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FB-BRAG: A Tool for Assessing Family Business Functioning

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FB-BRAG: A Tool for Assessing Family Business Functioning

Abstract

Understanding a family business from the multiple viewpoints of family and business stakeholders can help enhance communication, ultimately improving overall functioning of the family business. The FB-BRAG is an easy-to-understand tool that can be used by family businesses and family business practitioners alike. The results are easy to calculate and interpret and can be easily compared across members of the family business.

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Introduction

For those involved in a family business, the family and the business are constantly competing for limited amounts of time, attention, and resources. The FB-BRAG assessment tool allows users to measure family business functioning from a variety of viewpoints, in a way that holistically incorporates family and business functionality into one assessment. The questions on the FB-BRAG are modeled after Smilkstein's (1978) family APGAR and work APGAR assessments. APGAR assessments measure *adaptability*, *partnership*, *growth*, *affection*, and *resolve* (Smilkstein, 1978), whereas the FB-BRAG measures *family/business balance*, *resolve*, *adaptability*, and *growth*. Another scale used in family business research is Björnberg and Nicholson's (2007) Family Climate Scales questionnaire, which contains 48 questions. Our aim was to create an assessment developed specifically for family businesses that would not be too cumbersome or time-consuming and would allow for easy comparison of responses across members of the family and the business. The result was the four-question FB-BRAG; the instrument and its scoring guide are provided in Appendixes A and B.

Validating the FB-BRAG

To ensure that scores on the FB-BRAG would be appropriately differentiated across family businesses (i.e., that businesses would not all achieve a score of "highly functional," for example), we validated initial results from the FB-BRAG against existing data. We used data from two family business assessments having questions similar to the FB-BRAG: 712 responses from the 2012 Family Business Succession Survey (FBSS) (Marshall, Dobbins, Miller, Keeney, & Ayers, 2012) and 759 responses from the 2007 National Family Business Survey (NFBS) (Cooperative Regional Research Project, NE-167R, 2007). The FBSS involved rural family businesses in four Midwestern states, and the NFBS involved a national representative sample of family businesses. Questions 1–3 of the FB-BRAG align with items on the NFBS; question 4 of the FB-BRAG aligns with an item on the FBSS. We rescaled the responses from the FBSS and NFBS and then tabulated results so that the scoring

scale would match that of the FB-BRAG. By comparing the data sets, we found that both surveys resulted in low rates for the "dysfunctional" category (1% for the FBSS and 3% for the NFBS). The FBSS and NFBS differed with regard to the "moderately dysfunctional" and "highly functional" categories. Results from the FBSS indicated that 54% of surveyed businesses were in the "moderately dysfunctional" category and 45% of businesses were in the "highly functional" category. For the NFBS, 30% of businesses were in the "moderately dysfunctional" category and 68% were in the "highly functional" category. Overall, the FB-BRAG results we used for comparison aligned with the existing data sets, as well as with previously studied APGAR scores, with most businesses falling into the "moderately dysfunctional" and "highly functional" categories.

Administering the FB-BRAG

Administering the FB-BRAG (Appendix A) takes very little time and effort. Practitioners working with those involved in family businesses can give the one-page assessment form to participants so that they can record their answers to the four questions. The four questions focus on functionality and on satisfaction people gain from the intersection of the family and the business. Completing the FB-BRAG takes approximately 5 min.

After participants have completed the assessment, the practitioner can distribute the FB-BRAG scoring guide (Appendix B) so that each individual can score his or her assessment of the family business's functionality and then compare the outcome with those of coworkers and family members. As the scoring guide indicates, scores for the five response options range from 0 to 4: a "never" response receives 0 points, "hardly ever" receives 1 point, "some of the time" receives 2 points, "most of the time" receives 3 points, and "all of the time" receives 4 points. The total of the responses to the four questions is an overall score that coincides with an evaluation of "highly functional" (12–16 points), "moderately dysfunctional" (6–11 points), or "dysfunctional" (0–5 points).

How the FB-BRAG Can Be Used to Analyze Family Business Health

Danes and Stafford (2011) found that according to the NFBS data, family APGAR scores for family businesses increased over time from 1997 to 2007. We can interpret this finding to mean that businesses that presumably were successful (having survived from 1997 to 2007) had improved family functioning over time. The questions included in the FB-BRAG directly analyze three of the five properties of a traditional APGAR (adaptability, growth, and resolve). Question 1 measures adaptability, how family businesses adapt the use of resources between the family and the business when the business or its members are in times of stress or crisis (Smilkstein, 1978). Question 2 measures growth, the maturity of the family business as evidenced by members' shared support and direction (Smilkstein, 1978). Question 3 measures resolve of a family business, or the commitment of members of the family business to nurture and share with one another (Smilkstein, 1978). We added question 4 to capture family/business balance, the continuous-motion seesawing between resources and time for the family and for the business. Although this intersection may sometimes create conflict, the conflict can be healthful if the outcome is positive.

Kaplan, Nussbaum, Becker, Fowler, and Pitts (2009) found that many farm families they studied relied heavily on passive communication, which can easily be misconstrued and misunderstood. The FB-BRAG helps those involved in family businesses avoid passive communication by giving them a set of talking points. By comparing results of the FB-BRAG stemming from different viewpoints, members of a family business are able to identify areas in which they seem to be lacking, areas in which they are succeeding, and, most importantly, areas in which they have differing opinions. The members of the family business can celebrate their successes

while also exploring areas that need improvement. By exploring differences in responses and having associated numbers to refer to, family business members may be more comfortable expressing why they scored something as they did versus merely bringing up an issue without having a prompt.

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Appendix A

FB-BRAG: A Family Business Functioning Assessment

Place a check mark in the box that corresponds to the answer of each question.

			Some of the	Most of the	All of the
		Hardly			

	Never	Ever	Time	Time	Time
1. How often are you satisfied that you can turn to people at home and work for help when something is troubling you?					
2. How often are you satisfied that others in your family and business accept and support your ideas or thoughts?					
3. How often are you satisfied with the way others in your family and business share time together?					
4. How often are you satisfied with the outcome when a decision has to be made in favor of what is best for the family versus the family business?					

Appendix B

FB-BRAG Scoring Guide

Rating Scale:

Never = 0 pts.

Hardly Ever = 1 pt.

Some of the Time = 2 pts.

Most of the Time = 3 pts.

All of the Time = 4 pts.

Scoring:

12–16 pts. = Highly Functional

6–11 pts. = Moderately Dysfunctional

0–5 pts. = Dysfunctional

Example:

Total Score of 8 pts. = Moderately Dysfunctional

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