

AN EXPLORATION OF DEMENTIA AS A TOPIC FOR THE FAMILY BUSINESS SUCCESSION PLANNING PROCESS

By Patricia R. Wood

Succession planning is not often considered in family businesses, but a critical incident such as dementia is probable, and raises questions as to what sorts of conflicts may arise when no preparations are made. This exploratory analysis used focus groups and interviews to investigate family business owners' views on succession planning, as well as their views on how a dementia diagnosis can affect family businesses and succession planning. Interpretative Phenomenological Analysis was conducted and extracted three major themes and 12 subthemes. The data showed that most family businesses are unprepared for the possibility that a person in the business could develop dementia. The data also indicated a gap between recognition of the importance of succession planning and actually doing it. Supportive organizations like the Wisconsin Family Business Forum were viewed as very positive resources for family businesses. Further research should investigate differences in family businesses that do not participate in supportive organizations, effective training programs to raise dementia awareness and inform succession planning, as well as effective communication styles for difficult conversation topics.

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FAMILY BUSINESS SUCCESSION PLANNING PROCESS

by

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To my family, who have always shown their love and support. More specifically, to my grandmother, Rachel Wood, who suffered from dementia in her final years.

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CHAPTER I

INTRODUCTION

Family businesses are an integral part of the United States economy, accounting for approximately half of the nation's workforce. Even with family businesses playing such an important role, studies estimate that less than 3% of family businesses survive past the third generation (Jordan, 2005; Parrish, 2009). The lifespan of family businesses, along with the lack of succession planning, are major areas of research (Handler, 1996). However, family businesses are difficult to study because of the uniqueness of the family structure. Family conflict is an added variable that makes research on family businesses challenging.

Reasons for the low survival rates and lack of succession planning are crucial topics for family businesses to understand in order to succeed. Most empirical research thus far has addressed the *need* for effective family communication and well-developed succession planning, but less studied are the familial dynamics of succession planning and critical incidents that could be detrimental to the success of businesses. The diagnosis of dementia, a growing problem around the world, is one incident that could impact a family business. Research and awareness in both areas—family business succession planning and persons with dementia in family business leadership roles—is limited. Raising awareness and further understanding both topics could allow family businesses to better ensure future success.

CHAPTER II

REVIEW OF THE LITERATURE

Family Businesses

Most businesses in America are family businesses (Rosenblatt, de Mik, Anderson, & Johnson, 1985). According to Handler (1991), family businesses account for half of the nation's work force. Currently, approximately 22.9 million of all US firms are small businesses and represent 99.7% of all employers (Ibrahim, Angelidis, & Parsa, 2008). Families serve as a metaphoric base by helping to expose issues and help characterize dysfunctions common in all businesses, as well as solutions (Rosenblatt & Albert, 1990).

Until recent years, very little research was done on family businesses. This is largely due to the uniqueness of individual family businesses. In addition, most family businesses are private, and making it harder to obtain accurate data from them. Because of their uniqueness, findings are hard to apply to non-family business settings that are larger and publicly-owned (Ibrahim, Angelidis, & Parsa, 2008). Currently, research on family businesses falls into five categories: distinguishing between family businesses and non-family businesses by developing operational definitions of family businesses, finding attributes that distinguish family businesses and non-family businesses such as structure and strategic orientation, the performance of family businesses, strategic

management in family businesses, and a variety of topics such as succession, governance, members of the next-generation, gender, non-family employees, culture, and innovation. In many of these categories, research remains inconclusive.

Although some research has been done recently to further understand family businesses, there is a great deal still left unknown. In fact, after identifying five categories of research within family businesses, twelve broad topics were addressed as meriting further research. Ibrahim, Angelidis, and Parsa (2008) note:

Clearly, researchers, business practitioners, and policy makers should focus their attention on the needs and challenges facing family businesses. This will expand and refine our understanding of what makes family businesses effective and profitable and, in turn, assist practicing managers to make better operational and strategic decisions. These companies can be formidable competitive forces both domestically and internationally as they often are the sources of technological innovations. (p.105)

An integral part of understanding the family business is recognizing the characteristics that differentiate it from a non-family business. According to Taylor (2006), these include:

- The principals of the business are related by marriage or kinship
- Family members include the principals and do the work
- The family lives and works in the same location
- The principals own and manage the business

- Family members provide the capital for the business
- Business ownership and managerial control are transferred between the generations with the passage of time

These characteristics, along with the interactions among the individual family member, the family as a whole, and the business, are key components that differentiate family businesses from non-family business systems. The basic business motive, operating principles, rewards, promotions, training, and policies on separations are all dynamics that differ among family businesses.

Family Systems

Understanding family systems can promote understanding of family businesses. Many approaches used to study family systems can be applied to a family business scenario but two key ones are Bowen Family Systems Theory and Beavers Systems Model. Both systems have not only been researched in clinical settings, but have also been used in professional consultation with family businesses.

Bowen Family Systems Theory

Bowen Family Systems Theory investigates family systems by identifying key triangles within the family structure. The triangles are used to describe how a family system operates emotionally through various relationships. According to Bowen's theory, ". . . the triangle stabilizes anxiety in a twosome, at the expense of increased anxiety in a third person" (Bowen, p. 17). Triangles are considered the smallest stable building block of any emotional system and reflect either a voluntary or reflexive

emotional process. A dyadic relationship is only desirable when anxiety is low; as soon as anxiety increases, a third person is automatically drawn into the relationship.

Typically the more uncomfortable person in the pair seeks a third person to diffuse the tension. The third person is included in the triangle because the ability for the original couple to communicate with each other effectively has diminished. In instances of extremely high anxiety, a triangle may not sufficiently reduce tension and animosity. In this circumstance, other triangles may interlock and outsiders may be involved in family conflict. Bowen (1978) describes the situation as such:

In a state of tension, when it is not possible for the triangle to conveniently shift the forces within the triangle, two members of the original twosome will find another convenient third person (triangle in another person) and now the emotional forces will run the circuits in this new triangle. The circuits in the former triangle are then quiet but available for reuse at any time. In periods of very high tension, a system will triangle in more and more outsiders. A common example is a family in great stress that uses the triangle system to involve neighbors, schools, police, clinics, and a spectrum of outside people as participants in the family problem. The family thus reduces the tension within the inner family, and it can actually create the situation in which the family tension is being fought by outside people. (p.478)

According to Bowen Family Systems Theory, there are two important variables: the interaction between the level of differentiation of self and the

degree of chronic anxiety. Bowen (2008) identifies differentiation of self as reflecting the ability to separate goal-directed and emotionally reactive responses. Goal-directed responses are associated with the basic self, which involves core beliefs of a person that are not dependent on any type of relationship, such as marriage. Emotionally reactive responses are associated with the functional self, and appear when a person adapts to the needs of a relationship. If differentiation is high and anxiety is low, issues may not arise in triangling and the functioning of a family system. However, when differentiation is low and anxiety is high, triangling may be detrimental to healthy family functioning. In a clinical setting, the goal is to increase differentiation and ease anxiety, in other words, to detriangle or neutralize the conflict.

Bowen Family Systems Theory has been used in both clinical and consulting settings. This theory identifies key emotional relationships and works to improve the families' emotional reactivity. Bowen's Family Systems Theory has been used to help families with terminally ill family members, as well as in consulting situations with family businesses. The latter instances will be revisited in later sections.

Beavers Systems Model

Beavers Systems Model is based on over 30 years of empirical research and clinical work. It breaks down family functioning into two main dimensions: family competence and family style. Family competence is the relative structure or flexibility of the system. Family competence is measured on a negentropic continuum; the more

flexible a family system is, the more the family can function and negotiate conflict effectively (Beavers & Hampson, 2000). In regard to family competence, it is considered more desirable to have structure as well as the ability to change structures. If a family is not stuck to a rigid system, it is more effective at changing itself if necessary.

Family style is the overall quality and style of interaction. In Beavers Systems Model, there are three forms of family style: centripetal, mixed, and centrifugal. Families that reflect the centripetal form believe that the most satisfying relationships come from within the family as opposed to other outside relationships, whereas families that reflect the centrifugal form believe that most satisfying relationships fall outside of the family domain (Hampson & Beavers, 2000). In the Beavers Systems Model, it is desirable to not fall into either category, but rather in the mixed one. The family style is not described as a straight continuum like family competence, but rather is depicted in a curvilinear way to demonstrate that extreme forms, centrifugal or centripetal, can lead to unhealthy family functioning. A “healthy” family functioning occupies the mixed category showing that neither extreme, centripetal nor centrifugal, are desirable family styles.

Based on the two categories of Beavers Systems Model, nine family groupings can be identified. These groupings were created from Beaver’s clinical observations and are determined by a family’s position or placement on the competence and style dimensions. Of the nine family groupings, three are considered functional family systems and six are in need of clinical intervention. The nine family groupings are: Group 1, optimal families; Group 2, adequate families; Groups 3, 4, and 5, mid-range

families; Groups 6 and 7, borderline families; and Groups 8 and 9, severely dysfunctional families. Groups 1, 2, and 3 are viewed as functional family systems. Since the 1970s, the Beavers Systems Model, in both clinical and non-clinical settings, has categorized over 1800 families. According to Beavers and Hampson (2000), 5% of families fell in the optimum range, 38% fell in adequate and 38% fell in mid-range, 16% fell into the borderline range, and 3% fell into the severely dysfunctional range. This confirmed theories that the majority of families fell into adequate and mid-range levels. Both optimal and severely dysfunctional, as expected, are rarely identified.

Beavers Family Systems Model can be applied to family businesses. According to Beavers' (1977) research, family competence in small tasks, such as negotiation, is related to family competence in larger tasks, such as managing a business. Key characteristics that identify a healthy family system are indicative of healthy functioning in a larger, yet similar structure, such as an organization. Beavers' process for assessing and intervening is similar to a consultant's process when evaluating a business. In regard to family businesses, success at the foundation (ie. family life) would be reflected in the organizational structure as well.

Family Systems and Family Businesses

Both Beavers Family Systems Theory and Bowen Family Systems Model illuminate areas of conflict within the family structure. In both, effective and positive communication ultimately leads to optimal family functioning. Understanding these family systems in tandem with existing literature on family businesses may help generate a better approach to dealing with family business conflict. In addition, findings from

research on family systems can help family businesses learn better strategies for family communication during succession planning.

Succession Planning

Succession planning is one aspect of family businesses that warrants further research. According to Ibrahim, Angelidis, and Parsa (2008), “succession has been one of the most pervasive problems in family businesses. Indeed, surveys of articles published between 1988 and 2003 show that succession has captivated most of the research interest” (p.101). One key issue of succession planning in family businesses is the resistance to planning by the founder (Dyer & Handler, 1994). Because of this, very few family businesses survive to the second generation, and even fewer to the third (van der Merwe, 2009). According to Parrish (2009) and Jordan (2005), fewer than a third of family-owned businesses survive into the second generation, 12% to the third, and less than 3% to the fourth. Danco (1982) coined the term “corporuthanasia”, indicating how succession planning typically results in the “. . .purposeful killing of the business” (p.13). “Shirt-sleeves to shirt-sleeves in three generations” is a famous proverb that describes a similar situation in family businesses: all wealth gained by one generation will be lost two generations later.

Survey research has identified factors for the failure of succession planning ranging from family conflict and sibling rivalry, to business owners being unprepared to leave the firm. According to Handler (1994), the reason for the lack of success in succession is the failure to plan ahead. Handler (1991) found that two key

relationships—the intergenerational relationship between current and next generation family members, as well as the intragenerational relationship between siblings—are critical for smooth succession planning. In surveying 32 family organizations, Handler (1991) found that both relationships need to maintain mutual respect and understanding. In addition, trust, support, feedback, learning, friendship, and sharing are key factors within family relationships. If these characteristics are present, families can interact in a positive manner and maintain a healthy connection with each other and the business. A healthy family relationship is critical to a successful transition. Dyer and Handler (1994) indicated that families with consistent views regarding what is equitable, well-developed contingency plans, superordinate goals, the ability to manage conflict effectively, and a high level of trust were families that were most effective at managing succession.

Dyer (1986) described various leadership styles and their success in family businesses: participative, autocratic, laissez-faire, expert, and referent. Participative is team-oriented and minimizes status and power. Autocratic is hierarchical and allows particular family leaders to make key decisions and manage everyone else closely. Laissez-faire is a hands-off approach and allows employees to maintain a high level of autonomy. Referent produces a more competitive environment because achievement is very important. In Dyer's research, participative, referent, and laissez-faire were all family styles that predicted family business success, as measured by employee satisfaction and financial performance, but participative was the strongest predictor overall.

Rosenblatt and Albert (1990) identified key aspects for effective succession planning. One focuses on identifying an appropriate successor, and the other focuses on how or when a business transitions from one owner to the next. Most often, offspring feel forced into taking over the family business. If more than one child is involved, the idea of “fairness” is most often a center for family conflict. Van der Merwe (2009) indicated that “fairness” is most often defined as equal treatment, and typically does not compare offspring who are active in the family business to those who are not. Children may differ in their interest of the business; one child may have an interest in keeping the business alive and another may simply want a cut of the profit. In addition to sibling fairness, Mitchell, Hart, Valcea, and Townsend (2009) identified characteristics of an entrepreneur that can impact the success of a family business. Tolerance of ambiguity, internal locus of control, cognitive complexity, aspiration level, power base (which is the person’s level of ownership or prestige in the company), political acumen, and commitment are individual factors that are predictions of success.

Kets de Vries (1993) blamed various family conflicts, such as sibling rivalry, the “spoiled kid” syndrome, nepotism, and the dominant father figure, for the failing of most businesses in the succession stage. Dyer and Handler (1994) also indicated that the role of the founders and their resistance to plan is a main factor in the failure of succession planning and named various types of retirement styles: monarchs, generals, ambassadors, and governors.

“Monarchs” do not leave until they are forced out or die. “Generals” also leave office only when forced out, but plan a return to power often to

rescue the company from an inadequate successor. “Ambassadors” leave willingly and become advisors of the firm. “Governors” rule for a term and then pursue other ventures. (p. 76)

Resistance by the founder of the company is typically due to fear of retirement. According to Handler (1990), retirement is a threat because it changes a person’s daily routine. In addition, people feel that they are losing power and value. The founder’s adjustment into a new role is critical to the effectiveness of the succession planning. Handler identified four stages or positions a founder may go through in the transition: the sole operator, monarch, overseer or delegator, and consultant. At first, the owner is the sole owner and entrepreneur of a business and functions essentially as “the center” of the business. Secondly, the owner transitions from sole operator to holding onto power to ensure the business is successful; this phase is often considered more of a paternalistic role. In the third phase, the founder gives up information and decision-making to a successor, and ultimately becomes an experienced outsider or consultant in the fourth and final phase. Simultaneously, the next-generation owner transitions from having no role, being a helper, a manager, to being a leader or chief decision maker. The transition from owner to consultant is much slower than successors may realize. Handler concluded that understanding the transition might aid families in organizational transition, as well as map out potential trouble spots to prevent problematic situations.

As Handler (1990) pointed out, the adjustment from business owner to retired consultant is a difficult and slow process for many. What makes the adjustment to retirement even more difficult, however, is when the owner feels forced out of the

company due to strategic succession planning or physical and mental health problems. When an owner is not ready to retire and is forced out because of organizational rules or strategic planning by family members, a great deal of family conflict can arise. Physical and mental ailments that are unplanned and unforeseen are not only cause for stress and conflict within the family, but are also unexpected and can leave businesses with many legal and financial difficulties.

Dementia

Dementia is one medical issue that can arise and greatly impact a family business. If there is not a planned succession, the family can experience a great deal of difficulty with the emotional stress of observing a loved one lose cognitive functions as well as the stress of business decisions compromised by the leaders' cognitive challenges that may be detrimental to its survival. According to the Alzheimer's Association, dementia is a neurological impairment that is categorized by the loss or decrease of memory and other cognitive abilities, as well as a decline in emotional processing, verbal skills, motor activities, and other major life activities. The most common types of dementia include Alzheimer's disease, Parkinson's disease, Lewy Body Dementia, Huntington's disease, and vascular or post-stroke dementia (2009 Alzheimer's Disease Facts and Figures).

The prevalence of Alzheimer's disease and other dementias is growing rapidly. Currently, there are over 5.3 million Americans with dementia. Approximately 13% of all people age 65 and older are diagnosed with Alzheimer's disease or some other form of dementia. By the year 2029, new cases are predicted to be at 615,000 and 959,000 by the

year 2050. By 2011, the first of the baby boomers will be reaching the age of 65, and by 2029 all baby boomers will be at least 65 years old. The most recent study from the Alzheimer's Association ranks Alzheimer's disease as the sixth leading cause of death across all ages in the United States (Alzheimer's Disease Facts and Figures).

Because of advances in medicine and technology, a majority of the population will have a life expectancy of 80 to 90 years. From the projected numbers, it is evident that the number of aging adults diagnosed with dementia will increase rapidly. According to the Alzheimer's Association, although Alzheimer's was discovered over 100 years ago, science has only seriously focused on Alzheimer's for the past 25 years. Research has introduced new methods for early detection of dementia, as well as prevention and therapeutic methods. Although organizations such as the Alzheimer's Association, the National Institute on Aging, the National Institute of Mental Health, and the American Psychological Association are researching Alzheimer's disease and other dementias, a great deal still remains unknown. The impact of dementia on the workplace, particularly when dealing with business owners, is one area of research that is lacking. Two related topics that have received more attention are family conflict and legal issues involving dementia.

Family Conflict and Dementia

Dementia can introduce a great deal of conflict into a family, particularly between siblings. Peisah, Brodaty, and Quadrio (2006) concluded from 50 case studies that dementia can be a great family divider especially when there is not strong solidarity.

Although a great deal of family conflict can arise from dementia diagnosis, addressing family issues is still an overlooked area of research.

From the research conducted on family issues and dementia, various themes of conflict have been identified. Peisah, Brodaty, and Quadrio (2006) found that accusations of inadequate care, financial exploitation, and failure to communicate with other family members were the causes of most conflict. Lack of acknowledgement of the caregiver, differences around the severity of the illness, and institutionalization are also areas of conflict (Gaugler et al., 1999; Pearlin et al., 1990; Strawbridge & Wallhagen, 1991). In the 50 cases studied, 23 considered the main theme of conflict to be over money and other financial control such as wills and estate planning. If the family member with dementia is involved in the conflict, more issues may arise because of their impaired cognitive functioning. The person with dementia changed alliances with various family members in 26% of the cases because of their paranoid ideation, which only adds to family conflict. As a result, Peisah, Brodaty, and Quadrio (2006) found:

Sixty percent of the persons with dementia had given Powers of Attorney to parties involved in the family conflict prior to the hearing and 24% had made changes to previous appointments revoking previous appointments or appointing new Attorneys during the period of conflict. Three persons with dementia each appointed three different attorneys within 12 to 18 months! (p. 489)

Depending on the severity of dementia, conflict and confusion can arise by attempting to include the person with dementia in decision-making. Conversely, excluding persons

with dementia when they are still capable of making rational decisions can cause family conflict through a sense of betrayal from the family member with dementia.

Although family conflict can arise with the onset of dementia, research has suggested there are healthy approaches to resolving and preventing conflict. Weitzman, Chee, and Levkoff (1999) studied African-American and Chinese-American caregivers and various models for resolving family conflicts when the family is the sole caregiver. Interpersonal negotiation strategies for conflict resolution, which reflect levels of social perspective coordination (how an individual can relate to another person's point of view), as well as satisfaction with sharing caregiving responsibilities, within the family were investigated. It was found that higher levels of social perspective coordination also resulted in higher levels of satisfaction in sharing caregiver duties. This study concluded that it may not be conflict that is damaging among families, but rather how the families communicate and resolve the conflict. It is therefore important to research and develop conflict resolution skills that can be used effectively within families with dementia conflict.

Studies have found that negative family variables can impact chronic illnesses such as dementia. Low family cohesion, too strict or too loose family boundaries, lack of clear communication, and poor spousal support are all examples of negative reactions (Fisher, Ransom, Terry, Lipkin, & Weiss, 1992). A great deal of data have supported these family variables and their consistent link to poor responses to chronic illness. Alzheimer's disease and the family as a united system responding to and being affected by it, however, has not been studied (Fisher & Lawrence, 1999). Fisher and Lawrence

(1999) found that families provide more help to the family member with Alzheimer's when positive conflict resolution is used. They also found that families are more helpful when decision-making allows some input from the whole family, but ultimately, assigning one family member the task of deciding is more effective as opposed to a more democratic method where all family members have equal say and voting privileges. This study also emphasized the need for researching family problem-solving skills and emotion management, as well as possible clinical intervention programs.

Legal and Workplace Issues with Dementia

Situations involving persons with dementia are constantly changing and can be potentially volatile. Legal issues and decisions involving persons with dementia are just as difficult. Because dementia is a progressive condition, there is not a universal answer or measure for treating persons with dementia at the workplace or even in other areas such as financial competency or medical decision-making.

Both the Americans with Disabilities Act and the federal government recognize the issues with dementia and the need for protection, but a universal standard cannot be established. The federal government recognizes the need for more research before standard protections can be implemented for all persons with dementia without individual case analysis. According to the United States Congress, Title 42 "The Public Health and Welfare" Chapter 118 "Alzheimer's Disease and Related Dementias Research General Provisions" states:

. . . the results of the little research that has been undertaken concerning dementia has been inadequate or the results have not been widely

disseminated. . . more knowledge is needed concerning: (A) the epidemiology of, and the identification of risk factors for, Alzheimer's disease and related dementias; (B) the development of methods for early diagnosis, functional assessment, and psychological evaluation of individuals with Alzheimer's disease for the purpose of monitoring the course of the disease and developing strategies for improving the quality of life for such individuals; (C) the understanding of the optimal range and cost-effectiveness of community and institutional services for individuals with Alzheimer's disease and related dementias and their families, particularly with respect to the design, delivery, staffing, and mix of such services and the coordination of such services with other services, and with respect to the relationship of formal to informal support services; (D) the understanding of optimal methods to combine formal support services provided by health care professionals with informal support services provided by family, friends, and neighbors of individuals with Alzheimer's disease, and the identification of ways family caregivers can be sustained through interventions to reduce psychological and social problems and physical problems induced by stress; (E) existing data that are relevant to Alzheimer's disease and related dementias; and (F) the costs incurred in caring for individuals with Alzheimer's disease and related dementias (approved 11/11/2009, pp. 1-2).

Most often, situations being investigated in which people feel they are being discriminated against because of their dementia are evaluated on a case-by-case basis because of the uniqueness of each incident. According to the ADA, when rehabilitating individuals with neurological impairments, three phases of intervention need to be completed to fully understand the complexity of each person's case: prevocational assessment, vocational placement, and on-the-job interventions (Sachs & Redd, 1993). In most cases, Sachs and Redd (1993) note that the complexity of neurological issues make it very difficult to predict the likelihood that patients can recover and return to work, even with reasonable accommodations. Currently, the ADA assesses dementia similarly to other disabilities. In *Wells vs. Mutual of Enumclaw* (2007), the plaintiff argued that he was terminated from his job before being given reasonable accommodation for his early-onset Alzheimer's. District court voted in favor of the defendant, agreeing that the plaintiff telling his employer about his early-onset was not equivalent to requesting accommodation for his angry outbursts at work.

One of the most recent examples of Alzheimer's research in regard to workplace issues was presented at a conference for the Social Security Administration called "Compassionate Allowance Hearing on Early Onset Alzheimer's Disease and Related Dementias" on July 29, 2009. Dr. Daniel Marson, Director of the Alzheimer's Disease Research Center at the University of Alabama at Birmingham, was a main speaker at the conference, speaking on the topic of "The Impact of Alzheimer's Disease on the Capacity to Work." Dr. Marson broke down essential functions of common jobs and workplace settings such as sales, office, design, assembly line, and computers and the vocational

implications with neurological impairments. In a mild case of Alzheimer's disease, Dr. Marson concluded that vocational implications could include impairments in short-term memory, semantic knowledge, executive function, and decisional capacity. Along with vocational implications, changes in mood and personality can have a negative impact; depression, anxiety and loss of anxiety and motivation are additional changes Dr. Marson noted.

Dementia research has also focused on the area of medical decisional making and financial competency. In a two year longitudinal study, it was found that patients with mild Alzheimer's disease demonstrated impaired medical decision-making capabilities, as well as significant decline in competency of complex consent abilities in regard to appreciation, reasoning, and understanding within the two year timeframe (Huthwaite et al., 2006). Measures were constructed based on five legal standards: evidencing/communicating choice, appreciating consequences, providing rational reasons, understanding treatment situations, and making the reasonable treatment choice. This study stresses the importance of understanding Alzheimer's disease because of its many medical, legal, and ethical implications. It concluded that Alzheimer's disease does cause a gradual breakdown of cognitive abilities, particularly in rational decision making. It is therefore very important for further studies to continue the study and measure construction of competency for patients with Alzheimer's disease and other dementia.

One study investigated other forms of competency in patients with dementia such as financial capacity. Financial capacity, which involves basic monetary skills, cash

transactions, managing a checkbook, financial judgment, and bill payment, is highly connected to working memory (Earnst et al., 2001). Persons with Alzheimer's disease show a significant decline in financial abilities in all financial capacities tested. This study was able to connect financial capacity with working memory and further develop an accurate measure for determining cognitive abilities and competencies. In both medical decision-making and financial competency, the need to further develop accurate and specific cognitive measures was emphasized in order to help with clinical reliability and allow for accurate decisions to be made for persons with dementia.

Dementia and Succession Planning

Succession planning is a stressful aspect of family business even when families are prepared. The survival rate of family businesses into multiple generations is dismal and a significant reason to communicate with family in order to make the transition as smoothly as possible. Understanding effective and positive communication styles is imperative for successful conflict resolution in families and family businesses. The added variable of dementia is a serious and very possible concern for family corporations. In order to fully prepare, families need to know how to work together effectively, but also need to understand other possible, unplanned incidences such as dementia.

The current study explores dementia awareness in family businesses, inquiring about specific incidences of founders being diagnosed with dementia, as well as possible strategic succession plans that take critical incidents like a dementia diagnosis into account. Critical incidents vary a great deal and can include other incidents beyond a

dementia diagnosis such as an unexpected family death, addictions, paralysis, or serious mental illness.

The study poses the following exploratory questions:

1. How does communication in family businesses reflect Bowen Family Systems Theory and Beavers Systems Model?
2. Do people involved in family businesses believe they are communicating effectively?
3. Are family businesses aware of and well prepared for a possible dementia diagnosis in their family?
4. If succession planning has not occurred, what are the reasons for this?

CHAPTER III

METHOD

Participants

Participants were members of the Wisconsin Family Business Forum. The Wisconsin Family Business Forum is an organization that focuses on “fostering healthy family business through education, information, networking, research, and life experience” (Wisconsin Family Business Forum Mission Statement, http://wfbf.uwosh.edu/Assets/mission_n.php). Membership is open to families that have controlling interest in an established business, family members that may be involved in operation of a business, families for which a significant percentage of family assets are derived from the business, and owners who may/intend to pass ownership onto the family (Wisconsin Family Business Forum Membership, http://wfbf.uwosh.edu/Assets/members_n.php). This organization consists of business owners from approximately 40 Wisconsin businesses. Two focus groups, consisting of 10 participants in each, were conducted. The first focus group consisted of two women and eight men. The second focus group consisted of four women and six men. The participants varied in age and ethnicity. Although age data were not gathered, facilitators of the two peer groups estimated that ages ranged from the late 20s to the mid 50s. The peer groups consisted of Wisconsin Family Business Forum participants who were either

likely to be owners or leaders of the business in the future, or had recently taken over the business.

Procedure

Members of the Wisconsin Family Business Forum were invited to participate in an open focus group. The focus group discussed issues and conflicts of succession planning in a family business as well as awareness about dementia (see Appendix A). Questions included: “What are some of the main differences between family business conflict and non-family business conflict?” “How well prepared are most family businesses for unexpected, critical incidents such as dementia in their succession planning?” Before questions were addressed, a brief presentation was given on dementia. This included brief facts and statistics so that all participants had a basic understanding of the illness (See Appendix B). The focus groups were approximately one hour in length. Two researchers were present, one to facilitate the focus group and the other to take notes throughout the discussion. The focus groups were also audio-recorded; informed consent was obtained from the participants.

Upon completion of the focus groups, participants were asked to volunteer to participate in an additional hour-long individual interview. Participants were contacted after the focus group to set up an appropriate date and meeting time. All interviews were conducted on company sites and were approximately one hour in length. Questions from the focus group were asked again for more personalized and detailed responses. In addition, questions focusing on communication styles were also asked. Examples are:

“What is the most effective way to communicate with your family in regard to business decisions?” “Some families are more flexible, and others are more rigid. Where do you think your family fits in regard to these two styles, and how does that implicate communication in regard to family business decisions?” One researcher was present at interviews and was responsible for facilitating and note taking. Interviews were also audio-recorded upon obtaining consent from the participants. Interviews were conducted for seven men and one woman.

Data Analysis

When interviews and focus groups were completed, the audio-recordings were transcribed. Interpretive Phenomenological Analysis was conducted to analyze the qualitative data. Interpretive Phenomenological Analysis presents an explanation of subjective experience and is not a hypothesis-driven method, but attempts to answer broader research questions (Quinn & Clare, 2008). Upon transcription completion, data were read thoroughly to identify emerging themes. Two researchers read through transcriptions and independently developed themes to enhance inter-rater reliability and eliminate personal biases. In IPA analysis, a quantitative measurement cannot be given for reliability. In order to ensure reliability, multiple researchers are used to independently create themes and then collaborate to create a master list. Sub-themes and theme relationships were identified and also noted. After themes were noted, NVIVO Software 8.0 was used to assist in the qualitative analysis by identifying and categorizing themes. Steps conducted for identifying themes were as follows:

Step 1: The first focus group transcript was read several times. Any interesting findings or comments were noted in the side margin of the transcript. In the other margin, several key words were written down to depict the theme within that portion of text. Key words captured themes at a very broad level.

Step 2: All themes from the first transcript were written down. Connections between any of the emerging themes were noted.

Step 3: A master table of all the captured themes was ordered in a table. For each theme the location of it within the transcript were identified. Themes that shared experiences in all focus groups were also identified (See Table 1).

Step 4: Steps 1-3 were conducted for the remaining transcripts. Major themes were identified and connected.

Step 5: Upon reading through each transcript and creating a table of major themes, researchers met to discuss finalized themes. A final master list of themes was created.

Step 6: After the master list was created, each transcript was investigated again, looking to identify sub-themes for each major theme created.

Step 7: Connections between sub-themes and major themes were investigated. Investigating how themes came together helped understand other themes and helped conceptualize the groupings of themes, as well as any temporal pattern. A diagram was created to help understand the relationship and flow of themes (see Figure 1).

CHAPTER IV

RESULTS

After IPA was conducted, three major themes, each with three subthemes, emerged. Table 1 shows the themes and subthemes, along with the frequencies of citations within the transcriptions. Within Table 1, sources indicate how many transcriptions uncovered that theme, references indicate the frequency of the theme, words indicate the number of words that fit in each theme string, and paragraphs indicate the amount of coverage within each transcription. Themes identified were:

- Dementia
- Value of Planning
- Family Dynamics

Major themes were broken down to subthemes in order to obtain a more detailed description:

- Dementia
 - Fear
 - Knowledge
 - Lack of
 - Desire for
 - Personal Experiences
- Value of Planning

- Lack of Planning
- Ideas for Planning
- Wisconsin Family Business Forum
 - Information
 - Support
- Family Dynamics
 - Dealing with Conflict
 - Family First
 - Communication Styles Vary
 - Beavers
 - Bowen

Note. For the remainder of the Results section, an (I) or (F) citation following each quotation will denote whether or not the quotation is from a focus group or interview source.

Dementia

Fear

Dementia, in both personal and business incidents, was seen as a very emotional and ultimately scary scenario. Lack of knowledge and experience, the ambiguity of the illness, and the varying degrees of competency were subthemes or justifications for the emotional reaction. Acknowledging the existence of dementia, whether personally or for another family member was one aspect. *Note.* The following quotations are from

interviews and focus groups. Each block quotation is a separate quotation, from a separate source or reference.

But a lot of times with cancer, you can see that, okay, you have cancer.

It's not skewed. With dementia, you may be trying to fight it. 'Oh, I know what I'm doing, I'm not losing my mind.' (F)

Especially if they don't recognize it, or even if they do recognize it and aren't willing to admit it, that's difficult or more challenging. (F)

And it gets so emotional. It's hard for the family, depending on how many are involved, they probably don't want to admit that dad's going crazy or whatever, because who knows, it's probably hereditary! (F)

I can see where this would scare the bejesus out of everybody because it scares me too. (I)

The ambiguity and unexpected nature of dementia was another highlighted concept.

And then dementia is a whole other ball of wax because it's just different perception, it's something that can creep up on you, there's not an event that triggers your action plan. Dementia can creep up on you, and you realize that over the course of the past six months or year . . . (I)

It's scary how unestablished it is. (I)

For other participants, dementia was scary enough to avoid completely.

That's easy, run! Haha. I just can't imagine that situation, I don't think it gets any tougher than that. (F)

Other participants would rather consider the idea of death than dementia diagnosis.

Do I want to go in an assisted living and have them tap into it and take away what I've worked hard to give them? I don't want that. I'd rather say, let's just go hunting, the two of us, you know what I mean? (I)

What do I want them to do with me? I'm watching what's happening with the country, like my brother says 'shoot me.' I don't want to go through that . . . Hopefully it doesn't happen. (F)

The ambiguity of dementia and the lack of planning were also noted throughout discussions.

If you guys see me going downhill, grab my checkbook fast! (F)

Something we don't consider is, well, we always consider getting hit by the bus. The thing we don't consider is what if we forget the bus is coming? (F)

Participants even reacted to the statistics and prevalence of dementia.

We're all planning for something, that percentage wise, is never going to happen. Looking at this sheet, the chances of dementia, well, they're pretty good. 1 in 8, wow. (F)

1 in 8, it's something for us to look at. People maybe need to be a little more prepared for it. It's a nasty thing, no doubt. It could do some damage to a business that's not prepared for it. (I)

Knowledge

Lack of and Desire For

Participants admitted to not knowing much about dementia and expressed the need for more information to help better understand and prepare for the possibilities of it.

One area of desirable knowledge was in dementia detection.

And what kind of questions would be questions to trigger it? It's not like you're going to ask a math equation you know? (F)

How would you recognize signs of dementia with a close family member?

(I)

What things or duties or other responsibilities are impacted first and most violently by developing dementia? (I)

Knowledge and understanding were also desired in the area of legal implications.

So how do you tackle that? What happens if he was still owner? How do you divorce somebody that's in and out, and they're still a majority stockholder? (F)

As I understand, one piece would be what are family members' rights and responsibilities going forward if they were to determine in the individual that they have dementia. We would like that knowledge as a family member, but the responsibility would be from a business or stakeholder as well. (F)

Having some legal experts that understand the effects of dementia on a family and a family business and stockholders, and what are the rights of the family and the rights of the assisted living facilities? (I)

Above and beyond detection and legal implications, a general understanding of dementia was desired.

I would like to know information, but I don't know what. Maybe I guess some general information for better understanding. Like signs and symptoms, what problems it can cause, horror stories so people can see that this really could happen to you, maybe some statistics? How many old people are there going to be here soon? All that stuff that really plays into it right now. (I)

I'd like to learn a lot from this. (I)

Personal Experiences

Although participants acknowledged their lack of knowledge in business experience and preparation in regard to dementia, 10 of the 20 participants had some sort of personal experience with dementia. The number of references in Table 1 indicate that only 5 sources reported citations of personal experience. The additional participants accounted for were all part of focus group citations, so various experiences were reported within one source or transcription.

My grandmother just recently was put in an assisted living home. Even some of her daughters didn't recognize what was happening . . . But if you ask her more in-depth questions that cannot be answered with a 'yes' or

‘no,’ she cannot do it, and she gives you a blank look and keeps smiling.

(F)

I know my grandma, she has dementia, we show her pictures and she can recognize all of them from 40 or 50 years ago. I can point to my family and my kids, and she won’t know who they are. (F)

Some of the experiences are incidents that occur in a business setting.

I looked at buying a business where the father had dementia, and there was no plan in place, and the kids were not in any position to buy him out, and he wasn’t interested in giving it to the kids, he wanted money. In his sane moments, he hadn’t thought about passing it on. So, for me, it seems that it would be important for a business to have a succession plan in place earlier rather than later . . . (F)

Most of the time he’s pretty lucid, and then he has days where he talks about selling the business. It’s pretty interesting. (F)

My grandpa died of Alzheimer’s, and he didn’t have anything to do with starting the business . . . There were signs that something was going on.

And one day, he came to work with his slippers on. (F)

Even further, some families are experiencing dementia that impacts their business at a very strenuous level. One participant describes their loving deceptions.

How do you deal with it and tell a guy that started the business that he can’t answer the phone? How do you deal with that? We both spend the majority of our time constantly playing clean up and being the interpreter .

. . . Have you ever heard of the software Deep Freeze? I've installed that on his computer, so he can download whatever he wants and it's gone the next day. Important documents are on a different server so he cannot access them, he doesn't even know . . . He thinks he's still in charge, but in reality he has no decision authority, but he's still a figurehead. (I)

Value of Planning

Lack of Planning

Lack of planning in family businesses was acknowledged and recognized as a problem. Participants acknowledged the value of effective and successful planning.

We had all the paper work drafted out ahead of time, so when the lawyers came to me and said that he was being declared incompetent, all I had to do was sign to take over stock . . . I was happy to be prepared, it would've been harder without that paper work done ahead of time. With that having happened already, we can now tweak those documents for future plans. (I)

Most often, plans were talked about, but not established.

We don't have anything formal, but we've had the conversation. (I)

. . . The succession plan not as a natural progression has not been thought of. Well, it's been thought of but not established. (F)

But, as far as our current succession, we have nothing. (I)

We have very little written down. We kind of have a general plan . . . It's probably a negative, we should have more things written down. (I)

I would guess that more than 80% have initiated something but haven't followed through. (I)

We need to make sure we get all of that stuff in a book somewhere or wherever we'd keep it . . . Not having the information, and we both know that's our biggest risk right now. (I)

Reasons for the lack of succession planning and preparing for dementia varied. Denial, procrastination, difficulty with planning for the future, resistant fathers were all reasons given for the lack of planning.

It's just sort of that ego. It's not going to happen to us. (F)

Most often, reliance for a plan or information was put onto another person or resource:

If you were a lawyer and came up with a magic yardstick, boy that would be wonderful! That'd be the silver bullet. (F)

I would hope they do and that the attorneys were smart enough to put something together, but I don't know. I'm assuming lawyers are good with that stuff, I don't know. (I)

A great deal of uncertainty in establishing documents or wording in established documents was expressed.

At that point enact legal living wills; we all have them, and I believe capacity is mentioned in it . . . Frankly, to tell you the truth, I don't know if anything is mentioned on dementia; these were done a while ago. (F)

Have a buy-sell agreement, it covers all those events . . . Hopefully the potential illnesses like dementia. (I)

I'd imagine there are documents that my parents have written down that they haven't told us about, I don't know. I don't know if they exist but I say there's a good chance. (I)

Families that had preparations were even uncertain how well they were protected from dementia or how successful their succession would be.

If this were my brother that this was happening to, boy I don't know, we'd have to control what he was doing and where he was going, which we do anyway . . . But there are things he can without us knowing about it, and that could wreak some pretty bad havoc with the business. (F)

So the 100% shares are 51-49, so with this dementia, it still comes into play a lot. Doesn't it? I mean he has 49% say.

. . . Your sisters have non-voting shares, so if they were to side with your dad who has voting stock, they could pressure you do to something.

Yeah, I guess they could. (F)

Past experiences with bad transitions were expressed as major family conflict.

That happened in 1978 . . . There's still bitter feelings between siblings, things they don't understand . . . It lead to the big family feud, as what I call it. (F)

Ideas for Planning

Although most family businesses were unprepared and did not have established succession plans, many were knowledgeable on how to plan or discuss what to plan for.

You need to have at least some simple documentation; give a name for someone who will be involved. If you don't have anything in place, you need to start having those discussions. Personal wills, living wills, those are all important to establish. The more you have in place, the better. (I)

You have to take a look at scenarios. That is one way to prevent it . . .

How does this decision we're making in planning, how is it impacted by these variables, and poke holes in it before you sign on the dotted line. (I)

I think it needs to be a part of succession planning; 1a) what if you get hit by a bus, 1b) what if you get hit and don't die, 1c) what if you develop a disability slowly, and have variations and how would this 1a plan change if you develop dementia or something else. (I)

Participants were also able to acknowledge the likelihood of dementia, and the need to plan ahead.

I think there are some families that don't want to accept it or have the mentality that it's never going to happen to me. But that's foolish, that's just stupid. (I)

Wisconsin Family Business Forum

The value and positive experiences brought from an outside advisor or consultant was a major theme that emerged. Because of the complexities of family interactions, an outside perspective was typically sought by most of the family businesses. More specifically, the Wisconsin Family Business Forum was referenced as a positive

influence for family businesses. The Wisconsin Family Business Forum was viewed as a safe haven for family businesses to seek out information and support.

Information

Outside resources for family businesses were evaluated as a key component for business success through preparation, information, communication and conflict resolution.

It was a gift to get that education. (I)

We know our internal strengths and know what we can handle, but we need to step outside of it every now and then too and someone that understands it better. We know that we're not perfect. The forum is a really helpful resource. The peer groups especially. People are in the same positions that we are, but have different problems, so it gives you ideas on how to handle it in your own company if it ever happens. I feel it very valuable. (I)

Support

The forum was consistently noted as a valuable resource. Not only for the information presented at forum meetings, but also hearing other family businesses experiences.

. . . but not everyone's willing to talk about how they failed because it's embarrassing. But that's why the forum exists. Learn from other people's mistakes. (I)

If not for the forum . . . well, they helped us understand pitfalls and challenges that other people face. It helps us get things taken care of. It keeps us prepared. (I)

I think the value the forum brings is that we know where our resources are, we know who we need to go talk to, we know what to discuss, we know examples of good and bad things that have happened through succession planning . . . If something were to happen tomorrow and we weren't prepared, it's all our fault and not the forum not telling us to do something about it. (I)

The thing with the forum that we've always found value in for 12 years now, is the common knowledge that somebody has been down this road before. Somebody has dealt with this issue before; who are you, where are you, I need to come talk to you. (I)

Family Dynamics

Dealing with Conflict

Dealing with conflict was a strong theme. Although family conflict was evident throughout, the type of family conflict varied significantly. In support of the existing literature, all family businesses have their unique family dynamic and family conflict.

If I fire my sister, that puts strain on her family, which affects my family.

(F)

When you put the impact of cousins that grew up differently, it can put a lot of different stresses on a company and the family. (F)

And I mean within a family, you can have completely different viewpoints on the business. (I)

The various relationships and viewpoints shared demonstrate the challenges of finding a solution conducive to all families and their situations.

Family First

One theme that developed was the concept of family first. Participants indicated that family happiness came before business success.

If that meant keeping the family together and making the business go away, we would do that. (I)

If someone doesn't agree with our succession plan, we'd just sell the company. (I)

The philosophy in my family is the family first, and the business second. (I)

There was also a theme of protecting the family over the business: He just wants to make sure that a) mom is taken care of and b) the business is not ruining family at all. (I)

Communication Styles Vary

In regard to communication styles, family businesses were able to recognize difficulties they had to overcome as a family.

It boils down to communication, a lot of times, but when it's one-sided communication, what do you do? (F)

It's all about the behind the scenes that drive you nuts and really work at you. (I)

Even with these difficulties, open, well-structured communication was identified as key factors for successful communication.

One on one, face to face. With an outline or note, well thought out ahead of time. (I)

We have meetings every week, and that's probably where the best communication comes. We're all together, we sit and talk and have it out. (I)

Very rarely is it '3-1, you lose.' If someone feels very strongly about something we'll work something out. (I)

I think it's important for everyone to hear everything at once, and be able to communicate openly and read their body language. Everyone has questions that can be heard and answered. (I)

Especially with families, one participant pointed out a strategy evident in many family businesses communication.

You have to take the emotion out of it as much as possible. (I)

Beavers

In regard to the Beavers Systems Model, family businesses varied in their family competence. Levels of rigidity and flexibility were mixed.

Structured in that work stays at work. (I)

Our communication style is very professional . . . We talk more business than we talk personal interests. So I would say rigid. (I)

I enjoy not having that structure as much . . . I am able to openly communicate with employees. So I like the flexibility. (I)

Well, collectively we're flexible. But I guess some of us are rigid. (I)

When looking at the second dimension of Beavers Systems Model, style, most often families identified a mixed style or combination of centripetal and centrifugal relationships.

It's pretty well split between family and outside relationships . . . I think if it were more concentrated in either area I'd lean more towards the outside.

You get caught up in your own dynamic. (I)

Sometimes you need an outside opinion, so you're not leading with blinders. But we value what our family says too. (I)

Bowen

Participants were able to identify with Bowen's triangling theory. It was acknowledged that it does occur.

I would say that [triangling] puts a big white elephant in the room and it causes discomfort . . . I'll see our employees doing the triangling too. (I)

The majority of the time we will just resolve it, the two of us . . . Her family is predisposed to triangling. (I)

Even with triangling occurring, participants had solutions and communication styles that tried to eliminate that.

I think the more layers and the less direct you speak with someone else, the more that gets lost in translation, and the less efficient your communication is. If there's a problem, we talk directly to each other, there's a chance of rebuttal, but keeping it at a respectful level. (I)

CHAPTER V

DISCUSSION

From the current study, it is evident that family businesses, although aware of dementia, are not prepared for the impact dementia may potentially have on their businesses. Through Interpretive Phenomenological Analysis, various themes were extracted from focus groups and interviews. Although family conflict has been found to vary, effective communication styles can help resolve issues and enhance a family's ability to work together effectively. Outside relationships, such as the Wisconsin Family Business Forum, have been shown to be very effective in providing resources to family businesses and serving as a safe-haven for family businesses to share experiences and learn from each other. Even with this valuable resource, family businesses are failing to prepare for upcoming and unavoidable (if the business wishes to continue) transitions. Succession planning is a difficult topic and is mostly avoided due to family dynamics and resistance. A further discussion involving immediate death or dementia is rarely considered because family businesses are not fully aware of the illness and do not want to acknowledge death. It is evident that family businesses need to become more aware of dementia, its potential impact on their business, and ways to communicate to prepare for it and other possible scenarios.

Effective preparation for critical incidents like dementia starts with effective communication within the family business. The current study displayed family

businesses that were in constant contact with a valuable resource. Communication, conflict resolution, and understanding family dynamic are all topics covered within forum presentations and discussions. Participants had fairly effective and healthy communication patterns within their family structure. Major themes demonstrated a healthy balance between centripetal and centrifugal styles; most often families identified a mixed style. For competence, family businesses varied. Families identified themselves on either end of the continuum, flexible or rigid. According to Beavers, however, families can evolve and change their position on the family competence continuum. Depending on what is occurring within family life, families can change their competence to better deal with issues. For example, a newborn in a family would trigger a need for a more rigid competency, regardless if the family were normally very flexible. The increase in rigidity would reflect the need to protect the newborn and ensure that it is safe and secure. Because of the diversity of families in regard to age and life stages within the Wisconsin Family Business Forum, differences in competency could reflect differences in family stages.

Triangling was a communication pattern that did emerge, but was dealt with effectively through open, face-to-face communication between family members. Family members identified the heightened conflict if it was not communicated and resolved directly. It was found that in a family business setting, triangling occurs with employees as well. Family businesses need to be able to effectively communicate with each other in order to prevent misunderstandings between non-family employees as well. Communication practices explained in the current study are positively comparable to

Bowen Family Systems Theory and Beavers Systems Model. Participants were practicing communication at a fairly healthy level in regard to both family systems.

Although responses from interviews and focus group reflected communication styles from both Bowen and Beaver, the connections were not strongly linked to other themes or subthemes as anticipated. Reasons for this are further discussed in future research and limitations sections of this paper.

Even when family businesses are aware of effective communication styles, and are consistently practicing them, there is still a disconnect between communicating and planning. Family businesses are aware of the need for legal documentation such as living wills and buy-sell agreements, but very few have substantial paperwork in place. In the present economic times, family businesses stressed the importance of running and supporting not only their family, but also their employees' families. It is important for family businesses to understand that the most effective way to protect their families and others is to enact a strong plan. Taking time to prepare now will protect many family businesses from possible family conflict, to legal issues, to bankruptcy or selling the business. Without a plan, family businesses have a strong likelihood of dealing with family members being diagnosed with dementia and trying to maintain an exhausting business façade or forcing the family member out through legal means.

Supportive outside resources such as the Wisconsin Family Business Forum can take the opportunity to offer presentations and training programs to group members in order to further educate and raise awareness on these topics. Guest speakers in elder law could attend meetings to discuss issues related to dementia and succession planning. In

addition, information could be provided on local sources of information such as dementia diagnostic services.

Limitations

Although the current study is an important step towards learning more about family business preparation and dementia, findings are limited. The sample had an outside resource that had already provided family businesses with tools for success. The current study does not investigate family businesses that lack this type of resource. As a result, the sample could potentially be skewed toward more successful family business owners; the majority of the family businesses interviewed were in their second or third generation which represents a small minority of all family businesses. Even with the limited sample, findings show that even more successful family businesses are severely lacking in regard to planning. This is a strong indicator that more family businesses need to be aware of effective communication and detailed planning. Also, they need more information about dementia.

Through this exploratory study, qualitative data were collected through interviews and focus groups. This method of data collection could impact the validity of the responses due to self-report. However, a combination of focus groups and interviews helped lessen the likelihood of reliability being compromised because participants were surrounded by peers who were familiar with other individuals' experiences.

During focus groups interviews, it was discovered that participants had knowledge about triangling because workshops hosted by the Wisconsin Family Business

Forum had discussed triangling and its negative effects. The pre-existing knowledge of triangling could have led to a biasing effect in regard to triangling responses. Participants may have known the negative impact of triangling and exaggerated their lack of triangling and how it was resolved as a result.

Future Research

A great deal still needs to be researched in regard to family businesses, succession planning, and dementia. For example, research could focus on the impact of dementia in succession planning with family businesses without outside resources like the Wisconsin Family Business Forum. In regard to family communication, particular styles or methods for approaching difficult conversations such as death or dementia should be investigated. Consulting firms and outside resources, such as the Wisconsin Family Business Forum, could further investigate specific training programs and presentations that raise awareness about dementia, the need for succession planning, and ways to go about drafting important legal documents that address critical incidents along with other measures that could prevent serious problems for the business and family.

In addition, further investigation of Bowen Family Systems Model and Beavers Family Systems Theory needs to be conducted as a result of this study. If, as other research has shown, the models are strong indicators or reflections of family communication, why were the models not tied more closely to the other themes extracted? Future studies could investigate various methods of addressing communication questions to determine other relationships within the themes. Future

research could also share the transcriptions from the current study with researchers not involved in the study to determine if they would develop or extract the same major themes and subthemes.

Other research could focus on the personality of family business entrepreneurs. Entrepreneurs are described as risk-takers. Perhaps because they are so confident about their ability to meet challenges, they may see no reason for succession planning. Conversations with facilitators of the Wisconsin Family Business Forum indicated that most family business owners are in denial not only about succession planning, but also areas such as retirement. Zhao, Selbert, and Lumpkin (2010) conducted a meta-analysis on entrepreneurs and personality traits in regard to entrepreneurial intentions and performance. They found that risk propensity was positively associated with intentions, but not performance. This indicates the need for future research to see if family business entrepreneurs share similar personality traits with non-family business entrepreneurs, and how people risk-taking personalities approach succession planning. Further research in this area could potentially answer questions in regard to lack of succession planning in family businesses.

Another avenue of research could involve the importance of a trusted peer or non-biased source for family businesses. Through interviews and focus groups, participants indicated a desire for a trusted peer, not involved in the family business, who would serve as an intervention agent if symptoms of dementia become apparent. Research could investigate resources and training sessions for chosen peers that could help them address difficult conversations, such as dementia intervention.

A final area of research could investigate the “family first” subtheme that was extracted from references in the current study. Most family businesses indicated a stronger tie to their family than to their business. But how far does that “family first” mentality stretch? If families are involved in a successful business and family conflict arises, how likely are they to leave the business in order to resolve family issues?

Conclusion

It is evident that dementia is a scary topic for most leaders of family businesses to discuss and consider. The prevalence of dementia is increasing, and family businesses need to accept that it could affect their business. Families have many questions about legal matters and do not know where to find answers. However, family businesses can protect themselves by discussing succession in detail and ensuring that the necessary documents addressing such matters as declarative incompetency, are drafted beforehand. Other preventive measures can include the structure of the family business and its voting shares. Distributing both voting and non-voting shares to more family members or non-family executives will decrease the likelihood of one family member having enough stock to make a significant impact on the business. Separating stock into voting and non-voting could not only protect the business, but also avoid family conflict in regard to family control when stock is spread too thin. In addition, controlling finances through double signatures or accounting departments can prevent financial discrepancies. Necessary steps need to be in place for family businesses to avoid detrimental circumstances that could potentially arise with dementia and other critical incidents.

APPENDIX A

Focus Group and Interview Questions

1. What do you think are some of the major differences in family business conflict versus non-family business conflict?
2. What do you feel is the most effective way to communicate with your family in regard to business decisions?
 - Some families are more flexible; some are more rigid. What are the implications for family communication about business decisions in regard to these two styles?
 - Some families experience their most satisfying relationships inside the family and some experience them outside the family. What are the implications of these two approaches for family communication about business decisions??
 - Do you think it is important for a family to have a group identity or reputation? What are possible issues that arise from trying to differentiate one family member from the rest?
 - In a particular family system, there is a concept called “triangling” where a third person is involved in a two-person conflict to ease or diffuse tension. How would this type of conflict resolution impact family communication about business decisions?
3. How important do you think succession plans are for family business?
4. In your experience, how well prepared do you think most family businesses are for unexpected, critical incidents such as an immediate family death?
5. Are you aware of business founders being diagnosed with dementia? How did the family partners respond?
6. What should family business leaders know about memory and cognition in older people? How important is this issue?
7. What are ways that a family business could better prepare for critical incidents like dementia?
8. What precautions could family businesses take to better prepare their succession plans for critical incidents like dementia?

APPENDIX B

Dementia 101

Dementia 101

- ***Dementia*** is characterized by loss of or decline in memory and other cognitive abilities such as: the ability to generate coherent speech, understand spoken language, to recognize or identify objects, to execute motor activities, and the ability to think abstractly.
- Alzheimer's disease is the most common form of dementia, but others include vascular (or post-stroke) dementia, mixed dementia, Lewy bodies dementia, Parkinson's disease, and others.
- Currently, 5.3 million people have Alzheimer's disease or another form of dementia in the United States.
- Alzheimer's disease is the 6th leading cause of death.
- Most persons with dementia are age 65 or older, but mild cognitive impairment (MCI) has an earlier onset and can affect people as young as 30 years of age.
- One in eight persons age 65 or older has dementia.
- In 2000, there were an estimated 411,000 new cases of Alzheimer's disease. By 2010, that number is expected to be 454,000 new cases per year; by 2029, to 615,000; and by 2050, 959,000.
- In 2011, the first baby boomers will turn 65. By 2029, all baby boomers will be at least 65 years of age.



APPENDIX C

Table C-1 and Figure C-1

Table C-1

Frequency of Node Codings

| <i>Major Themes</i> | <i>Subthemes</i> | <i>Subthemes</i> | <i>Sources</i> | <i>References</i> | <i>Words</i> | <i>Paragraphs</i> |
|---------------------------------|---------------------------|-----------------------|----------------|-------------------|--------------|-------------------|
| Dementia | Fear | | 9 | 60 | 1720 | 48 |
| | Knowledge | | 1 | 1 | 33 | 1 |
| | | Lack of Desire for | 6 7 | 10 17 | 328 592 | 10 17 |
| | Personal Experiences | | 5 | 27 | 938 | 22 |
| | Value of Planning | | | 1 | 2 | 29 |
| Lack of Planning | | | 9 | 59 | 1766 | 51 |
| Ideas for Planning | | | 7 | 22 | 820 | 22 |
| Wisconsin Family Business Forum | | Information | 9 | 21 | 860 | 21 |
| | | Support | 4 | 7 | 393 | 7 |
| Family Dynamics | | | 2 | 5 | 77 | 4 |
| | Family First | | 7 | 13 | 303 | 11 |
| | Dealing with Conflict | | 8 | 34 | 838 | 34 |
| | Communication Styles Vary | | 10 | 21 | 519 | 21 |
| | | Beavers | 5 | 7 | 98 | 6 |
| | | Bowen | 5 | 7 | 215 | 6 |

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