



## From the Family Business to the Business Family: The Subjective Well-Being Approach

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**Abstract** Despite the fact that the field of family business has a long history and many supported theories, there is still a need to use approaches that allow a better understanding of the business, starting from the family members themselves. This research reviews the literature, searching for ways previously used to classify the business family, as well as theories that can be used to understand both the family business and the business family. Concluding with the presentation of the subjective well-being approach as a new form of studying the family business, the paper contributes to the enrichment of other concepts by including emotions and focusing on the family.

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**PALABRAS CLAVE**  
Empresa familiar,  
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**El rendimiento de las empresas familiares durante los períodos de crisis: El caso de Grecia**

**Resumen** A pesar de que el estudio de la empresa familiar tiene historia y cuenta con múltiples teorías como apoyo a la investigación, existe la necesidad de utilizar enfoques que permitan comprender mejor esta realidad, a partir de los miembros de la familia que la integran. Esta investigación hace una revisión sobre las teorías que pueden servir de fundamento al estudio de la empresa familiar y de la familia empresaria. Concluye con la presentación del enfoque de bienestar subjetivo como nueva forma de estudio de la empresa familiar, pudiendo contribuir al enriquecimiento de otros conceptos al incluir en el análisis las emociones y enfocarse en los miembros de la familia empresaria.

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## 1. Introduction

There is a growing understanding in the academic community that most businesses around the world are controlled by families and are systematically different from other non-family-controlled businesses. In turn, these differences manifest themselves in the relative performance of the two groups of businesses (Felicio & Galindo, 2015). “Family businesses matter very much, and to very many people” (Melin et al., 2013, p. 2). For this reason, there are numerous theories that support research in this area. However, until now, the main focus has been on the family business, so there is still a lack of studies that focus on the business family and its members. It is overlooked that most businesses are deeply connected to a family history and that “every family in business has a story to tell, a legend to live up to, a tragedy to lament” (Hamilton et al., 2017, p. 3).

Experiences lived by family members lead to emotions. “Emotional aspects can be against, or in the same sense, as managerial and organizational aspects” (Rienda & Andreu, 2021, p. 27). Recently, there has been particular interest in analyzing family businesses in terms of the nature and intensity of family members’ feelings, emotions, preferences, and attachments to family members and the family business (Sharma et al., 2020). However, scholars have argued the lack of inclusion of family members’ actual emotions, motivations, and behaviors within the study of family businesses negatively impacts the field (Berrone et al., 2012; Jiang et al., 2018; Swab et al., 2020).

Motivated by this identified gap, this research aims to highlight the main theoretical advances in the field of family business research and present the subjective well-being approach as a new way of studying family businesses. The paradigm shift will allow researchers to understand the family business from a new perspective, based on the business family members’ well-beings. This proposal aims to promote business families’ well-beings, as well as the survival of family businesses. Often, these companies do not survive—not because of economic problems but because of family problems that affect the business family members’ well-beings.

To achieve the objective, information was collected from more than 200 scientific articles dealing with the study of family businesses. The main databases used were the Web of Science and Scopus. The theories selected were those that gave rise to the socioemotional wealth (SEW) theory (Gómez-Mejía et al., 2007). Particular attention will be paid to the analysis of the SEW theory, since it is considered the first

approach to include subjective variables, such as emotions and feelings, in the study of family businesses. Subsequently, the most commonly used theories for the study of the business family are presented, and we select those that incorporate subjective parameters or are associated in the literature with the SEW theory. Finally, the subjective well-being approach is presented as a new way of studying family businesses.

## 2. Theories of the Behavior of the Family Business

Researchers studying family businesses have used Jensen’s and Meckling’s (1976) agency theory to explain behaviors typical of family businesses, linking them to corporate governance and performance. Some authors have noted that family businesses face significant agency costs (Hillebrand et al., 2020; Miroshnychenko et al., 2021). In this context, family businesses have been shown to exhibit a principal-principal problem more often than the principal-agent problem; in other words, they more often face a problem between majority and minority shareholders (Miroshnychenko et al., 2021).

For family businesses, one implication of the agency theory is the argument that managers of family businesses avoid making strategic decisions that involve a significant risk of financial loss because family wealth is largely tied to the business (Berrone et al., 2012). This decision-making in the face of risk clearly illustrates the principal-principal problem that arises in family businesses, where the interests of the majority shareholders (family members) diverge from those of potential minority shareholders. Although the agency theory has proven to be an important contribution to the study of family businesses, researchers in psychology and sociology have pointed out its theoretical limitations (Davis et al., 1997), and new theories have emerged to complement what it represents. The complexity of family business behavior arises from the confluence of two social entities: the family and the business (Hasenzagl et al., 2018).

In the family business literature, the behavioral theory of the firm (Cyert et al., 1959) has been used to provide insights into how family businesses differ from non-family businesses in how they set their goals, determine their expectations, and solve poor performance problems (Mazzelli, 2015). In family businesses, the behavior is different, and the goals are not always related to the traditional maximization of financial resources. The family component interacting with the business provides family goals. Social interaction is also different, with some authors having mentioned the existence of family capital (Hoe-

lscher, 2014; Mzid et al., 2019). Notably, two different currents in family business research have used the behavioral theory of the firm (Mazzelli, 2015). The first stream has compared family businesses and non-family businesses in terms of risk-taking and organizational change (Zellweger et al., 2011). The second stream has focused on the internal drivers and characteristics of the dominant family coalition that modulate the heterogeneous strategic behavior and aspirations of family businesses (Chrisman et al., 2012).

It is important to mention the prospect theory (Kahneman & Tversky, 1979). This theory has been invoked to understand how family businesses behave when faced with risk and to distinguish them from non-family businesses. In family businesses, the threat of loss leads to the search for risk. The loss can be seen as a loss of assets, value of shares, or expected bonuses, to name a few examples. While the projected financial gain resulting from satisfactory performance leads to risk aversion, which is consistent with the prospect theory (Hasenzagl et al., 2018), financial gain or loss is not the only important factor or trigger for decision-making in the face of risk. In a family business, emotional components play a role that may take precedence over the perception of expected financial gain or loss in the face of a threat. In turn, this may cause the family business to take unexpected actions that differ from the actions of non-family businesses. Thus, when speaking of a threat of loss, the family business thinks not only of financial resources but also of the feelings and emotions that the family's involvement in the business entails. For this reason, the prospect theory, along with the behavioral theory of the firm and the agency theory, became part of the behavioral agency theory (Wiseman & Gómez-Mejía, 1998), which served to differentiate a family business's attitude toward risk when it comes to emotional components—that is, possible threats to SEW (Gómez-Mejía et al., 2010).

Risk-taking behavior is different in family businesses than in non-family businesses. The behavioral agency theory has been used as the theoretical basis for the SEW theory to explain family business risk behavior. Since the SEW theory is an important asset of the business family, the potential losses of this endowment increase the subjective risk burden (Gómez-Mejía et al., 2011). The perceived risk to SEW can put the company in “loss mode,” and the strategic decisions made aim to avoid this loss (Berrone et al., 2012). In summary, the behavioral agency theory has served as a tool to distinguish family business behavior from non-family business behavior and to support other theories. Some unique aspects of the family business, such as non-economic

goals and family involvement, can lead to variations in the behavior and form of governance of these businesses.

Of all the theories mentioned above, the SEW theory has become prevalent in family business research in recent years. Gómez-Mejía et al. (2007) introduced the term to family business research. For their study, the authors analyzed family-run oil mills and their owners' decision-making processes. These oil mills preferred to remain independent and retain control of their businesses and did not join a cooperative that offered greater financial benefits. The authors concluded that family businesses are generally motivated and committed to maintaining SEW, and its gain or loss represents the frame of reference for strategic decisions in family businesses (Berrone et al., 2012). Generally, SEW refers to the stock of value associated with the affection a family derives from its position of control in a company. It includes the exercise of personal authority conferred on family members, the family's influence on the business, and close identification with the company (Gómez-Mejía et al., 2007).

In the study of the nature of SEW, five dimensions were revealed: family control and influence (F), identification of family with the firm (I), binding social ties of family (B), emotional attachment of family (E), and renewal of family bonds through dynastic succession (R). These dimensions were first mentioned by Berrone et al. (2012) and coined by their acronym with the term FIBER. However, some authors have proposed other forms of construction due to the difficulties associated with the direct measurement of SEW. Debicki et al. (2016) developed the socio-emotional wealth importance scale (SEWi), which measures the importance attached to the dimensions of SEW rather than the level or existence of SEW itself. Importantly, many family businesses' strategic decisions were viewed through the SEW lens. The number of articles in the Business, Management, and Economics category of the Web of Science related to SEW has increased from 3 in 2007 to 980 in March 2021. Berrone et al. (2012) was cited more than 1,600 times in Google Scholar by November 2020 and is one of the most visited articles each year (Brigham & Payne, 2019). However, despite the strong commitment to the analysis of SEW, gaps remain, and agreement on the nature, definition, and measurement of SEW has yet to be reached (Brigham & Payne, 2019). Other authors have expressed concerns about the size, scope, and rapid growth of the literature on this theory (Jiang et al., 2018). SEW itself may become a way to justify the family business's behavior without analyzing the causes of that behavior. Indeed, the SEW theory may generalize without addressing family business differences,

contexts, values, involvement, family relationships and well-being, backgrounds, or histories. The SEW theory is also believed to have consequences resulting from its frequent use; in other words, the approach is so widespread that some mistakenly use it as a general term “to account for the non-economic utilities of family owners, forgoing its theoretical roots and implications” (Cruz & Arredondo, 2016, p. 237).

In the family business literature, it is common to find authors who have made important critical assessments (Cleary et al., 2019; Hasenzagl et al., 2018), calling the SEW theory “a useful, albeit imperfect, construct” (Newbert & Craig, 2017, p. 345). These scholars have discussed what they see as important limitations or gaps in the SEW theory. Jiang et al. (2018), for instance, noted that a direct measurement of SEW is virtually nonexistent, and the development of the construct is just beginning. Moreover, attempts to measure SEW have been widely questioned. Among them, measurement based on dimensions, or FIBER, have been the subjects of scholarly inquiry (Hasenzagl et al., 2018; Swab et al., 2020). Cleary et al. (2019) provided evidence to support Hasenzagl et al.’s (2018) statement that SEW is not a stable concept but varies from one company to another, depending on context, generation, or life cycle. On the other hand, the authors mention that “it is also apparent that organizational context is relevant to SEW” (Cleary et al., 2019, p. 129).

Generalization is also a feature of SEW, which should be mentioned as a weakness. The SEW theory does not take into account the characteristics that distinguish family businesses from each other, such as people. Each family CEO has personal characteristics that he projects on the company, and this makes the company resemble him in its characteristics and behaviors. Gómez-Mejía (2007) addressed this when he tried to figure out why the behavior of some in his study did not conform to the norm. In his words, “Are there some unique attributes in terms of leadership style, educational background, personality traits, or family dynamics that explain why some family firms are capable of making business decisions with financial rather than socio-emotional criteria in mind?” (Gómez-Mejía, 2007, p. 132). On the other hand, “SEW, refers to the family as the unit of analyses. Yet, the family is made up of different individuals who may frame problems differently” (Cruz & Arredondo, 2016, p. 240).

The success of some family businesses may be due to their focus on family ties (Chrisman et al., 2003). However, scholars have argued that

SEW research generally does not assess the actual thoughts, feelings, motivations, and behaviors of family members, which are believed to cause unique SEW-related phenomena (Jiang et al., 2018). There seems to be no evidence on how feelings and emotions influence the formation of SEW or affect family and organizational functioning (Berrone et al., 2012; Swab et al., 2020). Most studies focus on discussing the positive side of the emotional aspects of SEW, but family business owners also experience negative aspects related to their affective experiences.

The SEW theory has been heavily criticized for its lack of clarity regarding how family owners formulate their preferences, both theoretically and empirically (Cruz & Arredondo, 2016). Some authors have concluded that this research strategy of empirically documenting the effect of SEW endowment on risk-taking behavior is “methodologically worrisome” (Schulze & Kellermanns, 2015, p. 450). Importantly, another critique has emerged that urges academics to expand the currently “limited” view of SEW to provide a solid foundation for a theory of decision-making that pursues the interests of the family while also taking into account the family’s responsibility to other stakeholders (Newbert & Craig, 2017). By “limited view,” these scholars refer to the fact that SEW only considers the family’s interests, and decisions are made solely for the family’s benefit without considering how those decisions affect other parties related to the family business, such as employees, customers, shareholders, suppliers, the environment, and the community.

On the contrary, one of the main strengths of SEW, repeatedly mentioned in the literature, is that the approach is firmly rooted in behavioral agency theory. Affective value stock is an important reference point for family business leaders, and any threat of decline is seen as a significant SEW loss (Debicki et al., 2016). On the other hand, the SEW theory does not reject the main argument of agency theory, justifying that family members may occasionally behave opportunistically (Berrone et al., 2012). In turn, the theory helps “explain anomalous results inconsistent with agency theory predictions by allowing differential risk preferences to family members” (Berrone et al., 2012, p. 261). By applying the SEW theory, Gómez-Mejía et al. (2010) justified that family businesses are willing to take significant financial risks to maintain their SEW. Another important strength of the SEW theory lies in its timing, as the concept brought together insights and findings from more than three decades’ worth of studies in the field of family businesses. In the



words of Berrone et al. (2012, p. 262), “having a homegrown theoretical framework provides legitimacy and positions the area of family business studies as a rigorous, distinctive, and solid field.” Now, SEW is the primary tool for distinguishing family businesses from non-family businesses, as its presence is an exclusive characteristic of family businesses (Newbert & Craig, 2017; Swab et al., 2020).

### 3. Theories of the Business Family

Theoretical advances in the area of family businesses, arising from evolutionary psychology theory, emphasize the importance of shared genetic ties in a family business. Research in evolutionary psychology posits that altruism and supportiveness are related to genetic closeness (Yu et al., 2020). Based on evolutionary psychology, a theoretical framework has been developed that proposes that family business owners set different priorities for SEW. Of note is the research of Yu et al. (2020), which concluded that family members with closer kinship ties are more likely to maintain their SEW, appoint a family member as CEO, and pay higher salaries to non-family executives.

The social psychological approach (Jiang et al., 2018) has been used to better understand how the individual and/or collective psychological benefits of family members in the pursuit of non-financial goals through the company are influenced by the presence—real, imagined, or implied—of other members of the family business. The beliefs, traditions, and behavioral norms that a group shares generate a sense of belonging to the group and build bonds. When these people are family, the bond is even stronger, and a stronger type of affection develops between individuals. Emotions thus intervene, with a significant effect on individuals’ behavior (Corona, 2021; Treviño & Bontis, 2010).

Authors such as Jiang et al. (2018) have addressed the need to analyze the SEW theory from a social psychological perspective. In this way, the theory will become more theoretically robust by incorporating social, cognitive, affective, and behavioral principles in its study. To understand the behavior of the family business, it is necessary to include human interactions, together with their many influences (Sharma et al., 2020). Developmental psychology encompasses the study of physical, social, intellectual, and emotional changes throughout life. The contributions of developmental psychology in the family business field can be seen in how long-standing family businesses manage conflicts that arise due to the influence of company tra-

ditions (Erdogan et al., 2020; Suddaby & Jaskiewicz, 2020).

The organizational behavior of the family business may be a reflection of previous experiences. Family values and beliefs influence the strategies adopted by subsequent generations when they run the family business. History and tradition are key elements in the innovation of the family business (Erdogan et al., 2020). The growing interest in issues of human behavior and the role of emotions in decision-making, together with the simultaneous development of research on social indicators in developed countries, not only led to the emergence of the concept of behavioral economics but also created a demand for international cooperation. The use of cognitive psychology in the study of the family business is relevant for the behavioral agency theory (Sharma et al., 2020) when analyzing decision-making, differentiating a family business from a non-family business, and incorporating the SEW theory. Another contribution of cognitive psychology to family business research is the affect infusion theory. Because the SEW theory has been defined as the stock of affective endowments, this theory suggests that this stock is the overall appraisal of the dimensions of SEW. The dimensions of SEW will have a positive valence (pleasant emotions) or a negative valence (unpleasant emotions), and these will have consequences on family members’ feelings and decision-making in the family business (Kellermanns et al., 2012).

Organizational psychology aims to understand human behavior to improve employee well-being and organizational performance (Sharma et al., 2020). Furthermore, organizational psychology has been used in research on the family business to analyze the importance of employee well-being within the family business (García-Cabrera et al., 2018). It has also been used to analyze how the processes of succession by non-family relatives, incorporation of non-family members in managerial positions, and the role of external advisors in the succession process affect the family and the family business (de Groote et al., 2021). Although the business family can be studied from a psychological perspective (Table 1), and the theories mentioned seem particularly relevant to family business research because they capture important aspects of its behavior (Sharma et al., 2020), there is still a need for a theory that explains the behavior of the family business, depending on the members that make up the family. This allows the subjective well-being approach to be introduced into the investigation of the family business, which can lead to a better understanding of the family business, based on the family members themselves.

**Table 1.** Summary of business family theories in the SEW literature

Theories of the business Family	Main contribution	Relationship to SEW	Authors
Evolutionary psychology	The importance of common genetic ties in a family business	Altruism and supportiveness within the family business are related to genetic ties Family members with closer kinship ties have higher desires to preserve SEW	Yu et al. (2020)
Social psychology	The individual and/or collective psychological benefits of family members in the pursuit of non-financial goals are influenced by the presence of other members of the family business	There is a need to analyze SEW from a social psychological perspective to give it theoretical stability by incorporating social, cognitive, affective, and behavioral principles into its study	Jiang et al. (2018)
		To understand the behavior of a family business, one must include human interactions and their many influences	Sharma et al. (2020)
Developmental psychology	Analysis of how long-lived family businesses manage conflicts arising from the influence of company traditions	The family's values and beliefs influence the strategies that succeeding generations use in running the family business, as history and tradition are key elements for the innovation of the family business	Erdogan et al. (2020)
Cognitive psychology	Analysis of decision-making in family businesses and how it differs from that in non-family businesses  The affect infusion theory	The application of cognitive psychology in the study of family business is relevant from the behavioral agency theory when analyzing decision-making, distinguishing family businesses from non-family businesses, and incorporating the SEW theory	Sharma et al. (2020)
		This theory states that the dimensions of SEW have positive valence (pleasant emotions) or negative valence (unpleasant emotions), and these affect family members' feelings and decision-making in the family business	Kellermanns et al. (2012)
Organizational psychology	Analysis of human behavior with the aim of improving the well-being of the members of an organization	It has been used in analyzing employee well-being in a family business	García-Cabrera et al. (2018)
		It has been used to analyze how the processes of succession by non-family relatives, incorporation of non-family members in leadership positions, and the role of external advisors in the succession process impact the family and the family business	de Groote & Bertschi-Michel (2021)

Source: Self-made

#### 4. Subjective Well-Being Approach

In the words of Morgan and Gómez-Mejía (2014, p. 286), “Scholarly work that minds the gap between organizational behavior and strategic research to look at emotions in the family firm from individual, meso, and firm level perspectives can help enlighten academia and practice.” In the subjective well-being literature, “well-being” is defined as a good state of mind that includes

all the various evaluations, positive and negative, that people make of their lives, as well as people's affective reactions to their experiences (Diener, 2006). Research in family business has shown that subjective emotions impact existing management decisions in the family business. For example, in terms of risk aversion, “risk-taking is subjective, representing perceived threats to a decision maker's endowment” (Gómez-Mejía et al., 2010, p. 225). It has been shown that subjec-

tive parameters are involved in SEW; however, no conclusion seems to have been reached on how feelings and emotions affect the formation of SEW or the operation of the family and the business (Berrone et al., 2012). If SEW is assumed to have affective components, then research should take into account the valence of affective experiences linked to SEW. According to Kellermanns et al. (2012), valences are used to categorize emotions as pleasant (positive valences)—for example, the sense of belonging—or aversive and unpleasant (negative valences)—for example, feelings of confinement, suffocation, and pressure. Business owners' consideration of emotions can be seen as a direct influence on managerial decision-making (Morgan & Gómez-Mejía, 2014). It is therefore clear that emotions play an important role in the business family's decision-making process and desire to preserve their SEW. Notably, "as [a] means of preserving socioemotional wealth, family owners may seek to minimize negative emotions and maximize positive emotions" (Morgan & Gómez-Mejía, 2014, p. 280).

The value of SEW is determined more by subjective parameters than by objective indicators, so measuring the level of SEW in the same way that economic wealth is measured can be problematic (Debicki et al., 2016). Why should scholars use objective parameters in the study of the family business if it is known that the subjective can also be studied scientifically, through the subjective well-being approach? "The condition for its use is to include the subject living the experience in the study" (Rojas, 2014, p. 79). Different research areas share the common belief that family goals, changing contexts, and emotional connotations influence various aspects of organizational life (Jiang et al., 2018). "We think in different ways and have very different emotions and perceptions, regardless of our belonging to the same family. We all express ourselves and convey our ideas and feelings in a very personal way, communicating and behaving differently" (Corona, 2021, p. 69). In the subjective well-being approach, there is no better referent than the person, and only an individual can determine his or her own well-being. The approach values people's ability to distinguish between experiences that provoke feelings of well-being and discomfort, as well as their power of judgment and synthesis. A third party is not needed to judge others' unique situations (Rojas, 2014).

The scientific validity of the subjective well-being approach has already been demonstrated. Its main development has been in the field of economics. However, it is becoming an important line of research in new areas. Happiness and life satisfaction are central topics in research in the social sciences, psychology, philosophy, and eco-

nomics (Moeinaddini et al., 2020). The subjective well-being approach is also applicable in the field of family business. The entrepreneur (family and non-family) is much more than that, and his human well-being or satisfaction level should not be equated with "certain disciplinary notions of well-being" (Rojas, 2011, p. 66), which are often biased and incomplete. The measurement of an entrepreneur's well-being must start from the person herself, and its study must be interdisciplinary. Well-being is an experience that people have, not an academic construct (Rojas, 2019). The subjective well-being approach asks the person directly, without presupposing or assuming anything (Rojas, 2014). Well-being, as reported by individuals, can be used to identify relevant factors in a given population (Rojas, 2019)—for example, members of business families.

Like all individuals, business family members may report satisfaction in specific life domains. Life domains are partial assessments of life (Rojas, 2014). They refer to specific areas in which a person functions as a human being, such as satisfaction with family relationships (partner, children, parents, and the rest of the family), friendship relationships, leisure time, work, economic situation, and health (Rojas, 2007, 2019). This information is helpful in understanding the overall report on life satisfaction.

By analyzing these domains of life and applying the subjective well-being approach to the study of the family business, scholars can better understand business family members' priorities. For example, it could be argued that if the domain of family life is negatively impacted, this in turn diminishes the family business leader's well-being and affects his or her decisions and strategies. Thus, these actions affect the business's financial performance or SEW loss. It is important to point out that there is no study to date that uses the subjective well-being approach in the study of family businesses.

Moreover, the subjective well-being approach has empirical evidence, is part of a widely accepted toolkit, and is therefore robust in its measurements. The subjective nature of the construct gives it its power and justifies its popularity (Diener et al., 2018). Veenhoven (1996) stated that the best way to elicit information on people's well-being is to ask them directly. All people are capable of rating their own well-being experiences. Because of this ability to distinguish between well-being and discomfort, as well as the factors or events that lead to those experiences, scholars can answer questions about how different factors, occasions, events, and situations make people feel. It is possible to answer questions like the following: How satisfied are you with your life in general? How satisfied are

you with specific aspects of your life (e.g., your relationship with your partner, your relationship with your children, your relationship with your parents, your relationship with the rest of your family, or your satisfaction with your job)? The person may express an accurate assessment of his or her current situation in aspects usually associated with experiences of well-being and discomfort, such as health, money, and love.

## 5. Conclusions

This article aimed to introduce the subjective well-being approach as a new way of studying the family business. Today, the premise that emotions play a role in decision-making is widely accepted. Experts even suggest that emotions play an important role in economic decision-making (Akerlof & Shiller, 2015; Kahneman & Tversky, 1979; Thaler, 2018). The interest of various disciplines in the study of emotions stems from the fact that emotions lead to decisions, and by understanding the former, one can understand the latter.

Subjective well-being is defined as a broad category of phenomena that includes people's emotional responses, satisfaction in certain domains, and global assessment of their lives. It reflects a person's quality of life from his or her own perspective (Diener et al., 2018) and does not necessarily imply that he or she meets a set of objective criteria for a good life (Kainulainen et al., 2018). One of the main strengths of the subjective well-being approach is that its measurement is proven and widely accepted. Its use as a complement to other theories that are already in use but lack strength in this regard, as is the case with the SEW theory, could be an important theoretical implication of this research.

Moreover, the use of the subjective well-being approach could contribute to the enrichment of other concepts, such as the SEW theory. In the family business literature, it would be conceivable that the need to maintain SEW is related to the business family members' well-beings. The relationship between the need to preserve SEW and the types of relatives involved in running the business has been mentioned in the literature (Yu et al., 2020). Perhaps the need to preserve SEW is related to the predominant life domains of the family entrepreneur's life. It could also be that when one of the life domains is affected, the family entrepreneur's well-being is also affected, and the need or interest to maintain SEW decreases.

This research hopes to support the survival of the family business. This could be an important practical implication because it is well-known that few family businesses survive generational change, and the main reason is often not financial; instead, most family businesses fail due to family

problems (Corona, 2021) that affect the family members' well-beings. The subjective well-being approach can be applied to the analysis of succession in a family business, a topic that is frequently addressed in the literature. It could be discovered whether the family entrepreneur whose family domain is affected by the subjective well-being approach is less interested in passing on the family business to the following generations. The opposite could be true if the family entrepreneur's well-being is not affected, family ties are strong, or the interest in passing the business onto the next generation is paramount.

In short, despite the fact that there are numerous theories to study the family business, there are also important critical assessments that coincide with the lack of emotional involvement, even though it is known that emotions play an important role in decision-making. This paper also mentioned the need to focus on the family as the protagonist. The subjective well-being approach can fill this gap in the study of family businesses by making it possible to analyze the business family through the members' well-beings. This new way of studying family businesses represents an approach that differs from what has been researched before, and it could provide a better understanding of the family business by looking at it from the business family's point of view

## 6. Limitations and Future Research Directions

This research has the limitation of focusing only on the theoretical account of the subjective well-being approach. Future research is needed to establish continuity and empirically demonstrate the subjective well-being approach's application in the study of family businesses. It is interesting to analyze how family business owners' well-beings relate to decision-making within the family business, entrepreneurship, and even the financial performance and survival of the family business. Attempting to use the subjective well-being approach to enrich a theory as widely used and accepted as the SEW theory may be a limitation in itself. The literature consistently points out the difficulties associated with the direct measurement of SEW. Future research could add the subjective well-being approach, the measurement of which is proven and widely accepted, to support the SEW theory for family business research.

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