

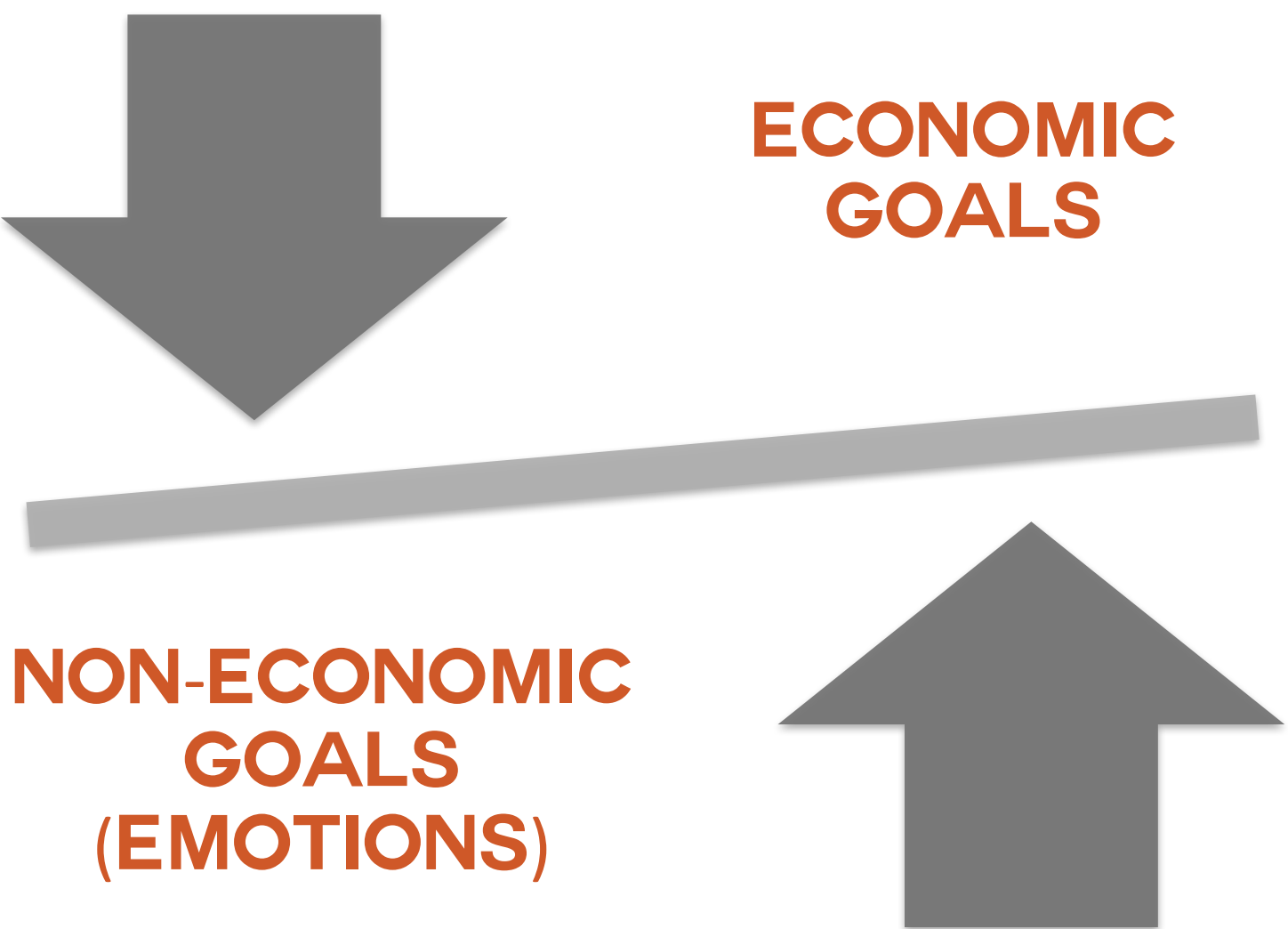
NON-ECONOMIC CHALLENGES FAMILY BUSINESSES FACE

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INTRODUCTION

Family businesses tend to face more challenges when they value family-centered noneconomic goals more than economic goals.

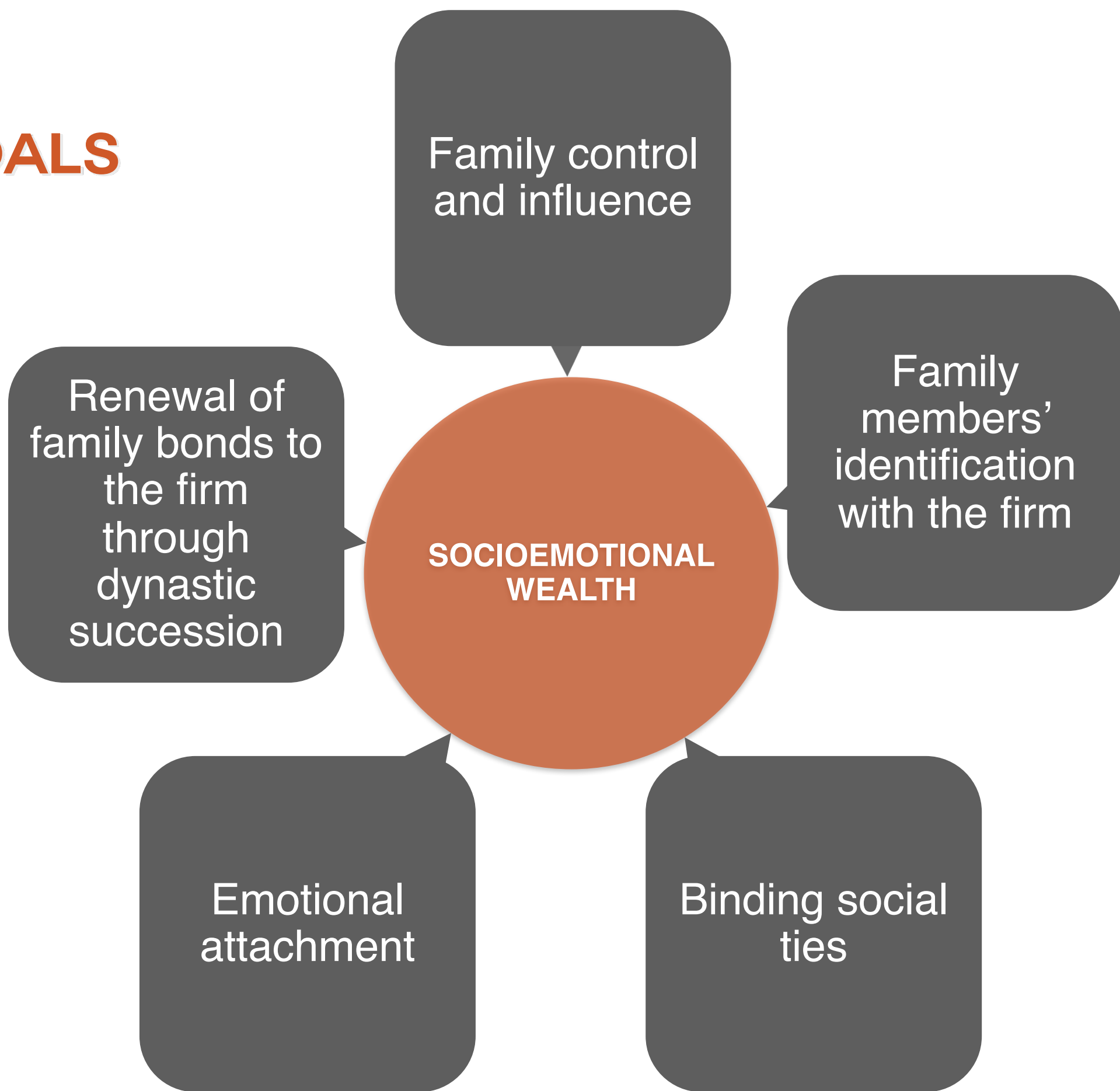


FINDINGS

FAMILY-CENTERED NON-ECONOMIC GOALS

Negative socioemotional wealth
As a business faces more negative family-centered non-economic challenges, which leads to accumulation of negative socioemotional wealth, the less likely the family business will survive past the first generation.

Total business value
Family businesses evaluate their total business value through a combination of economic and noneconomic goals including emotional costs and emotional returns.



Non-family employees
Family firms that favor family employees over non-family employees because of family-centered non-economic goals will not have longevity.

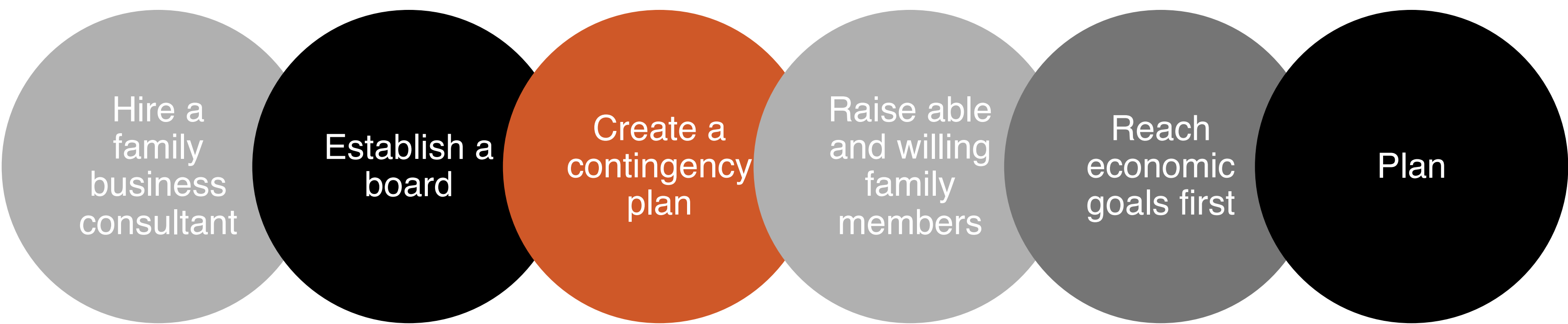
Phases of succession
The severity at which the family business faces challenges with socioemotional wealth is greater for new businesses that have not undergone at least one phase of succession.

CONFLICT FAMILY-TO-WORK
Demands of family responsibilities competing with work responsibilities are higher stressors for founders of family firms than founders of non-family firms.

TYPES OF FAMILY BUSINESSES

- Single family business
 - Multi-generational entrepreneurial orientation
 - Self-determined
- Family business are heterogeneous.

SOLUTIONS



CONCLUSIONS

Further research is needed to measure socioemotional wealth and the factor necessary to accumulate it.

Further research is needed on the successor and his or her relationship to the prioritization of socioemotional wealth and how he or she responds to family-to-work conflict.

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WANT TO KNOW MORE?



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