

GOAL CONGRUITY WITHIN COPRENEURIAL PARTNERS: AN EXPLORATION OF  
FAMILY BUSINESS CONTINUANCE

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**Title**

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Business Continuance

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University's regulations and meets the accepted standards for the degree of

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## ABSTRACT

This study utilized data from the 1997 and 2000 waves of the National Family Business Survey to explore goal processes of 320 copreneurial and noncopreneurial family business households. Ecological systems theory (Deacon & Firebaugh, 1988) was used as a framework for the study. Copreneurial households ( $n = 117$ ) were compared to noncopreneurial households ( $n = 203$ ), and three variables were found to differ significantly: value orientation, business manager perception of business goal achievement, and relationship continuance. Logistic regression analysis was used to explore the predictive relationship between goal congruity, other family business variables, and business continuance. None of the variables were significant predictors of business continuance. Recommendations are made for professionals working with family businesses.

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## INTRODUCTION

Family businesses are estimated to represent two-thirds of all firms in the United States and 67-90% of the world's companies (Montgomery & Sinclair, 2000). Roughly 14% of all households in the U.S. own at least one family firm (Astrachan & Shanker, 2003; Heck & Stafford, 2001). Family businesses contribute over half of the nation's gross domestic product (GDP) and total wages (Heck & Stafford, 2001) and generate 75% of all new jobs in the United States (Family Enterprise USA, 2011). Small businesses such as family firms spur economic growth and are often encouraged by governments around the world (Smith, 2000).

A family business is often defined as a firm that includes two or more members of a family that has financial control of the company (Aronoff, Ward, & Astrachan, 2002). One of the many factors that differentiate family businesses from non-family businesses is the unique set of goals that are prioritized and pursued (Chrisman, Chua, Pearson, & Barnett, 2012). Family business owners must consider both the family and the business in their goals and strategies, and the needs of these entities often conflict (Jaffe, 2005). Understanding the family goals and business goals of a family business is important, as it provides insight into the values, priorities, strategies, and performance outcomes of the business. An important aspect of family business goals is the level of goal congruity among business managers and family members.

Organizational goal congruity has been defined as "the agreement among organizational employees on the importance of the goals the organization could be pursuing" (Vancouver, Millsap, & Peters, 1994, p. 666). Goal congruity is considered to be an asset to organizations, and has been proven beneficial to family businesses, specifically. High levels of goal congruity within family businesses has been found to provide financial advantage (Pieper, Klein, & Jaskiewicz, 2008), increased levels of business performance (Sorensen, 2002), decreased

business conflict (Barker, Rimler, Moreno & Kaplan, 2004), and to contribute to the overall health and success of the family business system (Davis & Stern, 1996).

A portion of family businesses are owned and managed by couples. These entrepreneurial couples have been termed “copreneurs” (Barnett & Barnett, 1988), and are estimated to own at least 30% of all family businesses in the United States (Muske, Fitzgerald, & Haynes, 2003). Although copreneurship is a growing business trend (Tompson & Tompson, 2000), the body of literature focusing on these ventures is small.

The relationship between goal congruity and business continuance has been established for family businesses (e.g., Davis & Stern, 1996; Sorensen, 2002), but the importance of goal congruity in copreneurial outcomes is not yet fully understood. The current study seeks to address this gap in the literature by exploring and comparing the unique prioritized goals of copreneurial partners. Using data from the 1997 and 2000 panels of the National Family Business Survey (NFBS), comparisons are made between the levels of goal congruity within copreneurial and noncopreneurial family business household managers and business managers. Goal congruity within copreneurial and noncopreneurial partnerships is also measured in order to explore the predictive relationship between goal congruity and business continuance. These variables will be examined from an ecological systems theoretical perspective. Ecological systems theory provides a framework for studying the interdependent relationships between an individual and his or her context (Bronfenbrenner, 1977).

## Literature Review

### Family Business

A family business has been broadly defined as a firm that includes two or more members of a family that has financial control of the company (Aronoff et al, 2002). When defining family business as any enterprise in which the family has effective strategic control, there are over 24 million family businesses in the United States (Astrachan & Shanker, 2003). There exists no agreed upon definition of family business, and one review of the literature identified 21 different definitions among 250 articles (Chua, Chrisman & Sharma, 1999). Family business theorists tend to define family businesses based on four criteria: degree of ownership and/or management by family members, degree of family involvement, potential for succession, or based on multiple criteria (Handler, 1992). For the purposes of this study, a family business is defined as a business that is owned and managed by one or more members of a household of two or more people related by blood, marriage, or adoption (Olson et al, 2003).

When compared to non-family firms, family businesses possess many unique advantages. Members of a family business typically share a common language, history, beliefs, and values, communicate with more ease and effectiveness, experience strong familial relationships, and are more likely to commit to long-term business goals (Barker et al, 2004; Kim, 2006; Tagiuri & Davis, 1992). Moreover, research shows that family businesses that consider the family when making business decisions are more successful than those that do not (Basco & Rodriguez, 2009), and family involvement is often considered to be a unique resource for family businesses (e.g., Milton, 2008). As a result, family businesses tend to financially outperform their non-family counterparts (Anderson & Reeb, 2003). Furthermore, a study comparing Japanese family and non-family businesses found that family firms exhibited greater resilience during times of

economic downturn and recovered faster when the economy stabilized (Amann & Jaussaud, 2012).

Along with these advantages, members of family businesses may also face unique challenges as they simultaneously navigate entrepreneurial and familial relationships. Consequently, the same familial relationships that offer a business support and resources may also contribute additional discord and tension (Milton, 2008). In fact, within the family business literature, one of the most common challenges discussed is family conflict. Among family businesses, relational conflict has been found to be a major threat to business continuance (Danes & Morgan, 2004) and is often at the root of business failure (McClendon & Kadis, 2004). Finding effective ways to manage this conflict may be an important resource for family businesses (Shelton, 2006), as conflict management has been found to contribute to family business success and improved quality of life for family business members (Danes, Leichtentritt, Metz, & Huddleston-Casas, 2000). Another challenge commonly faced by family businesses is maintaining boundaries between work and home life. Research suggests that successful family businesses are able to effectively manage the overlap between business and family systems (Olson et al, 2003).

Although family businesses are quite prevalent, the research exploring them is lacking. The family business literature tends to focus on the business side of these endeavors, and family dynamics have historically been ignored (Marshack, 1993) or considered an impediment to successful business functioning (Danes, Haberman, & McTavish, 2005). For example, family business scholars tend to utilize business sampling frames rather than household sampling frames during the study of these entities (Winter, Fitzgerald, Heck, Haynes & Danes, 1998). Exploring the complex dynamics of family businesses is not an easy endeavor. Common research

challenges faced by family business scholars include developing common definitions, formulating comprehensive research models, and establishing sound theoretical foundations (Kim, 2006). Because the family and business systems are so intertwined, family business researchers often struggle to accurately assess business performance (Farrington, Venter, Eybers, & Boshoff, 2011; Mahto, Davis, Pearce, & Robinson, 2010). Furthermore, family business researchers are beginning to acknowledge the diversity of family firms (Chrisman et al, 2012), an aspect that was largely overlooked in early research and theory development (Distelberg & Blow, 2010). This recognition of heterogeneity calls for research focused on the unique effects of family involvement in business, and how this involvement influences firm behavior and performance (Chrisman et al, 2012).

### **Copreneurs**

Family businesses are often co-owned and managed by couples. Barnett and Barnett first labeled these business-owning couples (i.e., co-entrepreneurs) “copreneurs” in 1988. As addressed previously, these researchers defined copreneurs as entrepreneurial couples that share ownership of, commitment to, and responsibility for a business (Barnett & Barnett, 1988). For the purposes of this study, consistent with Fitzgerald & Muske (2002), research participants were classified as copreneurs if the business manager reported that he or she was married or involved in a marriage-like partnership and the household manager reported that he or she was the partner or spouse of the business manager. Additionally, the business manager acknowledged the household manager’s involvement in the business, and the household manager was a major decision maker in the business. It is estimated that at least 30% of family businesses in the United States are owned by husbands and wives (Muske et al, 2003) and this trend appears to be growing (Smith, 2000; Tompson & Tompson, 2000).

Copreneurial enterprises are not a new phenomenon (Tompson & Tompson, 2000); however, the research exploring them is lagging. These businesses are difficult to identify, due in part to their dynamic nature (Muske & Fitzgerald, 2006). Therefore, research has been based primarily on anecdotal data or small, unrepresentative samples, which limits the generalizability of these findings (Tompson & Tompson, 2000). Additionally, much of the literature on copreneurs has been published in popular business press articles rather than academic journals (Davies, 1998; Roha, 1990).

The lack of literature may also be a result of the role of women in copreneurial ventures, as family business scholars have historically ignored and discounted the contributions of women (Marshack, 1994; Salganicoff, 1990). Entrepreneurship has been socially constructed as a masculine activity, which has further marginalized the role of women in entrepreneurial ventures (Baker, Aldrich, & Liou, 1997). The criteria used to define copreneurial businesses and measure their success have also been largely inconsistent across the literature (Fitzgerald & Muske, 2002). These factors contribute to an “invisibility,” which creates a barrier to gathering comprehensive statistical data on copreneurs (O’Connor, Hamouda, McKeon, Henry & Johnston, 2006). Given these methodological challenges, estimates of copreneurial businesses in the United States range from 700,000 (Greene & Greene, 1994) to 1.5 million (Thompson, 1990).

Managing a copreneurial business has implications for the couple’s relationship, as well as for the business itself. The general public typically expresses concern about the adverse effects copreneurship might have on the couple dynamic (Nadler, 1981). Many studies, however, have found evidence to support the contrary. Cox, Moore and Van Auken (1984) found that working together had a more positive than negative influence on the couple relationship. Through working together, copreneurs report experiencing improved communication (Jang &

Danes, 2013; Tompson & Tompson, 2000), increased respect and equality (Wicker & Burley, 1991), and increased intimacy within their relationship (Arkin & Dobrofsky, 1979; Nelton, 1986). Research suggests that involvement in business ventures may strengthen the bond between partners (Barnett & Barnett, 1988; Smith, 2000) and that this connection is especially intensified during business start-up (Wicker & Burley, 1991). In addition, Tompson and Tompson (2000) have named trust, resiliency, and pride as potential benefits of copreneurial relationships.

Entrepreneurial partners are often more successful than those who start businesses on their own (Deenes, 2003). Copreneurs are more likely to incorporate family values into business decisions (Muske et al, 2009) and tend to prioritize familial relationships more so than members of non-family firms (Jaffe, 1990). Copreneurs also benefit from the advantage of pursuing entrepreneurship with a person they know and trust (Fitzgerald & Muske, 2002). Copreneurial businesses essentially blur the lines between work and family, reuniting two areas of life that have been separated since the Industrial Age (Jaffe, 1990; Salganicoff, 1990). Copreneurship may be an attractive option for many couples and their families, as copreneurs are typically better able to adopt a flexible work schedule, as they combine work and personal life (Nelton, 1986; Smith, 2000). Marshack (1994) found that copreneurs who prioritize the relationship over the business experience greater business success in the long run. Partner support is also considered to be an important resource in business sustainability and may provide competitive advantage (Danes & Olson, 2003).

While copreneurs may reap great benefits from co-owning a business, they may also face unique adversities. Copreneurs are presented with the complex challenge of nurturing a romantic relationship with their business partner. Problems that surface within the business operation are

often a result of problems within the couple relationship (Kadis & McClendon, 1991). Heckman, Bryson, and Bryson (1977) named six areas of potential trouble for copreneurs: restricted mobility, increased demand on time and energy, collision of professional and personal problems, role conflict, competition between spouses, and the intrusion of work problems in the home.

In summary, family businesses are unique enterprises that possess distinct advantages and disadvantages. Copreneurships are a specific type of family business, which have received limited scholarly attention in recent years. The family business literature would benefit from more in-depth research into the dynamics of these business partnerships. A review of this study's theoretical framework is discussed in the following sections.

### **Theoretical Framework**

**Ecological systems theory.** Ecological systems theory was first introduced by Urie Bronfenbrenner in 1977. Bronfenbrenner developed this perspective in order to satisfy the need for social relevance in human development research (Bronfenbrenner, 1977). He suggested that in order to truly understand human development, researchers must look beyond direct observation of behavior and examine the interactions between systems. Bronfenbrenner (1977) defined the ecology of human development as the scientific study of the progressive, mutual accommodation between a developing human organism and the changing immediate environments in which it lives. This process of accommodation is affected by interactions within and between these environments, as well as the larger social contexts in which these environments exist (Bronfenbrenner, 1977). Therefore, ecological systems theory is based on the premise that all organisms, systems, and environments are connected and interdependent (Deacon & Firebaugh, 1988). This theory aims to study the dynamic nature of these interrelationships.

Bronfenbrenner (1977) compared ecological environments to a set of Russian dolls, as each environment is contained within the next. He divided the environmental systems into four categories: microsystem, mesosystem, exosystem, and macrosystem. The microsystem includes the relations between the developing person and his or her immediate environment (e.g., home, school, workplace). The mesosystem is comprised of the interrelations among major settings in which the developing person is contained. Simply put, the mesosystem is a system of microsystems. The exosystem includes other social structures that impinge upon the developing person (e.g., neighborhood, mass media, agencies of government). Lastly, the macrosystem is comprised of overarching institutional patterns of the culture (e.g., economic, social, educational, and political systems), which serve as carriers of information and ideology. The micro-, meso-, and exo- systems are direct manifestations of the greater macrosystems (Bronfenbrenner, 1977).

Within ecological systems theory, families are viewed as goal-oriented, self-regulating systems that continually interact with other systems in their environments (Deacon & Firebaugh, 1988). Deacon and Firebaugh (1988) developed a family resource management model based on systems theory and ecological systems theory. These theorists focused specifically on the physical and social elements of the family living context (microenvironment) and the larger social systems (e.g., sociocultural, political, economic, technological) surrounding the family (macroenvironment). Deacon and Firebaugh's (1988) model suggests that families receive input from other systems, which is then transformed into output during a process called throughput. The output is then used internally or is exchanged with other systems. Inputs are defined as resources or demands of the family, which affect throughput processes. These demands may be based on goals that the family has established for itself. Demands may also come from another system in the environment or may result from an unexpected event. Output is defined as matter,

energy, or information produced by a system in response to input and throughput processes (Deacon & Firebaugh, 1988).

According to Deacon and Firebaugh (1988), systems must possess or obtain resources in order to meet demands and accomplish goals. In the context of family systems, resources are defined as means that provide the characteristics or properties capable of meeting the demands placed upon the family by goals and events. Resources may become available as a result of production within the system or through interactions or transfers with other systems. In order to obtain a balance of resources, members of the family system must have an understanding of the relationship between resources, values, goals, and demands. These factors vary across the lifespan and therefore must be reassessed frequently (Deacon & Firebaugh, 1988).

Deacon and Firebaugh's model considers the family to be a complex system with two major subsystems: personal and managerial. The personal system receives input from external forces, clarifies values, and nurtures the capacities of the family members. The role of the managerial system is to accomplish goals through the acquisition and use of external or internal resources. The ecosystems theory of family resource management, with ties to systems theory, has been specifically applied to the study of family businesses. This theory fits well with the family business literature, given that systems theory is the predominant theory used to study family businesses (Sharma, 2004; Stafford, Duncan, Danes, & Winter, 1999). The three assumptions of the ecosystems theory for family business are as follows:

1. Family businesses vary in value orientations. They perceive success through the accomplishment of goals, which are informed by the system's value orientation.
2. Goals and resources within the family business are valued differently depending on the value orientation of the family business.

3. Unity in values within a family business is more important to functioning than the actual family business value orientation.

In their study of family businesses, Distelberg and Blow (2010) found evidence to support these theoretical assumptions. When exploring individual satisfaction, the results indicated a stronger relationship with unity in values among family members than the actual value orientation of the family business. Based on these results, the researchers conclude that family businesses naturally follow the principles of ecological systems theory (Distelberg & Blow, 2010). Ecological systems theory is a fitting perspective, as the family and business are constantly transferring resources between systems. For example, the intermingling of household and business financial resources has been found to occur in almost two-thirds of all family businesses (Fitzgerald, Winter, Miller, & Paul, 2001). The ecological systems model aptly addresses the complexities of the family business system, without attempting to separate the family from the business. This theoretical model also allows for an in-depth exploration of the unique resources and constraints that impact businesses (Barnett, 1998; Habbershon, 2006).

In the following sections, the literature regarding family business values and goals is presented in order to explore the existing empirical support for the three assumptions of the ecosystems theory for family businesses. This review is followed by a discussion of prioritized family business goals and the subsequent effects on family business performance and continuance.

### **Values and Goals**

The concept of goals has been defined as value-based objectives or anticipated outcomes that provide direction for action (Deacon & Firebaugh, 1988). Discussions of goals in family business literature tend to focus on the following constructs: goal formulation, value orientation,

goal achievement, goal clarity, and goal congruity. Each of these constructs will be explored in the subsequent sections.

The first and second assumptions of the ecosystems theory of family businesses are centered on family business value orientation and goal achievement. Deacon and Firebaugh (1988) suggest that family businesses vary in value orientations. These unique value orientations dictate the goals a family business pursues, the resources they value, and the ways in which they perceive success. According to this theory, family businesses perceive success through the accomplishment of prioritized goals (Deacon & Firebaugh, 1988).

The process of goal formulation is inextricably linked to the values of the goal-setter. Bandura (1986) defined values as ideas that are maintained in all circumstances. Values represent the essential meaning for what an individual deems desirable or important (Deacon & Firebaugh, 1988). Value-based goals are developed through individual experiences, the attainment of new knowledge, feedback processes, and changes in environment. According to ecosystems theory, value systems are also shaped by an individual's sociocultural context (Deacon & Firebaugh, 1988). Deacon and Firebaugh (1988) suggest that goal priorities may change over time, but that values remain relatively stable.

Values provide purpose and direction for decisions and supply fundamental criteria to evaluate goal achievement (Deacon & Firebaugh, 1988; Kotey & Meredith, 1997). Just as values shape the process of goal formulation, they also influence the prioritization of goals. This idea was explored through the theory of human values, which suggests that the greater importance a person attributes to a value; the more priority is given to the achievement of that value-driven goal (Schwartz, 1992). Moreover, people are most effective in goal achievement when their personal interests, goals, and values are aligned (Distelberg & Blow, 2010; Sheldon & Elliot,

1998). Ecological systems theorists suggest that this alignment of values, goals, and resources is necessary for optimal function of the system (Distelberg & Blow, 2010).

### **Family Goals**

The body of literature exploring the concept of family goals is small and limited. The field of family business research has primarily focused on business goals rather than family goals (Dyer & Dyer, 2009). The study of family goals is an important area of research, as the family business will inevitably influence the family's goals and plans for the future (Jaffe, 2005) and vice versa. The family's unique needs and resources affect the process of goal selection and prioritization (Deacon & Firebaugh, 1988). Consequently, the demands and expectations of the family and the business systems often conflict (Flemons & Cole, 1992; Jaffe, 2005). Yet, research suggests that families are more likely to adjust to business demands than the other way around (Miller, Winter, Fitzgerald, & Paul, 2000). Because of the differing priorities of each family member, achieving family goal consensus may be difficult. Lack of goal consensus can lead to conflict among family members (Deacon & Firebaugh, 1988). High levels of family tension and conflict have been associated with a decline in business income (Olson et al, 2003). Therefore, goal congruity among family members may be a crucial factor for family business success.

### **Family Business Goals**

In a 1988 Roper poll, 91% of respondents defined the "American Dream" as the opportunity to start their own business (Barnett & Barnett, 1988). The literature suggests that individuals who pursue entrepreneurship are motivated by personally relevant goals, which they believe will be accomplished through the business venture (Kuratko, Hornsby, & Naffziger, 1997; Moyer & Chalofsky, 2008). Kuratko and colleagues' (1997) findings suggest that

entrepreneurs are motivated to continue business ownership through the achievement of personal goals. These scholars found that entrepreneurs are motivated by goals both extrinsic (e.g., wealth, increased personal income) and intrinsic (e.g., autonomy, recognition) in nature. The emphasis on intrinsic goals provides support for the idea that business success should not be evaluated in purely economic terms (Kuratko et al, 1997). There are several reasons why persons start their own business. For example, many pursue entrepreneurship due to dissatisfaction with corporate employment. In recent years, women, in particular, have reported increased interest in entrepreneurship, as they seek greater balance between career and home responsibilities (Smith, 2000). Through involvement in family business, women may also experience greater job security and better access to typically male-dominated industries than if working in a non-family business (Salganicoff, 1990).

Goal setting is an important process in entrepreneurial ventures. Goals drive business strategy, behavior, decision-making, and performance (Astrachan & Jaskiewicz, 2008; McCann, Leon-Guerrero, & Haley, 2001). Thus, these aspects of business cannot be fully understood without a thorough exploration of the goals of the business (Chrisman, Chua, Pearson, & Barnett, 2012; Kuratko et al, 1997). One review of small business management literature found goals to be a crucial part of business planning processes (Ibrahim, Angelidis, & Parsa, 2004).

Research suggests that the values and goals of a business manager are impossible to differentiate from the goals of their business (Kotey & Meredith, 1997). Some small business managers experience a strong emotional attachment to the business, and view the business as an extension of self (Carland, Hoy, Boulton, & Carland, 1984). It is thought that a manager's personal values inform business strategy, which affects business performance. In their study of Australian businesses, Kotey and Meredith (1997) found an association between the values of

business managers, their business strategies, and the performance outcomes of their businesses. It is also suggested that managers of small businesses have greater influence on business goals and strategy than managers of large businesses (Miller, 1983). The vast majority of family businesses are small, employing fewer than 20 individuals (U.S. Small Business Administration, 1997). For these reasons, the values and beliefs of a family business manager may be even more influential in affecting the goals and direction of the firm than those of non-family firms (Moyer & Chalofsky, 2008).

**Goal formulation.** The concept of goal formulation is considered to be a key dimension in family business literature (Distelberg & Sorenson, 2009; Tagiuri & Davis, 1992). In fact, a family system has been defined as an integrated set of parts that function to accomplish a set of goals (Deacon & Firebaugh, 1988). Establishing clear goals for a family firm can provide purpose, motivation, and means of assessing progress (Tagiuri & Davis, 1992). Despite the importance of goals in family businesses, the processes of goal selection and development are not well understood by researchers or practitioners (Moyer & Chalofsky, 2008; Tagiuri & Davis, 1992). The lack of research on family business goals may be due to the methodological difficulty in identifying organizational goals. For example, goals may be inconsistent among business owners, employees, and family members, and these goals are likely to change over time (Tagiuri & Davis, 1992).

In comparison to non-family firms, family firms differ in both the goals they set and the process by which these goals are pursued (Kuratko, Hornsby, & Naffziger, 1997). The influence of family values in strategic goal setting may be the primary reason behind these differences (Chrisman, Chua, Pearson, & Barnett, 2012; McCann, Leon-Guerrero, & Haley, 2001). These internal family values lead family businesses to value specific goals over others (Kuratko et al,

1997). Family business members must consider the family, the business, and the family/business interface when selecting goals and management strategy (Danes, Loy, & Stafford, 2008).

Additionally, family business managers tend to be more aware of the critical role of personal relationships in making business decisions than managers of non-family firms (Moyer & Chalofsky, 2008). Some studies, however, have uncovered conflicting results. One group of researchers found that the top five strategies prioritized by family business managers were focused on the business, rather than the family (McCann et al, 2001).

In their study, Tagiuri and Davis (1992) sought to explore the goals, purposes, and objectives of small, successful family firms. These researchers surveyed over 100 chief executives and created a questionnaire based on these responses. This questionnaire was then used to test the importance of these goals among family business managers. The results of this study indicate that the most prioritized goals among family business managers were to gain profit, offer high-quality products and services, provide a good work environment for employees, and pursue personal challenge, growth, and independence. These findings reflect a strong emphasis on excellence and quality, which may be a result of managers' personal identification with their companies (Tagiuri & Davis, 1992). Many respondents also reported difficulty in identifying the single most important goal, as managers tend to pursue multiple goals simultaneously. Based on their findings, Tagiuri and Davis (1992) divided all manager goals into six distinct categories:

1. Create a company where employees can be happy, productive, and proud
2. Provide the owner(s) with financial security and benefits
3. Develop quality products
4. Pursue personal growth, social advancement, and autonomy through entrepreneurship

5. Maintain good corporate citizenship
6. Maintain job security

Miller and Le Breton-Miller (2005) also conducted a study to explore priorities of highly successful family firms. Termed the 4-C Model, these researchers found that the top four priorities are (a) Continuity (the pursuance of long-term goals), (b) Command (ability to make adaptive decisions), (c) Connection (business' relationship with outside partners), and (d) Community (building a group of committed people).

In their study of family businesses, Chrisman and colleagues (2012) focused on the importance of family-centered non-economic (FCNE) goals. Family-centered non-economic goals may include outcomes such as family harmony, family social status, or family and firm identity linkage (Chrisman et al, 2012). All firms are thought to formulate both economic (e.g. business growth, maximize profits) and non-economic (e.g., personal achievement, quality of life) goals (Chrisman et al, 2012; Tagiuri & Davis, 1992), and high performing family firms have been found to develop and pursue both financial and nonfinancial goals (Stafford et al., 1999). However, family firms are thought to place greater emphasis on non-economic goals than non-family firms, which may be a major differentiating factor between family and non-family firms (Chrisman et al, 2012; Sharma, 2004). Moreover, Ward (2004) suggests that the overall goal of family businesses is endurance, as these firms tend to prioritize survival over profit. In one study, over 44% of the participating family businesses identified a positive reputation with customers as the most important business goal (Danes, Loy, & Stafford, 2008).

The findings of Chrisman and colleagues (2012) indicate that family involvement in the business influences the adoption of FCNE goals. Interestingly, Chrisman and colleagues (2012) also found that the family must be willing to use its influence to affect firm behavior and goal

development, a concept referred to as “family essence.” This finding further supports the idea of heterogeneity among family firms, as the adoption of FCNE goals was not uniform across firms (Chrisman et al, 2012). If family business researchers study economic goals only, a large portion of the business’ motives might go undiscovered. Therefore, exploring a firm’s FCNE goals may provide a more accurate reflection of the business owner’s values, attitudes, and intentions for the firm (Chrisman et al, 2012).

**Family business orientation.** Another factor that has been found to differentiate family firms from non-family firms is the specific orientation of the business. Family firms are more likely to adopt a long-term orientation (Tagiuri & Davis, 1992), which has been defined as priorities, goals, and investments that come to fruition over an extended period of time (Le Breton-Miller & Miller, 2006). Research suggests that managers of family businesses are more likely to have a greater interest in the long-term performance of the business than managers of non-family firms (Lumpkin, Brigham, & Moss, 2010). This focus may be due to the importance of succession among family business managers (Moyer & Chalofsky, 2008).

The orientation of a business has been found to influence the decision-making processes of family firms (Lumpkin et al, 2010). A long-term business orientation is typically associated with more conservative decision-making strategies. Therefore, family businesses may avoid “risky” opportunities in order to preserve family rituals, routines, and traditions (Lumpkin et al, 2010). While some risk-taking may be necessary for business growth (Lumpkin et al, 2010), maintaining a long-term orientation may contribute to firm success. Family business scholars consider a long-term orientation to be vital for business continuance and high performance (Miller & Le Breton-Miller, 2005). Consequently, family businesses generally outperform non-

family businesses on many performance outcomes (Anderson & Reeb, 2003; Lumpkin et al, 2010) and this success is often attributed, in part, to the long-term orientation.

In addition to a long-term orientation, family businesses also possess unique value orientations, which dictate business goals and priorities. Value orientations for family businesses are typically categorized as “family-first” or “business-first.” Family-first businesses tend to pursue non-economic goals (Sharma, Chrisman, & Chua, 1997) and are more likely than business-first businesses to use business resources to support family goals (Distelberg & Blow, 2010). Business-oriented family firms tend to prioritize economic goals over non-economic goals, and they are more likely to value financial performance than family-oriented firms (Sharma et al, 1997). In accordance with the third assumption of the ecosystems theory for family businesses, the values of the individual members of the family business must be united in order to produce an agreed upon value orientation at the family business level (Distelberg & Blow, 2010). Furthermore, Leenders and Waarts (2003) found the family firm atmosphere to be more positive when the value orientation was clear and consistent.

One value orientation is not better or worse than another. However, Basco and Rodriguez (2009) found that family enterprises that emphasize family over business have better family outcomes and similar business results when compared to those that ignore family in management decisions. In addition, Stafford, Bhargava, Danes, Haynes, and Brewton (2010) found that business managers who view their business as a way of life have greater rates of business continuance than those who do not. Family businesses have been found to vary greatly in their value orientation (Leenders & Waarts, 2003). Moreover, most family firms are not purely family- or business-oriented, but rather fall somewhere on a continuum between the two orientations (Mahto, Davis, Pearce, & Robinson, 2010).

**Family business performance.** Family business performance is commonly assessed using purely economic factors (Rutherford, Kuratko, & Holt, 2008). For example, in previous research using the National Family Business Survey, gross business income was found to be a significant predictor of continuance in family businesses (Niehm, Miller, Shelley, & Fitzgerald, 2009). However, the majority of family firms prioritize non-economic goals over economic goals (Chrisman et al, 2012). Researchers suggest that evaluating all firms based on financial performance is an inadequate measure of performance, and recommend family firm performance be measured in relation to the firm's unique goals and orientations instead (Chrisman et al, 2012; Danes, Loy, & Stafford, 2008; Distelberg & Blow, 2010; Mahto et al, 2010).

Family business researchers may receive a more accurate depiction of firm performance if focus is given to the family's reported level of satisfaction with firm performance rather than objective measures (Gomez-Mejia, Hynes, Nunez-Nickel, & Moyano-Fuentes, 2007). Mahto and colleagues (2010) found that the level of family interaction, identification with the business, and the level of family commitment were significantly positively correlated with satisfaction in business performance.

**Satisfaction and continuance.** The achievement of prioritized goals is an important concept, as goal attainment may lead to increased life satisfaction for individuals (Pohlman, 2001). Likewise, for business owners, goal achievement is correlated with higher levels of satisfaction in the business (Cooper & Artz, 1995). In order to achieve family business goals, managers attempt to influence business strategy and decision-making processes (Argote & Greve, 2007). If these goals are not attained, business members may adjust strategies in order to pursue desired outcomes and ensure business continuance (Baum & Dahlin, 2007; Danes, Loy, & Stafford, 2008). Failure to meet business performance goals may negatively impact the family

members' commitment to the business, while goal achievement may increase members' motivation for involvement (Aronoff & Ward, 1991). For example, Danes and Lee (2004) found that, for farm-owning couples, profit was a highly prioritized goal, however participants did not report high achievement in this goal area. Discrepancies like this may lead to significant tension within the family business system. Furthermore, family business managers' satisfaction with firm performance has been found to predict family business continuance (Cooper & Artz, 1995). In fact, the literature suggests that the specific goals that are pursued may have an influence on the manager's satisfaction with the business. Cooper and Artz (1995) found that entrepreneurs who emphasized non-economic goals reported higher levels of business satisfaction than those who emphasized economic goals.

Danes, Zuiker, Kean, and Arbuthnot (1999) conducted a study to compare perceptions of prioritized goal achievement among the household managers and business managers of family businesses. These researchers utilized data from the 1997 National Family Business Survey (NFBS) sample to explore their hypotheses. The subsample included 414 family businesses, and the mean age of business was 20 years, with an average of nine employees. Respondents rated their perceived success of family and business goals on a 5-point Likert scale. Answers ranged from 1 ("not at all successful") to 5 ("very successful"). Danes and colleagues (1999) found statistically significant differences between the perceptions of goal achievement among household managers and business managers for both family and business goals. Household managers tended to report greater success in achieving family and business goals than did business managers (Danes et al, 1999).

The results of this study also indicated that the total level of tensions among the family and business was the only statistically significant variable in explaining the variance in

achievement of business goals for the household manager and business manager. Specifically, greater tension within the family business predicted decreased perceived success in achievement of business goals (Danes et al, 1999). In the NFBS, family tensions have been defined as the level of tension and conflict resulting from family processes (Olson et al, 2003). Measures of family tensions explore the ways in which the family business affects the relationships of family members in the household. Tensions may be related to role confusion, unequal ownership, unfair compensation, unresolved conflicts, or unfair workloads within the family business (Olson et al, 2003).

Interestingly, the level of family functionality, which was measured using the Family APGAR score, significantly predicted the level of tension within the family business. This relationship may be bidirectional, as, in a different study, increased tension level within a family business was found to have a negative effect on family functionality (Philbrick & Fitzgerald, 2007). Family APGAR is an empirically valid and reliable measure of an individual's level of satisfaction with the functioning of his or her family (Smilkstein, 1978). The acronym APGAR stands for five aspects of family functionality: *adaptability*, *partnership*, *growth*, *affection*, and *resolve*. For business managers, Family APGAR was the only significant predictor of family goal achievement. For household managers, age of family business, health of the family, and tension level were found to be associated with perceived achievement of family goals (Danes et al, 1999).

In sum, total tension level of the family business predicted perceived achievement of the prioritized business goal, while Family APGAR predicted success in achieving the prioritized family goal for both household and business managers (Danes et al, 1999). Because the responses of the two managers differed significantly, this study also provides support for the

importance of evaluating perceptions of both household and business manager in family business research (Danes et al, 1999). Historically, in the family business literature, the management of the household has not been given sufficient attention (Duncan, Zuiker, & Heck, 2000). This trend may be due, in part, to the fact that household managerial processes are difficult to measure (Duncan et al, 2000). Danes and colleagues' (1999) study adds to the family business goal literature in several ways; however, the researchers did not explore goal congruity between household and business managers. In addition, the researchers did not report the specific family and business goals prioritized by managers, focusing instead on overall goal achievement. Furthermore, Danes and colleagues (1999) studied a sample of family businesses, rather than focusing specifically on copreneurs. The present study aims to address these gaps.

**Goal clarity.** Family business managers are often encouraged to explicitly communicate company goals to all owners, managers, employees, and family members (e.g., Isaacs, 1991; Tagiuri & Davis, 1992). Many business owners, however, are hesitant to adopt this practice. Some feel that articulating goals may limit opportunities and vision for the company. Others argue that openness about goals may lead to criticism and blame, or create an environment of conflict. On the other hand, some managers admit that lack of goal clarity stems from the fact that consolidating and articulating goals in a coherent manner is a challenging practice (Tagiuri & Davis, 1992). Research shows that conflict among members may also interfere with the formulation of clear goals for the family business (Danes et al, 1999). Relationship conflict may also distract family members from pursuing their business goals (Eddleston & Kellermans, 2007).

## **Factors that Influence Goal Selection**

Many factors have been found to influence goal selection and prioritization for individuals, families, and businesses. The factors that have received the most attention in the literature are gender, age, and presence of children.

**Gender.** In general, women's personal goals are more likely than men's to be relational in nature (Strough, Berg, & Sansone, 1996). Men's personal goals tend to be focused on achievement and property (Samelo-Aro, Nurmi, Saisto, & Halmesmaki, 2000). In a study of farm-owning couples, women tended to prioritize family goals, while men prioritized business goals (Danes & Lee, 2004). Business management styles have also been found to differ significantly based on gender. Hunts, Danes, Haynes, and Heck (2000) found that men managers are more likely than women managers to engage in goal-setting behaviors. When exploring motives for self-employment, responses differ based on gender. Men report that they are motivated by increased financial earnings, the need for achievement, and the desire to "be their own boss." Women are more likely to report a desire to maintain family responsibilities, and therefore seek entrepreneurship in order to pursue autonomy and flexible work hours (Smith, 2000). Research and theory suggest that the adherence to existing gender stereotypes leads female and male business owners to emphasize different career goals (Bird & Brush, 2002).

Although they have not received as much scholarly attention as men, women have been found to be influential in family business outcomes. For example, women's overall satisfaction with their role in the family business was found to be a significant predictor of family functioning, with greater levels of satisfaction predicting increased family functioning (Philbrick & Fitzgerald, 2007). Involvement in business can also impact a women's overall well-being.

Lee, Danes, and Shelley (2006) found that married women reporting higher involvement in managerial activity indicated greater perceived well-being than less-involved counterparts.

**Age.** In their theoretical exploration of marital goals, Li & Fung (2011) found that age of partners had a significant influence on the prioritization of goals. Their results suggested that, among married couples, the priority of personal growth goals is high in young adulthood and gradually decreases as people age. In contrast, the focus on companionship goals is low in young adulthood and increases as people get older. This phenomenon is thought to be a result of the limited future perspective that is adopted in old age, as individuals are focusing on more emotionally meaningful goals during this stage of life.

**Presence of children.** Research suggests that family goals tend to change after the birth of a child, as priorities inevitably shift during this transition. Couples may be more focused on instrumental (i.e. practical) goals after becoming parents (Li & Fung, 2011). Another study of new parents found that focus on goals related to family increased after the birth of their first child (Samelo-Aro, Nurmi, Saisto & Halmesmaki, 2000). Having children may also influence family business survival. Niehm and colleagues (2009) found that surviving family firms tended to have fewer children under the age of 18 when compared to non-surviving counterparts.

### **Family Business Unity**

Among the commonly cited advantages of family business involvement is the presence of shared goals among members (e.g., Barker, Rimler, Moreno, & Kaplan, 2004; Kim, 2006). The third and final assumption of the ecosystems theory for family businesses states that unity in values within a family business is more important to functioning than the actual family business value orientation (Distelberg & Blow, 2010). Unity, in this context, has been defined as the level

of agreement of individuals within a family business around a particular value orientation (Distelberg & Blow, 2010).

Ecosystems theory determines health by assessing the system's ability to exist over time (Stafford et al, 1999). Businesses are thought to become more resilient over time, as age of business has been positively correlated with business continuance (Winter & Fitzgerald, 1993). Continuity within the system is considered the best way to accomplish this continuance, as the level of unity in values among the family business system has been found to predict the system's health and success (Davis & Stern, 1996). In fact, many researchers consider the lack of shared goals to be an indicator of a conflicted family business (Barker et al, 2004). Furthermore, the involvement of multiple generations in the family firm decision-making process has been correlated with family business unity (Chrisman, Chua, Pearson, & Barnett, 2012). Theory and research suggest that unity within a family business contributes to the development of good coping mechanisms (Kenny & Acitelli, 1994), decreased levels of business conflict (Barker et al, 2004), increased employee satisfaction (Distelberg & Blow, 2010; Kristof-Brown, Zimmerman, & Johnson, 2005), financial advantage (Pieper, Klein, & Jaskiewicz, 2008), and higher levels of business performance (Sorensen, 2002).

The importance of goals in family business processes is widely researched and empirically supported. However, due to the relatively small body of literature exploring copreneurial ventures, little is known about the goals of these particular businesses. The literature regarding marital and copreneurial goals will be reviewed in the following sections.

## **Marital Goals**

The goals people want to attain in their marriage are referred to as marital goals (Li & Fung, 2011). Marital goals have been classified into three categories: companionship goals, personal growth goals, and instrumental goals (Li & Fung, 2011). Companionship goals include the need for belonging and relatedness in the marriage. Personal growth goals involve the desire to improve or actualize oneself in the marriage, and instrumental goals are those that are practical in nature (e.g. household labor and responsibilities) (Li & Fung, 2011). As previously discussed, the prioritization of these marital goals is somewhat dependent on age, with younger couples focusing on personal growth goals, middle-aged couples emphasizing instrumental goals, and older couples pursuing companionship goals (Li & Fung, 2011). These prioritized marital goals have been found to influence the couple's communication pattern, problem-solving strategies, and other interaction patterns (Li & Fung, 2011).

According to the dynamic goal theory of marital satisfaction, the achievement of prioritized marital goals is the most essential determinant of marital satisfaction (Li & Fung, 2011). This theory is based on four major assumptions:

1. Persons have multiple goals to achieve in marriage
2. The priority of these goals changes across adulthood
3. The achievement of these prioritized goals in certain developmental stages determines satisfaction level
4. There are other factors which affect marital satisfaction

Li and Fung (2011) suggest that when examining the influence of prioritized marital goals on marital satisfaction, the age of partners is more important than duration of marriage.

The prioritization of goals may be influenced by birth of children, life stressors, life transitions, financial situation, and historical and cultural factors (Li & Fung, 2011).

Theory and research suggest that goal congruence within couples is an important resource for relationship success in all partnerships. Empirical findings suggest that the extent to which partners agree about which values are important to a relationship contributes to relationship satisfaction (Acitelli, Kenny, & Weiner, 2001). When compared to incongruent couples, congruent couples tend to be more successful in goal achievement and are more likely to experience reduced conflict as they pursue these goals (Acitelli et al, 2001). When couples engage in goal-congruent activities together, they report higher levels of enjoyment than when pursuing individual goals (Gere, Schimmack, Pinkus & Lockwood, 2011). Additionally, higher levels of goal conflict have been shown to predict lower relationship quality and lower levels of subjective well-being (Gere & Schimmack, 2013).

### **Copreneurial Values and Goals**

Values and goals of copreneurs may differ from those of noncopreneurial family businesses. Fitzgerald and Muske (2002) found that, when compared to noncopreneurial family businesses, copreneurs were more likely to view their business as a way of life than as a way to earn income. This finding suggests that copreneurs may prioritize and pursue noneconomic goals over economic goals. Much of the research regarding copreneurial goals is focused on goal congruence, a term defined as “the alignment of goals between copreneurial spouses” (Jang & Danes, 2013, p. 494). It has been suggested that simply entering into copreneurship is a demonstration of commitment to the relationship and serves as a representation of a couple’s united mission. Barnett and Barnett (1988) suggest that a common purpose is necessary in order to unite an organization around a set of goals. Shared goals are considered to be key in

copreneurial success (Barnett & Barnett, 1988) and have been linked to improved communication quality between partners (Jang & Danes, 2013). It is thought that, in order to succeed in copreneurship, partners also need to achieve personal goals through their involvement in the business; a concept termed “needs alignment” (Farrington, Venter, Eybers, & Boshoff, 2011). Needs alignment has been found to be positively correlated with growth performance and perceived success of the copreneurial business. Needs alignment may also influence the relationship between copreneurs (Farrington et al, 2011). Copreneurship may provide an opportunity for couples to express their strongest values through the business, which is likely to fortify their personal relationship (Jaffe, 1990).

When goals between copreneurs diverge, conflict is likely, which may impede financial performance of the business (Van Auken & Werbel, 2006). If organizational objectives are not clearly articulated, business partners may pursue individual agendas instead (Barnett & Barnett, 1988). Couples who sustain a business over a period of time tend to have fewer conflicts regarding business goals (Wicker & Burley, 1991). This tendency may result from the development of relational skills over time. For example, Smith (2000) found that the longer the marriage, the more likely copreneurs were to name compromise and compatibility as necessary factors for relational and business success.

### **Relationship Continuance**

There is a small body of literature exploring a unique group of family businesses: those who terminate their marital relationship, while continuing to work as business partners. Many assume that, for copreneurs especially, the end of a relationship would result in the termination of the business, but this is not always the case. Some business-owning couples choose to continue their business partnership despite the dissolution of the romantic relationship. Because

this is a relatively rare phenomenon, few models of post-divorce success exist for family business members (Cole & Johnson, 2007). Cole and Johnson (2007) conducted in-depth interviews with 18 men and women, whom had divorced their business partner but continued working together. Throughout the interviews, six major themes surfaced: trust, compartmentalism, emotional connection, synergy, commitment to business, and positive gender ideas. Cole and Johnson (2007) found that all of the couples mentioned trust as a vital part of their partnership. Study participants also emphasized the importance of possessing similar values, maintaining clear roles, and focusing on shared goals. Researchers found that the potential for business success after relationship dissolution increases when these six factors are present.

In summary, Deacon and Firebaugh's (1988) ecosystems theory for family businesses has been empirically supported in the family business literature. Theory and research suggest that the processes of value orientation, goal formulation, goal prioritization, and goal achievement for family businesses differ from that of their non-family business counterparts. It is clear that an understanding of these unique processes is necessary for family business study. It is likely that a thorough exploration of goals is relevant to the study of copreneurships as well as noncopreneurial family businesses. However, Deacon and Firebaugh's (1988) theoretical assumptions have not yet been applied to the study of copreneurial business systems. This paper aims to address this gap in the literature. To further examine goal processes in copreneurial couples, research questions related to goal congruity in copreneurial and noncopreneurial family businesses are presented in the following section.

## **Objectives of the Present Study**

The present study contributes to the family business literature in several ways. First, this study considers business and family processes, as well as the interconnectedness between these systems. Family dynamics are often ignored in the family business literature (Marshack, 1993), providing an incomplete picture of the functioning of these firms. In the present study, responses from both the household manager and business manager will be analyzed, fulfilling Danes' (2011) call for dyadic research at the couple-level. This approach to analyses adopts a relational perspective, which is underdeveloped in family business literature (Milton, 2008). In this study, the family and business goals of household and business managers will be compared, providing a social context for these priorities. The formulation and pursuit of goals is a relational practice, highly influenced by significant persons (Moyer & Chalofsky, 2008), yet the study of goals is largely individualistic (Gere & Schimmack, 2013). The ecological systems framework used in this study allows for a unique contextual and relational exploration of goal priorities. Second, this study is unique, in that the goals of copreneurs will be analyzed. Despite the cited importance of goals in business processes, the body of literature exploring copreneurial goals is small.

Third, the data are from the National Family Business Survey (NFBS) 1997 and 2000 panels. The NFBS data are derived from a large, nationally representative sample, which contributes to the generalizability of the findings. The NFBS data are unique in that the researchers utilized a household sampling frame, rather than a business sampling frame (Winter et al, 1998). Exploration of household managerial behavior is an underutilized practice in the field of family business research (Duncan, Zuiker, & Heck, 2000). This sampling approach allows for a more comprehensive analysis of the family and business systems (Olson et al, 2003).

Fourth, the NFBS addresses the need for longitudinal research in the field of family business literature. Participating households were surveyed in three waves: 1997, 2000, and 2007. The present study will utilize data from the 1997 and 2000 panels of the NFBS, in order to measure business and relationship continuance within copreneurial and noncopreneurial firms. Data from the 2007 panel were not included in the continuance measures, as the rate of attrition for copreneurs was too high during this wave of interviews.

Fifth, in this study, family business success is assessed using both objective and subjective measures. In the NFBS, goal achievement, satisfaction, and value orientation measures include perceptions of study participants, rather than focusing solely on objective measures (e.g., business profit or growth). Additionally, both economic and noneconomic goals are explored in this study, as scholars are beginning to recognize the importance of noneconomic measures of success for family businesses (Chrisman, Chua, Pearson & Barnett, 2012; Distelberg & Blow, 2010; Kuratko, Hornsby & Naffziger, 1997). This study aims to address these aforementioned gaps in the literature by exploring the prioritized goals of household managers and business managers of copreneurial and noncopreneurial family businesses.

The present study is exploratory in nature, as the body of literature regarding copreneurs is relatively small (Tompson & Tompson, 2000) and predominantly based on qualitative data (Smith, 2000). Therefore, no specific hypotheses will be made. Instead, this study will address the following research questions. First, do copreneurial and noncopreneurial households differ significantly on any of the following family business variables: value orientation, prioritized family goals, prioritized business goals, family goal congruity, business goal congruity, perceived achievement of family goals, perceived achievement of business goals, relationship continuance or business continuance? The validity of the ecosystems theory for family

businesses in copreneurships will be explored in the second research question, by incorporating variables identified in the review of literature as important to business continuance. This research question asks: among copreneurial and noncopreneurial household managers and business managers, are any of the following variables significantly related to business continuance: copreneurial status, value orientation, family goal congruity, business goal congruity, household and business managers' perceptions of family and business goal achievement, family functionality, controls (e.g. gross business income, age of business, number of children, household manager satisfaction with role in business), or relationship continuance?

In accordance with ecological systems theory, the concept of goal congruity will be explored as a potential resource for continuance of the family/business ecosystem. The present study will be focusing mainly on the microsystem, as the identified variables emphasize the interactions between household managers and business managers. However, the utilization of an ecosystems framework allows for the acknowledgement of the interconnectedness of the systemic levels. For example, as previously discussed in this paper, societal forces such as gender roles and stereotypes (macrosystem) may influence one's priorities and goal-setting behavior (microsystem) (Bird & Brush, 2002).

## METHOD

### **National Family Business Survey**

The data used for the current study were taken from the first (1997) and second (2000) waves of the National Family Business Survey (NFBS). The data were originally collected in 1997 by the Iowa State University Statistical Laboratory. The primary goal of this survey was to explore the interactions between the family and business systems (Winter et al, 1998). To gather data for the NFBS sample, researchers screened over 14,000 U.S. households by telephone. Of these households, 1,387 were identified as having a member who owned a family business through a screening process. To qualify for the study, the owner-manager had to have been in business for at least a year, worked at least six hours per week year-round or a minimum of 312 hours a year in the business, been involved in its day-to-day management, and resided with another family member (Winter et al, 1998); 1,116 met these criteria.

Through phone interviews, interviewers gathered responses from both the business manager and household manager of each participating family business household. A family household was defined as a group of people related by blood, marriage, or adoption, which share a common dwelling. This definition also included opposite-sex and same-sex cohabiters, and excluded single-person or non-family households. However, the majority of participants included in this sample were heterosexual, married couples. The household manager was defined as the person responsible for most of the household duties (e.g., meal preparation, cleaning), scheduling of family activities, and overseeing childcare. The business manager was defined as the person most involved in the daily management of the business. Most of the participants assumed separate roles and these households were labeled “single-role managers.” For roughly one-third

of the households, the business manager and household manager were the same person, and were labeled “dual-role managers.”

Along with basic demographic information, the phone interviewers collected information about the business (e.g., finances, employees, business roles, management, succession planning, business satisfaction, family intrusion) from the business manager and household information (e.g. finances, management, business intrusion, family satisfaction) from the household manager. Both the household and business managers were asked identical questions about family and business goals. The screening process began in the summer of 1997 and data collection concluded in February 1998. This process resulted in a nationally representative sample of 794 family businesses (71.1% response rate), with 673 households completing both the business and household interview (60.3% response rate). The 1997 panel respondents were contacted and re-interviewed for the 2000 wave of data. During these follow-up interviews, participants were asked questions parallel to the 1997 interviews. The 2000 wave of data contains information for 553 family business households (Stafford, Bhargava, Danes, Haynes & Brewton, 2010).

Of the 673 households completing both the household and business manager interviews, respondents were classified as copreneurs if the business manager reported that he or she was married or in a marriage-like relationship and the household manager reported that he or she was the partner or spouse of the business manager (Fitzgerald & Muske, 2002). The household manager had to be working in the business and his or her participation had to be acknowledged by the business manager; however, the business manager was not required to consider the household manager to be a co-owner of the business. The household manager, along with the business manager, had to be a key decision maker in the business in order to be classified as a

copreneurial relationship. Based on these criteria, 211 respondents were classified as copreneurial households and 462 as noncopreneurial households (Fitzgerald & Muske, 2002).

### **Sample**

The present study sample consisted of family business households in which both the household and business manager completed interviews ( $N = 673$ ). Of those, the single-role managers were selected, or the households in which separate individuals assume the household and business managerial roles ( $N = 414$ ). This sample includes both copreneurial and noncopreneurial households, but only those noncopreneurs who were in a relationship were selected, as the present study is analyzing couple-level comparisons. Seven noncopreneurial participants indicated they were not in a relationship and were excluded from the sample ( $N = 407$ ).

In order to conduct longitudinal analyses and assess business continuance, data from the 2000 panel were used. Of the 407 selected households from the 1997 wave of the NFBS, 325 (79.9%) participated in the 2000 wave of the survey. In five of these households, either the household manager or business manager had died since the first wave of the study. These households were removed from the sample, as business and relationship continuance would be difficult to assess. This subsample ( $N = 320$ ) was used to report descriptive statistics and to conduct copreneurial and noncopreneurial comparative analyses, to explore the first research question. Copreneurs and noncopreneurs were compared on several family business variables, to assess significant differences between these groups. In order to explore the second research question, a smaller subsample was used. From the 320, the households for which there were complete data from the household manager and business manager in both 1997 and 2000 were selected. This selection resulted in a smaller subsample of 290 households (71.3%), including

111 copreneurial households and 179 noncopreneurial households. This subsample ( $n = 290$ ) was used to conduct longitudinal analyses and explore the second research question.

## **Measures**

All but two of the following measures were assessed using data from the 1997 panel of the NFBS. The last two variables in this list (relationship continuance, business continuance) contain data from the 2000 panel.

**Copreneurial couple state.** The households that met the criteria for copreneurial family business were coded as 0 and those classified as noncopreneurs were coded as 1.

**Value orientation.** Business managers were asked to describe their prioritization of business and family needs. They were given options based on a Likert scale ranging from 1 to 5, with 1 indicating “business first” and 5 indicating “family first.” Household managers were not asked to respond to this question; therefore, assessing congruence in couple-level value orientation was not possible.

**Family goal congruity.** All study participants (household managers and business managers) were asked to identify the most important long-range goal for their family. Respondents were prompted to select one of five goals as the most important: good family relationships, balance between work and family, adequate family income, a secure future for younger family members, or secure retirement resources. They were also given the option to respond with “other,” “I don’t know,” or indicate that all goals were equally important.

The prioritized family goal selected by the household manager was compared with the prioritized family goal selected by the corresponding business manager. If both managers selected the same family goal, the household was labeled “family goal congruent,” and coded as 1. If the managers responded with different prioritized family goals, they were considered

“family goal incongruent,” and coded as 0. The household was also considered incongruent if one manager responded with “other” or “I don’t know,” and the corresponding manager identified a goal priority.

**Business goal congruity.** Participants were also asked to identify the most important long-range business goal from a list of five goals: adequate financing, profit, positive relationship with customers, long-term viability, or growth. Respondents were also given the option to respond with “other,” “I don’t know,” or indicate that all of the listed business goals were equally important.

The prioritized business goal selected by the household manager was compared with the response given by the corresponding business manager. If the managers agreed on the selected business goal, the partnership was considered “business goal congruent,” and coded as 1. If the managers disagreed on the business goal, they were labeled “business goal incongruent,” and coded as 0. The household was also considered incongruent if one manager responded with “other” or “I don’t know,” and the corresponding manager selected a prioritized goal.

**Family goal achievement.** Household managers and business managers were asked to identify how successful they have been in achieving their identified prioritized family goal so far. Responses were based on a Likert scale ranging from 1 to 5, with 1 indicating “not very successful,” and 5 indicating “very successful.” Both managers responded individually to this question, and separate responses were included in the comparative analyses.

**Business goal achievement.** Household managers and business managers were also asked to identify how successful they have been in achieving their identified prioritized business goal so far. Responses were based on a Likert scale ranging from 1 to 5, with 1 indicating “not

very successful,” and 5 indicating “very successful.” Both managers responded individually to this question, and separate responses were included in the comparative analyses.

**Family functionality.** Family functionality was assessed using the Family APGAR. The Family APGAR, explained previously, is a brief questionnaire that is designed to assess an individual’s satisfaction with family function (Smilkstein, 1978). The assessment tool was originally created for physicians’ use, and was utilized in referrals for family therapy services (Smilkstein, 1978). The Family APGAR has also been employed for research purposes. On the original instrument, participants were provided five choices for each of the five items, based on a Likert scale: never (0), hardly ever (1), some of the time (2), almost always (3), and always (4). Scores range from 0 to 20, with a higher score representing higher levels of satisfaction with family function (Smilkstein, Ashworth, Montano, 1982). In the present study, household managers were asked to indicate how often they are satisfied with the following aspects of family life: “I am satisfied that I can turn to my family for help when something is troubling me;” “I am satisfied with the way my family talks over things with me and shares problems with me;” “I am satisfied that my family accepts and supports my wishes to take on new activities or directions;” “I am satisfied with the way my family expresses affection and responds to my emotions, such as anger, sorrow, or love;” and “I am satisfied with the way my family and I share time together.” This information was not garnered from the participating business managers. For use in the National Family Business survey, the scale was adapted slightly, with individual ratings ranging from 1 to 5, rather than from 0 to 4. Participants were provided five options for each statement: never (1), hardly ever (2), some of the time (3), almost always (4), or always (5), with total scores ranging from 5 to 25. Just as in the original version, a higher total score indicates greater satisfaction with family functioning and adaptability. Families that score

higher on the measure are thought to be better able to support the business when under stress than those with lower APGAR scores (Stafford et al, 2010). The Family APGAR has been found to be a reliable and valid instrument for measuring individual satisfaction with family function (Smilkstein et al, 1982), with a Cronbach's alpha of .81 in this sample ( $N = 320$ ).

**Gross business income.** Business managers were asked to report the total gross income of the business in 1996. Missing data were imputed using the method of hot decking (Winter et al, 1998). Values of zero were recoded to \$3.00 to be used in a logistic regression analysis, as the analysis does not tolerate zero-values. All cases were transformed for the logistic regression analysis using natural logarithm to normalize the distribution, because the income data were skewed. For example, the overall sample mean for gross business income was \$1,609,892.38 ( $N = 320$ ), but the 5% trimmed mean was \$427,224.79.

**Age of business.** Business managers were asked to report the year the business began operation. The age of business in years, as of 1997, was calculated using this information.

**Number of children.** The present study will focus on the total number of children under age 18 in each household, as reported by the household manager.

**Satisfaction with role in business.** Household managers were asked to identify how satisfied they are with their role in the family business. Responses were identified on a scale of 1 to 5, with 1 indicating "very dissatisfied" and 5 indicating "very satisfied." Business managers were not asked this question.

**Relationship continuance.** In the 2000 panel, participants indicated whether or not the household manager and business manager still lived together in the same household as in 1997. Those who split were coded as 1 and those who remained together were coded as 0.

**Business continuance.** Business continuance was assessed by analyzing the NFBS panel from 2000. In the interview, business managers were asked if their business was still in operation, if the household or business manager still owned the business, and if the household or business manager still manages the business. Those who responded “yes” to all three questions were coded as 1, and those who were no longer in operation were coded as 0. Business continuance and relationship continuance were the only variables measured using the 2000 panel of the NFBS.

## RESULTS

Descriptive statistics are first presented to describe the sample and variables used in this study, and then results are presented by research question. PASW 21.0 statistical software was used for all analyses.

Means and standard deviations for study variables are presented in Table 1. As shown in Table 1, copreneurs and noncopreneurs in this sample are quite similar across most variables. However, there are a few significant differences between these groups. These differences will be discussed in the following section.

Table 1

*Descriptive Statistics of Copreneurs and Noncopreneurs*

Variable	Copreneurs <i>n</i> = 117		Noncopreneurs <i>n</i> = 203	
	<i>M</i> or %	<i>SD</i>	<i>M</i> or %	<i>SD</i>
Value Orientation*	3.74	1.18	3.58	1.01
Family Goal Congruity	35.0%	.48	32.0%	.47
Business Goal Congruity	36.8%	.48	36.9%	.48
HM Family Goal Achieve	4.03	.90	3.83	1.20
BM Family Goal Achieve	3.68	.89	3.77	.87
HM Business Goal Achieve	3.89	1.09	3.98	.94
BM Business Goal Achieve*	3.70	.98	3.99	.90
Family Functionality	20.97	2.70	20.48	3.33
Gross Business Income*	212873.56	351883.78	2415070.71	9238528.19
Age of Business	24.16	25.51	20.31	19.04
Number of Children	1.70	1.38	1.29	1.23
Satisfaction with Role	4.32	.87	4.39	.89
Relationship Continuance*	99.1%	.09	93.1%	.25
Business Continuance <sup>†</sup>	86.6%	.34	86.7%	.34

*Note.* HM = household manager; BM = business manager.

<sup>†</sup> missing information on some cases in 2000 (*n* = 293; 112 copreneurs, 181 noncopreneurs).

\* statistically significant differences between groups, *p* < .05.

In order to explore the aforementioned research questions, cross-tabs, t-tests and logistic regression analyses were performed. As previously addressed, the first research question asks: do copreneurial and noncopreneurial households differ significantly on any of the following family business variables: value orientation, prioritized family goals, prioritized business goals, family goal congruity, business goal congruity, perceived achievement of family goals, perceived achievement of business goals, relationship continuance, or business continuance? This research question was explored using cross-tabs and t-tests to compare how variable means and proportions differ based on copreneurial status.

First, a two-way contingency table analysis was conducted to explore the differences in value orientation based on copreneurial status. The two variables were business manager value orientation (five levels on a Likert scale, from 1, “business-first” to 5, “family first”) and copreneurial status (copreneur and noncopreneur). The results of the cross-tabs indicate that there are significant differences in value orientation when comparing copreneurs to noncopreneurs, Pearson  $\chi^2$  (4,  $N = 320$ ) = 10.25,  $p = .04$ . Copreneurial business managers were more likely than noncopreneurial business managers to address family needs first and orient their household values toward family rather than business. Results are displayed in Table 2.

Table 2

*Crosstabulations of Value Orientation and Copreneurial Status*

Value orientation	Copreneurial status		$\chi^2$	$p$
	Copreneur % (n)	Noncopreneur		
Business-first	5.1 (6)	3.4 (7)	10.25	.04*
2	7.7 (9)	6.4 (13)		
3	31.6 (37)	40.9 (83)		
4	18.8 (22)	27.1 (55)		
Family-first	36.8 (43)	22.2 (45)		

\*  $p < .05$ .

Copreneurial and noncopreneurial household and business managers were compared on the long-range family goals they most prioritize. First, cross-tabs were used to compare copreneurial and noncopreneurial household managers on the family goal they prioritized. According to chi square results, there were no significant differences among the prioritized family goals of these two groups, Pearson  $\chi^2 (4, N = 319) = 3.41, p = .49$ . For copreneurial and noncopreneurial household managers, the largest portion of respondents selected “good family relationships” when asked about family goal priorities, (45.3% and 38.6%, respectively). The prioritized family goals of copreneurial and noncopreneurial business managers were also compared using cross-tabs. Like household managers, the most popular family goal priority among copreneurial business managers was “good family relationships” (38.5%), while noncopreneurial business managers chose “work/family balance” (32.5%) as their most prioritized goal. However, the differences between these groups were not found to be statistically significant, Pearson  $\chi^2 (4, N = 319) = 7.59, p = .11$ .

Cross-tabs analyses were also used to compare copreneurs and noncopreneurs on business goal priority. Copreneurial and noncopreneurial household manager business goal priorities were compared, but no significant differences were found, Pearson  $\chi^2 (4, N = 319) = 3.26, p = .52$ . Both copreneurs (29.3%) and noncopreneurs (31.5%) were most likely to select “positive reputation with customers” as their most important business goal. Likewise, for business managers’ business goal priority, no significant results were found, Pearson  $\chi^2 (4, N = 319) = 8.11, p = .09$ . The largest proportion of copreneurial business managers (27.4%) identified “long-term viability” as their most prioritized goal, while the largest proportion of noncopreneurial business managers (40.4%) selected “positive reputation with customers.” All goal priority frequency results are displayed in Table 3. Those who responded with “other” ( $n =$

2) were removed from all goal priority analyses, as the expected cell count was too small for this category. According to these analyses, overall, copreneurs and noncopreneurs do not differ significantly in the goals they prioritize for their family and business.

Table 3

*Frequency of Prioritized Family and Business Goals for Copreneurial and Noncopreneurial Household Managers and Business Managers*

Prioritized goals	Copreneurs ( <i>n</i> = 117)		Noncopreneurs ( <i>n</i> = 202)	
	HM % (n)	BM	HM	BM
<b>Family goals</b>				
Good family relationships	45.3 (53)	38.5 (45)	38.6 (78)	29.1 (59)
Work/family balance	15.4 (18)	21.4 (25)	18.8 (38)	32.5 (66)
Adequate family income	5.1 (6)	4.3 (5)	4.0 (8)	6.9 (14)
Secure future	15.4 (18)	18.8 (22)	12.9 (26)	13.3 (27)
Secure retirement	18.8 (22)	17.1 (20)	25.7 (52)	17.7 (36)
<b>Business goals</b>				
Adequate financing	10.3 (12)	5.1 (6)	6.9 (14)	6.4 (13)
Profit	21.6 (25)	22.2 (26)	23.6 (48)	19.2 (39)
Customer reputation	29.3 (34)	26.5 (31)	31.5 (64)	40.4 (82)
Long-term viability	24.1 (28)	27.4 (32)	18.7 (38)	21.7 (44)
Growth	14.7 (17)	18.8 (22)	19.2 (39)	11.8 (24)

\*  $p < .05$ .

A two-way contingency table analysis was conducted to evaluate the differences between copreneurial and noncopreneurial households, regarding family goal congruity and business goal congruity. The two variables were copreneurial status with two levels (copreneur or noncopreneur) and goal congruity with two levels (congruent or incongruent). Two analyses were conducted, with one analysis evaluating family goal congruity and the other business goal congruity. Family goal congruity and copreneurial status were not found to be significantly related, Pearson  $\chi^2 (1, N = 320) = 0.31, p = .58$ . Likewise, results for the business goal congruity analyses were not significant, Pearson  $\chi^2 (1, N = 320) = 0.01, p = .97$ . Therefore, according to

these results, there are no significant differences between copreneurs and noncopreneurs when exploring levels of family and business goal congruity. According to these results, more family business households overall are incongruent than congruent in their family and business goals. Interestingly, proportions of business goal congruity and incongruity were almost identical for copreneurs and noncopreneurs. Chi square results are reported in Table 4.

Table 4

*Crosstabulations of Family and Business Goal Congruity and Copreneurial Status*

	Copreneurial status		$\chi^2$	<i>p</i>
	Copreneur % (n)	Noncopreneur		
Family goal congruity				
Congruent	35.0 (41)	32.0 (65)	0.31	.58
Incongruent	65.0 (76)	68.0 (138)		
Business goal congruity				
Congruent	36.8 (43)	36.9 (75)	0.01	.97
Incongruent	63.2 (74)	63.1 (128)		

\* *p* < .05.

Independent-samples t-tests were conducted to explore the mean differences in perceived goal achievement between copreneurs and noncopreneurs. First, all copreneurial and noncopreneurial household managers were compared based on their perception of family goal achievement. The results of the test were not significant,  $t(266.48) = 1.77, p = .08$ . When copreneurial and noncopreneurial business managers were compared on their perceived family goal achievement, the results were also not significant,  $t(318) = -0.88, p = .38$ .

Independent-samples t-tests were also used to compare the level of perceived business goal achievement of copreneurial and noncopreneurial managers. When the business goal achievement of household managers was compared, no significant differences were found,  $t(318)$

= -0.75,  $p = .46$ . However, significant differences were found when comparing the perceived business goal achievement of copreneurial and noncopreneurial business managers,  $t(318) = -2.68, p = .01$ . Among business managers, noncopreneurs reported significantly higher levels of business goal achievement than copreneurs. Results of the t-tests are shown in Table 5.

Table 5

*Results of T-tests for Perceived Goal Achievement by Copreneurial Status*

Variable	Copreneurial status				95% CI	<i>t</i>	df
	Copreneur n = 117		Noncopreneur n = 203				
	<i>M</i>	<i>SD</i>	<i>M</i>	<i>SD</i>			
Family goal							
HM	4.03	.90	3.83	1.01	-.02, .41	1.77	266.48
BM	3.68	.89	3.77	.87	-.29, .11	-0.88	318
Business goal							
HM	3.89	1.09	3.98	.94	-.31, .14	-0.75	318
BM	3.70	.98	3.99	.90	-.50, -.08	-2.68*	318

*Note.* HM = household manager; BM = business manager; CI = confidence interval.

\*  $p < .05$ .

Cross-tabs were also used to explore the differences between copreneurs and noncopreneurs, regarding the continuance variables. The 2000 panel of the NFBS was used to assess business continuance and relationship continuance for all participating households. The data set is missing business continuance information from some cases; therefore the sample size is smaller ( $n = 293$ ) for this variable. When exploring business continuance, copreneurs and noncopreneurs were not found to differ significantly, Pearson  $\chi^2(1, N = 293) = 0.01, p = .97$ . In fact, just under 87% of copreneurial and noncopreneurial households continued in ownership and management of the family business. When copreneurial and noncopreneurial rates of relationship continuance were compared, significant differences were found, Pearson  $\chi^2(1, N = 320) = 6.06, p = .01$ . According to these results, in 2000, 93.1% of noncopreneurial couples remained in the

same household compared to 99.1% of copreneurial couples. Results of these cross-tabs are displayed in Table 6.

Table 6

*Crosstabulations of Business and Relationship Continuance and Copreneurial Status*

	Copreneurial status		$\chi^2$	<i>p</i>
	Copreneur % (n)	Noncopreneur		
Business continued <sup>a</sup>	86.6 (97)	86.7 (157)	0.01	.97
Relationship continued <sup>b</sup>	99.1 (116)	93.1 (189)	6.06	.01*

*Note.* <sup>a</sup>*n* = 293. <sup>b</sup>*n* = 320.

\* *p* < .05.

The second research question explores the predictive relationship between business continuance and several variables (e.g., copreneurial status, value orientation, family goal congruity, business goal congruity, perceived family and business goal achievement, family functionality, and relationship continuance) to assess the influence of both family and business factors. In order to analyze these relationships, logistic regression analyses were performed. Logistic regression is considered an alternative method to the more commonly used linear regression models. It is used specifically for predicting binary, rather than continuous, outcomes of the dependent variable (Trexler & Travis, 1993). Logistic regression models assume the errors associated with dependent variables are binomially distributed (Peng, Lee, & Ingersoll, 2002; Trexler & Travis, 1993). This method of analysis was selected to address the present research question because the dependent variable is binary (e.g. business continued v. discontinued) and the independent variables are both binary and continuous. For this analysis, the following variables were included as controls: gross business income (transformed using the natural logarithm) (Niehm et al, 2009), age of business (Winter & Fitzgerald, 1993), total number of

children (Niehm et al, 2009), and household manager's satisfaction with his or her role in the business (Philbrick & Fitzgerald, 2007). These variables have been found to be influential in rates of business continuance for family businesses. Correlations were performed to determine multicollinearity for the regression. Due to the high correlations among some variables, five variables were not used in the present analysis: household manager perceptions of family and business goal achievement, business manager perceptions of family and business goal achievement, and family functionality (APGAR). Pearson's correlation matrix is presented in the appendix.

A logistic regression analysis was conducted to predict business continuance of 290 family business households, using family and business variables as predictors (e.g., copreneurial status, value orientation, family goal congruity, business goal congruity, and relationship continuance). The overall model is significant at the .05 level according to the model chi square statistic, indicating that, as a set, the predictors reliably differentiated between continued and discontinued businesses ( $\chi^2 = 19.70, p = .02, df = 9$ ). However, the intercept-only model correctly predicted 86.6% of the responses. When the variables were added, this percentage did not improve, indicating that adding variables did not increase the ability to predict continuance. It is important to note that the intercept-only model had a high overall percentage to begin with, not leaving much room for improvement. Additionally, Nagelkerke's pseudo  $r^2$  was used to assess the strength of the relationship between the independent variables and dependent variable, similar to an  $R^2$  in a multiple regression analysis. Nagelkerke's  $r^2$  is an adjustment of the Cox and Snell  $r^2$ , as the latter cannot reach a maximum value of one. Nagelkerke's is the most reported of the r-square estimates (Burns & Burns, 2008). For this model it was .12, indicating a weak relationship between the variables. The Wald statistic was used to assess the contribution of the

individual variables in the model, when all other variables are held constant. Despite the significance of the overall model, the Wald criterion demonstrated that there were no significant predictors of business continuance. Results of the regression analyses are presented in Table 7.

Table 7

*Summary of Logistic Regression Analyses for Variables Predicting Business Continuance for Copreneurial and Noncopreneurial Households (n = 290)*

Predictor	$\beta$	SE $\beta$	Wald (df = 1)	$e^B$ (odds ratio)
Copreneurial Status	-.01	.39	.00	.99
Value Orientation	-.24	.18	1.81	.79
Family Goal Congruity	-.68	.37	3.40	.51
Business Goal Congruity	-.34	.37	.85	.72
Gross Business Income <sup>†</sup>	.11	.07	3.16	1.12
Age of Business <sup>†</sup>	.00	.01	.04	1.00
Total Children <sup>†</sup>	.18	.15	1.39	1.19
Satisfaction w. Role <sup>†</sup>	-.37	.25	2.24	.69
Rel. Continuance	-.80	.73	1.20	.45
Constant	3.29	1.69	3.82	26.90

*Model Statistics*

	$\chi^2$	df	p
Model	19.70	9	.02
Improvement	19.70	9	.02

% Continued in 2000 86.6

*Note.*  $e^B$  = exponentiated  $\beta$ ; BM = business manager. Rel. = relationship.

<sup>†</sup> Control variable.

\* $p < .05$ .

## DISCUSSION

Family business literature indicates that the formulation and pursuance of goals is a vital process in business strategy. An exploration of goal priorities can provide unique insight into the values of a family business system. Theory and research show that family businesses can benefit from value and goal congruence among members of the system. Despite the research on copreneurial relationships and processes, the unique interactions of partner goal congruity and business continuance are not yet well understood. Findings from the current study provide further insight into the differences between copreneurs and noncopreneurs, and the relationship between goal congruity within family businesses and the continuance of these complex systems. In this study, copreneurs and noncopreneurs were found to differ significantly in their value orientation, perceived business goal achievement of business manager, and relationship continuance. Contrary to previous research, none of the variables included in the logistic regression model were found to be predictive of business continuance.

### **Implications of Findings**

#### **Ecosystems Theory for Family Businesses**

The purpose of this study was to explore goal congruity in copreneurial and noncopreneurial couples using Deacon and Firebaugh's (1988) ecosystems theory of family resource management as a framework. As discussed in previous sections, the three assumptions of this theory, when applied to family businesses, are: 1) family businesses vary in value orientations and perceive success through the accomplishment of goals, which are informed by the system's value orientation, 2) goals and resources within the family business are valued differently depending on the value orientation of the family business, and 3) unity in values within a family business is more important to functioning than the actual family business value

orientation. These assumptions will be discussed, as pertaining to the results of the present study. Study limitations, directions for future research, and implications for family business consultation will be addressed in subsequent sections.

1) Family businesses vary in value orientation and perceive success through the accomplishment of goals, which are informed by the system's value orientation.

According to the findings addressed in the first research question, value orientation differed significantly based on copreneurial status. A greater proportion of copreneurial business managers indicated their household value orientation was completely "family-first", when compared to noncopreneurial business managers (36.8% and 22.2%, respectively). The most common response for noncopreneurial value orientation was "3" (40.9%) on the scale of 1 (business-first) to 5 (family-first), indicating the orientation lies between business and family. Therefore, copreneurial households may be more likely to maintain a "family-first" value orientation than their noncopreneurial counterparts. This finding is in line with previous research, as copreneurs have been found to prioritize family relationships and tend to consider the family when making business decisions (Muske et al, 2009). Both copreneurial and noncopreneurial value orientation means were greater than 3, suggesting that, overall, family businesses tend to lean toward a family-first value orientation. The tendency to prioritize family needs is considered one of the important factors differentiating family businesses from non-family businesses (Kuratko, Hornsby & Naffziger, 1997). Overall, the significant differences between copreneurs and noncopreneurs emphasize variability in family business value orientation. This provides support for the first part of this theoretical assumption and is consistent with previous research (e.g., Leenders & Waarts, 2003). This finding also points to the overall heterogeneity of family business systems (Chrisman, Chua, Pearson, & Barnett, 2012).

2) Goals and resources within the family business are valued differently depending on the value orientation of the family business.

This assumption was not fully addressed in the present study, but ideas within the assumption were explored in the first research question. First, it is important to examine the specific goals prioritized by each family business group (copreneurs and noncopreneurs). In particular, the most highly prioritized family and business goals across all managers were noneconomic in nature (e.g., good family relationships, positive reputation with customers). Across all groups, adequate family income was the family goal given least priority. The tendency for family businesses to focus on noneconomic goals is an idea supported by the literature (e.g., Chrisman et al, 2012), and this focus has been correlated with higher levels of business satisfaction (Cooper & Artz, 1995). Also, long-term viability was a highly prioritized business goal among most groups, with 18-28% of all household and business managers prioritizing this goal over other business goals. The family business literature has identified this long-term perspective as an advantage of family firms (Lumpkin, Brigham & Moss, 2010; Ward, 2004).

In order to address the first part of the second theoretical assumption, value orientation was explored. Although copreneurs and noncopreneurs varied significantly in value orientation, with more copreneurs adopting a fully family-first perspective, there were no significant differences in the family and business goals pursued by these groups. Therefore, the connection between value orientation and goal priority was not fully evidenced in this study. Also, in the NFBS, value orientation was assessed using information from business managers only; so comparing business manager value orientation to household manager goals would not be an accurate assessment of this assumption. Additionally, because household and business managers were asked to prioritize one family goal and one business goal, rather than to prioritize family

goals over business goals, or vice versa, this data did not allow for a direct assessment of this assumption.

Despite these limitations, there is some evidence to support the correlation between values, goals, and goal achievement. For example, results show that there were significant differences in goal achievement based on copreneurial status. Noncopreneurial business managers reported greater levels of business goal achievement than copreneurial business managers. Consequently, noncopreneurial business managers were also more likely to report a value orientation between family- and business-first (i.e., rated 3 on a scale of 1-5). Therefore, given their value orientation, noncopreneurial business managers may be more likely than copreneurs to prioritize business goals, potentially resulting in a greater level of achievement of these business goals. While this finding does not directly address Deacon and Firebaugh's (1988) second theoretical assumption, it suggests a potential relationship between value orientation and goal achievement. The relationship between values and goals is widely supported in goal achievement and family business literature (e.g., Distelberg & Blow, 2010; Kotey & Meredith, 1997; Schwartz, 1992).

3) Unity in values within a family business is more important to functioning than the actual family business value orientation.

As discussed previously, due to the lack of NFBS data on household manager's value orientation, unity in values could not be assessed, and this assumption was not directly explored. However, it has been established that values inform prioritized goals (Deacon & Firebaugh, 1988; Kotey & Meredith, 1997) and within this data set, a family business household's value orientation can be inferred based on the goals it prioritizes and pursues. Therefore, congruity in prioritized goals within copreneurs and noncopreneurs was explored as a potential predictor for

family business continuance in the second research question. In this study, neither family goal congruity nor business goal congruity was found to be predictive of business continuance for family business households. The insignificance of family goal congruity is contrary to previous research, as it has been suggested that when partners are in agreement about the direction and goals of the family, there may be less tension and conflict within the family system.

Consequently, family goal incongruity has been found to predict a decline in business income, which may contribute to business failure (Olson et al, 2003). Furthermore, because couple and family dynamics and processes are often manifested in the business system (Kadis & McClendon, 1991), it would be expected that congruity within the family might also lead to higher functioning within the larger business system. However, the findings in this study contradict this previous research. In this study, the insignificance of family goal congruity is especially surprising, given that many family businesses orient themselves toward the needs of the family. It would make sense that, for family-first businesses, congruity within family goals may be especially important to the integrity of the family business system. However, this idea was not evidenced in this study.

The lack of predictive power of business goal congruity in this study was also unexpected, given the breadth of research that supports the relationship between this variable and business continuance. Several studies have found business goal congruity to be a significant and positive predictor of the overall success and performance of family businesses (e.g., Davis & Stern, 1996; Sorensen, 2002). One possible explanation for this finding is that, as often advised, family business household and business managers have established clear roles for business endeavors. With this role clarity may come distinct goals and pursuits for each manager. These managers may be intentionally prioritizing separate goals, with one in charge of customer

relations and the other focusing on profit, for example. In her review of the family business literature, Sharma (2004) suggests that high-performing family businesses pursue a combination of economic and noneconomic goals. Therefore, in this way, incongruent business goals among household and business managers may not impede business continuance, but actually contribute to business success.

There are a few potential explanations for the insignificant variables in the logistic regression model. It is possible that the set of variables used in the logistic regression analysis was simply not appropriate for business continuance prediction. Several relevant variables were kept out of the analyses due to multicollinearity, and this may have influenced the significance of the model. The factors that contribute to family business continuance may be more complex than was included in this study, demonstrating one of the defining ideas of ecological systems theory (Bronfenbrenner, 1977). Alternatively, the problem may lie in the measurement of goal congruity. The findings in this study suggest that household and business managers' prioritization of identical goals may be less common than previously thought. While over 86% of family businesses in this sample continued in ownership and management of their business in 2000, only about 30% of households reported congruent family or business goals. Therefore, goal congruity, measured in this way, was not predictive of family business continuance. Adding a more accurate measure of goal congruity and including other relevant family business variables may improve upon the statistical significance of this study.

According to the findings of this study, level of family and business goal congruity among household and business managers does not vary significantly when comparing copreneurs to noncopreneurs. In fact, for both family and business goals, roughly one-third of all households were congruent, regardless of copreneurial status. It would be interesting to explore if there are

any shared factors for these specific congruent family business households. Overall, more family business households were incongruent in their family and business goals than congruent. It is possible that household and business managers do not explicitly communicate about family and business goals. Although family business systems tend to be highly interconnected, household and business managers are likely to be more knowledgeable about the goals and priorities of the system for which they are in charge. For instance, the noncopreneurial household manager is likely in-tune to the needs of the home and family, but may know little of the specific business activities. This boundary may result in incongruent goals between the household and business manager.

Copreneurs and noncopreneurs had very similar levels of business continuance, with about 86% of all participating households indicating that in 2000, the business was open and owned and managed by the same individuals as in 1997. Likewise, copreneurial status was not a significant predictor of business continuance. However, instances of relationship continuance differed significantly among copreneurs and noncopreneurs, with almost all of copreneurs (99.1%) reporting remaining in the same household compared to 93.1% of noncopreneurs. This finding suggests a potential level of relationship resilience among copreneurial households, which is in line with previous research (e.g., Barnett & Barnett, 1988; Smith, 2000). Through their business partnership, copreneurs may develop particular relational strengths (e.g., improved communication, increased trust), which protect their personal relationship in the face of significant challenges (Tompson & Tompson, 2000).

It is important to note that relationship continuance was not a significant predictor of business continuance. It could be suggested that relational strengths may not always ensure business success. Alternatively, copreneurs likely prioritized the relationship over the business,

resulting in a higher level of relationship continuance than business continuance, and greater rates of relationship continuance than their noncopreneurial counterparts. Findings of the present study did show that copreneurs are more likely to maintain a “family-first” value orientation than noncopreneurs. Therefore, this orientation may have led copreneurs to prioritize family needs over business needs, resulting in a higher rate of relationship continuance. For instance, it has been established that family-first businesses are more likely than business-first businesses to use business resources to support family goals (Distelberg & Blow, 2010). Accordingly, Basco and Rodriguez (2009) found that family firms that emphasize family over business have better family outcomes and similar business results when compared to those family businesses that emphasize business matters over family. The present study may provide further evidence of this idea, as copreneurs and noncopreneurs had similar rates of business continuance but differed in relationship continuance.

The overall findings in this study indicate that copreneurs and noncopreneurs are similar across many family and business variables. However, significant differences were found in value orientation, business manager’s perceived business goal achievement, and relationship continuance. When exploring factors contributing to business continuance for family business households, none of the studied variables were significant predictors. Additional models of family business continuance are needed.

### **Limitations and Future Directions**

Although the current study provides unique contributions to the literature exploring copreneurs, noncopreneurs, and goal congruity, the study has several limitations. These identified limitations provide helpful insight into directions for future family business research.

First, the study is limited by the measures and assessments used. Some questions in the National Family Business Survey (NFBS) were only asked of one manager in the family business household. For example, Family APGAR was assessed using responses from household managers only, and value orientation was based on responses from business managers. This factor limited the level of couple congruity and family business unity that could be assessed in this study. Future research would include parallel interviews for household managers and business managers, so that responses could be compared. Also, the measure of value orientation could be more specific. The study could benefit from a multi-item measure of both family and business values. Improving this measure of value orientation may allow for a deeper exploration of the connection between values and goals. It would have been interesting to assess the long-term orientation of businesses as well, as a large portion of managers identified long-term viability as a prioritized business goal.

Furthermore, this study would have benefited from a more in-depth exploration of goal congruity among business-owning couples. Future studies may gain insight into goal processes by inquiring directly about level of partner congruity, and how goals are prioritized. It would be beneficial to explore the process of goal communication. For the congruent household and business managers, are family and business goals a frequent topic of discussion? With the recent attention given to family-centered non-economic (FCNE) goals (e.g., Chrisman et al, 2012), couple-level goal congruity may have been more common if goals were separated into economic and non-economic categories. It is possible that goal congruity would have been more significant to family business outcomes if couples that both prioritized the same type (economic or not) of goal were categorized as congruent. Future studies may explore the relationship between goal type congruity and business continuance. It would also be interesting to explore the relationship

between goal congruity and role clarity, as clear roles for household and business managers may lead partners to intentionally prioritize different family and business goals. Is it beneficial to have some degree of goal diversity among household and business managers? Also, while goal congruity among family businesses was explored in the present study, it may be helpful to include non-family businesses in analyses, to compare levels of goal congruity between the two groups.

Second, there were limitations of the sample. Because the data used in this study was collected in 1997-2000, most of it is already a decade old. Recent events, such as the economic recession in the United States, may have significantly altered family business culture in a way that is not accounted for in this sample. The field of family business literature would benefit from another nationally representative sample of family business households. Family business research could also be improved by intentionally exploring more diverse populations. For example, although the initial NFBS sample was inclusive of same-sex cohabiters, the overwhelming majority of participants were in heterosexual relationships. Future studies would benefit from an exploration of lesbian, gay and bisexual (LGB) family business owners. There is a small body of literature exploring LGB entrepreneurs (e.g., Galloway, 2012; Schindehutte, Morris, & Allen, 2005), however more work is needed in this area, as these business owners likely face unique challenges in venture creation. The sample is also limited, in that all study participants were required to have been in business for a year or more, already achieving a small amount of business continuance. It would be interesting to see if results would have differed, had data been collected from those businesses during their first year. Additionally, in the exploration of the second research question, not all households had complete information for the second

wave of the survey; therefore 30 participants (9.4%) were automatically removed from the logistic regression analysis.

### **Family Business Consultation and Family Therapy**

Families who own and manage a business face unique challenges and conflicts. In order to overcome these hurdles, family business members often seek professional guidance. This assistance may be sought from financial advisors, family business consultants, or family therapists. It is estimated that 30% of all family businesses survive with each generational transition. This fact alone suggests a need for family business consultation (Astrachan & McMillan, 2006).

Family business consultation has been practiced for several years, however research regarding training and outcomes of these services were scarce until the mid 1990s (Astrachan & McMillan, 2006). A variety of models have since been developed for consultation work with family businesses, however, the literature is primarily based on case studies (Lee & Danes, 2012) and these models are not rooted in empirical evidence (Astrachan & McMillan, 2006). Family business consultants are trained in a variety of disciplines (e.g. business, organizational psychology, family therapy), and much of the training is based on systems theory (Astrachan & McMillan, 2006; Distelberg & Castanos, 2012). Lee and Danes (2012) found that consultants who were trained in family therapy differ significantly from those that were trained in other disciplines. These differences were evident in the areas of problem assessment, consultant goal orientation, intervention strategy, consultant role and function, and the preferred setting of the consultation (Lee & Danes, 2012). Family business consultants who have been trained in family therapy tend to focus on emotional conflict resolution, reconstruction of dysfunctional family structure, and improving family relationships, while non-family therapist consultants focus on

role conflict resolution, improving organizational functioning and management strategy, and increasing productivity (McClendon & Kadis, 1991). It is important for family businesses to seek out the support most appropriate for their unique needs.

Lee and Danes (2012) conclude that no single professional approach is sufficient to address and resolve the complex issues in family business systems. Family business consultants ought to be knowledgeable about family systems and business systems (Distelberg & Castanos, 2012; Moyer & Chalofsky, 2008), as well as the interaction between the two (Kadis & McClendon, 2006). Because these systems are so interconnected, success in one realm contributes to success in the other (Olson, Zuiker, Danes, Stafford, Heck, & Duncan, 2003). Family business consultation ought to be an interdisciplinary field, combining aspects of law, finance, business, psychology, and family systems (Astrachan & McMillan, 2006). In order to successfully achieve their goals, family businesses are encouraged to utilize a team of professionals from a variety of backgrounds and expertise (Astrachan & McMillan, 2006).

Handbooks for family business consultants often focus on goal formulation and achievement. Many researchers encourage family business consultants to help families formulate clear goals for the family and the business (e.g., Distelberg & Blow, 2010; Isaacs, 1991; Jaffe, 2005; Tagiuri & Davis, 1992). Family businesses then develop these goals into a clear mission statement to be shared with all involved owners, managers, employees, and family members (Isaacs, 1991; Tagiuri & Davis, 1992). Family business consultants are encouraged to explore goals for the family as well as for the business. In order to understand the family's goals and vision, a consultant must consider the family's unique values and value orientation (Kotey & Meredith, 1997). Family businesses will be most successful if their values, goals, and resources are aligned (Distelberg & Blow, 2010). Misalignment of these factors is a likely source of

conflict among the family business. Professionals working with family business members may utilize questionnaires or assessments to identify areas of agreement and disagreement regarding goals for the business (Tagiuri & Davis, 1992). In fact, consultants and therapists could utilize several scales and assessments (e.g., Family APGAR) used in the NFBS interviews to identify and address problem areas within the family business system (Danes & Lee, 2004). Given the findings of this study, it is important for family business consultants to acknowledge the diversity of the family business systems with which they work, and to not assume that one is like another.

Just as consultation and therapy are recommended for family businesses, copreneurs are also encouraged to seek professional help when facing inevitable challenges. Copreneurs are specifically advised to establish a clear vision for their business (Jaffe, 1990). Jaffe recommends copreneurs take time to reflect on goals and values of the business and family, and develop a cohesive plan to achieve these goals together. Copreneurs work to clarify roles, responsibilities, and boundaries for the implementation of their plans. It is suggested that copreneurs revisit their goals and values several times per year (Jaffe, 1990). Family therapists working with couples who are in business together may benefit from addressing the following topics, among others: role clarity, work/family boundaries, communication practices, and goal priorities.

### **Overall Conclusions**

This study provides a unique contribution to the literature concerning goal congruity and family business continuance. Overall, copreneurs and noncopreneurs were found to be more similar than initially proposed. However, significant differences between these groups were found in value orientation, business manager perceptions of business goal achievement, and rate of relationship continuance. This study provides partial support for Deacon and Firebaugh's

(1988) family resource management model, ideas which, until now have not been directly applied to copreneurial ventures.

Research findings, like those in the present study, can be applied to professionals working with family business members in a variety of circumstances. The results of this study emphasize important differences between copreneurs and noncopreneurs, and these differences should be considered when consulting family businesses. Because family businesses represent such a large proportion of the U.S. and global economy (Heck & Stafford, 2001), the survival of these firms is crucial. It is clear that the family business system is a complex interaction of family and business factors. In order to gain further understanding of family and business system health, additional research is needed.

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APPENDIX. PEARSON'S CORRELATIONS AMONG STUDY VARIABLES

	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1. Cop Status	---	-.07	-.03	.00	-.10	.05	.04	.15**	-.08	.19**	-.09	-.15**	.04	.14*	.00
2. Value		---	.04	.00	.03	.18**	-.16**	.06	.08	-.17**	-.02	.05	.13*	.03	-.11
3. Fam Cong			---	.12*	.11*	.06	-.05	-.05	.06	-.09	-.08	-.12*	.04	.00	-.15*
4. Bus Cong				---	.00	-.05	.10	-.07	-.06	-.03	-.08	.06	-.02	.01	-.07
5. HM F Goal†					---	.20**	.17**	-.06	.37**	-.02	.11	-.07	.31**	-.18**	-.07
6. BM F Goal†						---	.05	.26**	.16**	.03	.03	.00	.09	-.07	-.02
7. HM B Goal†							---	.30**	.12*	.26**	.07	-.05	.19**	-.08	.22**
8. BM B Goal†								---	.03	.21**	-.09	.00	.07	.01	.18**
9. APGAR†									---	-.06	.03	-.10	.30**	-.32**	.03
10. GBI										---	.21**	.06	-.08	.00	.16**
11. Age Bus											---	-.01	-.08	.00	.07
12. Total Child												---	-.06	.02	.09
13. HM Role Sat													---	-.08	-.11
14. Rel Cont														---	-.06
15. Bus Cont															---

Note. Cop Status = copreneurial status; Value = value orientation; HM = household manager; BM = business manager; F Goal = family goal achievement; B Goal = business goal achievement; Fam Cong = family goal congruity; Bus Cong = business goal congruity; GBI = gross business income; Role Sat = satisfaction with role in business; Bus Cont = business continuance; APGAR = family functionality; Rel Cont = relationship continuance.

† variables removed from logistic regression analysis, due to multicollinearity issues.

\*  $p < .05$ . \*\*  $p < .01$ .