-62.

Thompson, L. & Walker, A.J. (1982). The dyad as the unit of analysis. Conceptual and methodological issues. *Journal of Marriage and the Family*, *44*, 889-900.

Ward, J. L. (1987). *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership.* San Francisco, CA: Jossey-Bass.

Wicker, A. W. & Burley, K. A. (1991). Close coupling in work-family relationships: Making and implementing decisions in a new family business and at home. *Human Relations*, *44*(1), 77-92.

Wilkening, E. A. (1958). Joint decision-making in farm families as a function of status and role. *American Sociological Review*, *23*, 187-192.

Wilkening, E. A. & Bharadwaj, L. K. (1968). Aspirations and task involvement as related to decision making among farm husbands and wives. *Rural Sociology*, *33*(1), 30-45.

