



Family business succession: Analysis of the drivers of success based on entrepreneurship theory

José António Porfírio^{a,*}, José Augusto Felício^b, Tiago Carrilho^a

^a Universidade Aberta, Portugal

^b ISEG – Lisbon School of Economics and Management, Portugal



ARTICLE INFO

Keywords:

Family business
Succession
Successors' motivation
Opportunity succession
Necessity succession
Entrepreneurship

ABSTRACT

This study explores family business succession. In this study, succession is compared to the concept of opportunity versus necessity entrepreneurship. The motivations of successors when they enter the succession process are examined to identify different conditions for family business success and sustainability. The influence of context is also considered. This study is based on multilevel research and a multidisciplinary perspective. Fuzzy-set qualitative comparative analysis (fsQCA) is applied to a sample of 383 observations from 6 countries (Portugal, Italy, Greece, Cyprus, North Macedonia, and Bulgaria) spanning 2 regions: southern European Mediterranean countries (Portugal, Italy, Greece, and Cyprus) and southern Slavic countries (North Macedonia and Bulgaria). The interplay between personal characteristics of the successor, organizational characteristics of the family business, and context produces different patterns that lead to different outcomes in the succession processes of family businesses. The results are important to strengthen family business theory and identify the conditions that best promote the future growth and sustainability of family businesses. The results are also important to promote country-specific public policies that may create better conditions for successors in family businesses to succeed.

1. Introduction

Family businesses are crucial for economic progress (Nordqvist & Melin, 2010). The paradigm changed with the development of capitalism and the advent of other types of institutions that paved the way for the development of entrepreneurship theories. Soon after the 1990s, family studies began to be considered a separate field of academic research in its own right (Bird, Welsch, Astrachan, & Pisturi, 2002).

The specificities and uniqueness of family businesses derive from their “vision, intentions, and behavior,” which involve the family and the aptitude and vision of family members to pursue company development. These idiosyncrasies justify the specific body of knowledge of family businesses (Chua, Chrisman, & Sharma, 1999, p. 35). The pattern of family business succession influences the goals, the strategies, and even the structure of these companies. Paradoxically, the components of family involvement are normally very weak predictors of family firms' concerns over succession and professionalization (Chua et al., 1999).

Cultural and geographical context are important to determine the long-term sustainability of a family business (Stamm & Lubinski, 2011). Approximately 30% of family businesses go beyond the first generation,

and between 10% and 15% reach the third generation (Beckhard & Dyer Jr, 1983; Pyromalis & Vozikis, 2009; Stamm & Lubinski, 2011). Only about 3% of family businesses survive to the fourth generation and beyond (Mokhber, Rasid, Vakilbashi, Zamil & Seng, 2017). These factors and results make succession one of the biggest challenges faced by family businesses (Le Breton-Miller, Miller & Steier, 2004; Bocatto, Gispert, & Rialp, 2010).

Succession is not a moment but rather a process, and the gap in the literature demands a closer integration of entrepreneurship theories and family business theories to understand this process (Nordqvist, Wennberg, Bau, & Hellerstedt, 2013). Entrepreneurship, like family business succession, is a social phenomenon (Thornton, Ribeiro-Soriano, & Urbano, 2011). This phenomenon, which is based on different entrepreneurial attitudes derived from either entrepreneurial activities or the entrepreneur's posture (Porfírio, Carrilho, & Mónico, 2016), can be better understood by considering the cultural context and social environment in which these attitudes occur (Berger, 1991; Shapero & Sokol, 1982; Steyaert, 2007) and by using entrepreneurship theory (Nordqvist et al., 2013).

Entrepreneurship theory distinguishes between necessity and opportunity entrepreneurs. Like in entrepreneurship, there are essentially

* Corresponding author at: Universidade Aberta, Portugal, Social Sciences and Management Department, R. da Escola Politécnica, 147, 1269-001 Lisbon, Portugal.
E-mail addresses: Jose.Porfirio@uab.pt (J.A. Porfírio), jaufeli@netcabo.pt, jaufeli@iseg.ulisboa.pt (J.A. Felício), Tiago.Mendes@uab.pt (T. Carrilho).

two ways for successors to face family business succession. They may consider it proactively, turning succession into an opportunity to develop new ventures or build on the accumulated experience of the family business; or they may be more reactive, considering succession as the natural course of events for the business to stay within the family or as the sole alternative for the family to continue. Thus, successors' motivation can be compared to necessity and opportunity entrepreneurship.

In this study, fuzzy-set qualitative comparative analysis (fsQCA) is applied to a sample of 383 observations of family business successors from Portugal, Italy, Greece, Cyprus, North Macedonia, and Bulgaria. Focusing on the pre-succession process (Le Breton-Miller, Miller, & Steier, 2004), the analysis also considers perceptions in terms of the willingness and attitudes of the next generations, examining their emotions and intentions toward the succession process and the family businesses they will serve. In this sense, this study contributes to filling at least two of the gaps identified in the literature (Nordqvist et al., 2013). The study follows a multilevel approach, including analysis of the relationship between personal characteristics of the successors and the organizational characteristics of the family firm, as well as context through the analysis of regional differences.

For the purposes of this study, the definition of succession proposed by Nordqvist et al. (2013) is broadened to include the possibility that the succession process may involve the change in ownership or management of a family business through which the successor, coming from within or outside the owner family, enters the business, bringing new ideas and a different style of management but not necessarily new capital to the company. By using such a definition, this study covers most succession situations facing family businesses while permitting the use of the principles of entrepreneurship theory to study family business succession.

The purpose of this study is to improve knowledge of succession processes in family businesses and analyze the conditions for successors to become more opportunity driven. This research addresses the following questions: What are the personal and organizational characteristics involved in family business succession processes that favor succession by opportunity (or, alternatively, succession by necessity)? Does context influence the way in which these characteristics combine and promote succession by opportunity?

The results develop family business theory, helping support the development and increase the readiness of successors. At the same time, the results can help shape specific public policies that may provide better conditions for family business successors to succeed and ultimately improve the success and sustainability of family businesses. The main contributions of this study are to better explain succession in family businesses and to shed light on how to adopt succession policies and improve conditions to develop succession management policies in family businesses.

The next section presents the theoretical framework. The research model, propositions, method, conditions and outcome, data and sample, and data analysis technique are then described. Next, the analysis and results are presented, followed by a discussion of these results and the presentation of the conclusions and contributions. Finally, the limitations and future research prospects are discussed.

2. Theoretical framework

Family-controlled firms are at the heart of industrialization and today represent about 80% of all firms worldwide (Nordqvist & Melin, 2010; Bird, Welsch, Astrachan, & Pistrui, 2002; Dyer Jr. & Handler, 1994; Ward, 2011). They are globally recognized for their importance for growth and development (Bettinelli, Fayole & Randerson, 2014). Seminal articles on succession (Christensen, 1953; Trow, 1961) have laid the foundations for the development of family business theory (Chrisman, Chua, Pearson, & Barnett, 2003; Lumpkin, Martin, & Vaughn, 2008; Sharma & Nordqvist, 2008). Succession (Bird et al.,

2002) is considered one of the most important topics in family business research (Benavides-Velasco, Quintana-García & Guzmán-Parra, 2013).

Studies of succession usually cover subjects such as leadership, power transfer, conflict between generations, communication, and the existence or absence of a pre-defined plan stating the rules for succession. Most of these studies are fragmented, based on descriptive case studies, or supported by small qualitative samples (Benavides-Velasco, Quintana-García, & Guzmán-Parra, 2013). Scholars have called for research on the dynamics of the succession process (Le Breton-Miller et al., 2004) and the possible role of entrepreneurship in succession (Dyer Jr. & Handler, 1994), which are still crucial topics for the continuation and success of any family business.

Nordqvist et al. (2013, p. 1090) define succession as “a process in which new owners, from within or outside the owner family, enter the business as owners and add new capital and resources that have consequences for firm processes and outcomes such as innovation, entrepreneurial orientation and growth.” During this process, which may vary in length, the founder or incumbent manager gradually transfers power to the next-generation successor (Dyer Jr. & Handler, 1994). Thus, the study of succession in family businesses must comprehend the process followed, the progress in succession, the success of the inter-generational transfer of power, and the process of defining the successor's intention to join the business (Bird et al., 2002). The study of succession must also include the variables and circumstances that affect the succession process, including the decisions and inherent motivation of successors to join the family business (Bird et al., 2002). Given these requirements, succession research must adopt a broad, multi-disciplinary view, should be supported by high-quality data sources (Benavides-Velasco et al., 2013), and should involve a multilevel analysis.

Nordqvist and Melin (2010) and Nordqvist et al. (2013) argue that family business succession must be considered from an entrepreneurial process perspective, considering that the main business opportunity in succession is the family business itself. Different authors have used family businesses as good examples of entrepreneurial attitude, providing their workers, especially the family members who manage those companies, the right conditions to develop entrepreneurial spirit. Other authors (Nordqvist & Melin, 2010) have affirmed that, given the conservative and risk-averse nature of most family businesses, where family interests can overshadow the firm's own economic interests, family businesses usually constrain the entrepreneurial attitudes of collaborators.

Differences highlight the possibility of influencing family business succession processes by creating the right conditions to motivate successors. In succession processes, different initial conditions in terms of the personal characteristics of successors (e.g., gender, education, or age) and organizational characteristics of the family business tend to influence the outcome of succession, as discussed below.

Gender (specifically, being male) is one family characteristic that may explain increased earnings (Rowe, Haynes, & Bentley, 1993). For both men and women, experience working in small family businesses is important in terms of apprenticeship training and informal learning (Fairlie & Robb, 2009). In venture creation decisions, women, unlike men, process information similarly regardless of the level of institutional development (Aragon-Mendoza, Val & Roig-Dobón, 2016).

Formal education of heirs is another factor that explains the characteristics of family business transitions that positively affect post-transition performance (Morris, Williams, Allen, & Avila, 1997) and increase earnings (Rowe et al., 1993). Training differences between incumbents and successors also entail different expectations regarding the way transitions are carried out (Handler, 1992). Better educated family members tend to be more willing to allow for money transfer (Light, 2001). The owner's education also improves outcomes in terms of closure, profits, employment, and sales (Fairlie & Robb, 2009).

The effect of the successor's age in the process of succession has rarely been explored. Succession planning is often strongly linked to the

founder's age (Lansberg, 1998; Murphy & Lambrecht, 2015), and age is one of the factors that explain the characteristics of transitions (Morris et al., 1997).

As far as family business research is concerned, the characteristics of family businesses and their management may also influence the success of succession. The development of a “relationship charter” includes, for example, mutual goals for relationship effectiveness, family role expectations, and conflict resolution and mediation (Morris et al., 1997), whereas the agreement on mode of succession is one of the factors that might explain successful executive succession (Dyck, Mauws, Starke, & Mischke, 2002). According to Danes, Stafford, Haynes, and Amarapurkar (2009), negotiations between family members represent a determinant of gross revenue and perceived success in family businesses.

Smooth succession processes usually benefit from successors' willingness, definition of the founder's and successor's roles, and effective succession planning (Sharma, Christman & Chua, 2003), and contribute to corporate sustainable innovation.

Entrepreneurship and family business studies have, in recent years, been conducted in separate domains. Nevertheless, some research has studied the intersection of these two research fields, giving rise to the area of family entrepreneurship research (Randerson, Bettinelli, Fayolle, & Anderson, 2015; Nordqvist & Melin, 2010; Uhlaner, Kellermanns, Eddleston, & Hoy, 2012).

Moreover, an “individual's entrepreneurial intentions are positively related to personal attitudes towards entrepreneurial behavior, subjective norms imposed by the external environment and perceived behavior control” (Mirjana, Ana, & Marjana, 2018, p. 1466).

Welsh and Kaciak (2019) studied women entrepreneurship, concluding that family moral support is positively related to entrepreneurial success and that family financial support is negatively related to entrepreneurial success. Despite this evidence, there is still a major theoretical gap between family business theory and entrepreneurship theory (Nordqvist et al., 2013).

Corporate entrepreneurship theories that study these topics probably represent the most promising areas where entrepreneurship theory may intersect with family business theory on the theme of succession (Benavides-Velasco et al., 2013; Zellweger & Sieger, 2012). Succession processes can be compared to corporate entrepreneurship movements that consist of starting a company from nothing by developing and recreating an existing family business. However, the dominant theories of both entrepreneurship and family business have neglected these situations (Nordqvist et al., 2013). Differences in the attitudes and motivation of entrepreneurs (like successors) to start new ventures (like succession) can offer an important indicator of the probability of success of those ventures, as proposed by the GEM studies since 2001 (GEM, 2019; Amit & Muller, 1995; Belda & Cabrer-Borrás, 2018).

A bridge between family business theory and entrepreneurship theory can be built by likening differences in motivation for succession to those between two groups of entrepreneurial ventures: necessity (push) entrepreneurship and opportunity (pull) entrepreneurship. Necessity entrepreneurship is generally thought of as business creation in the face of limited alternatives. Necessity entrepreneurs are usually pushed to undertake an entrepreneurial activity because they have lost some previous work situation. This form of entrepreneurship is seen as a type of obligation and as a way out (sometimes the sole way out) of some previous difficulty. Opportunity entrepreneurship, on the other hand, is generally thought of as business creation when there is an entrepreneurial opportunity. Opportunity entrepreneurs usually opt to voluntarily leave a current job to create their own job through self-employment to pursue some market opportunity or simply their personal interests. Although different factors affect these two types of entrepreneurship, empirical studies confirming the observations of Le Breton-Miller et al. (2004) have shown that there is a positive difference in the survival probability of entrepreneurial ventures developed by opportunity entrepreneurs when compared to those developed by

necessity entrepreneurs (Belda & Cabrer-Borrás, 2018).

Entrepreneurial attitude is another aspect that is closely linked to entrepreneurial motivation (which in turn is determined by entrepreneurial cognitions, entrepreneurial intentions, and the personality traits of the entrepreneur or successor) and its conversion into entrepreneurial behaviors (Le Breton-Miller et al., 2004; Carsrud & Brännback, 2011) and self-efficacy (Porfírio, Mendes, & Felício, 2018). Thus, the intentions of successors (like entrepreneurs) may offer the best predictors of future action, and motivation can provide the link between intentions and specific actions by successors (Carsrud & Brännback, 2011). The observable facts in entrepreneurship theory point to the idea that opportunity entrepreneurship, like opportunity (or proactive) succession, tends to create the best chance for the success of entrepreneurial ventures, like family business succession.

Smooth succession is considered a prerequisite for the long-term success and sustainability of family businesses. However, it is difficult to predict success in family business succession, not only because of the difficulty in defining success but also because of the multitude of variables that can be used to measure it (Le Breton-Miller et al., 2004).

As in the case of entrepreneurs, the intentions of successors may be the best predictor of future action, and motivation usually offers the link between successors' intentions and actions (Le Breton-Miller et al., 2004; Carsrud & Brännback, 2011). Depending on the organizational culture of the family business, necessity successors tend to follow established management trends and market status, whereas opportunity successors, like corporate entrepreneurs, usually show the ability to develop family business competencies and conquer new markets by establishing innovation policies and innovative approaches to the market. Under similar conditions, the survival rate of business ventures started by opportunity entrepreneurs is higher (Belda & Cabrer-Borrás, 2018).

Succession represents strategic renewal of family businesses and can be predicted, but this prediction requires further study of family business succession processes (Zanger, GeiBler, & Schübel, 2014). It is important to study the influence of the institutional, economic, social, and legal environment surrounding family businesses (Thornton et al., 2011; Zanger et al., 2014). Context influences the capability of family businesses to deal with change and succeed in adversity (Botella-Carrubi & González-Cruz, 2019).

3. Method

3.1. Research model and propositions

The conceptual model is inspired by the model first proposed by Le Breton-Miller et al. (2004) and later developed by Nordqvist et al. (2013). Starting with the conceptualization of the succession stages listed by Nordqvist et al. (2013), efforts in this study focus mostly on the first and second stages of succession. The model in this study relates personal characteristics of successors (gender, age, and educational level) to organizational characteristics of the family business (size, existence of a succession plan, and business maturity) and then links all these characteristics to the regional context where the family business operates. All these variables influence successors' motivation for succession, which, as explained earlier, is considered critical for the sustainability of the firm. The conceptual model is illustrated in Fig. 1.

Based on the literature and using fsQCA, this research tests the following propositions:

- P1 – The personal characteristics of family business successors are present or absent in solutions that explain motivation for succession as either an opportunity or a necessity;
- P2 – The organizational characteristics of family businesses are present or absent in solutions that explain motivation for succession as either an opportunity or a necessity;
- P3 – Regional context alters the configurations of conditions that

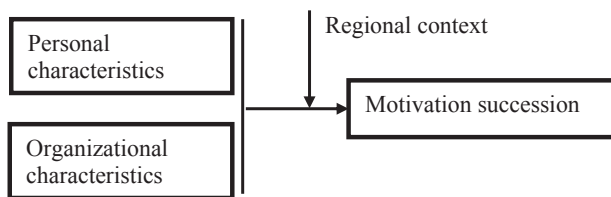


Fig. 1. Conceptual model.

lead to a different form of motivation for family business succession.

3.2. Constructs and variables

The independent variables calibrated into conditions fall into two groups:

- Personal characteristics: age of successor, gender of successor, and successors' level of formal education;
- Organizational characteristics: business maturity, business size, and succession plan.

The dependent variable calibrated as the outcome is motivation. Table 1 describes the conditions and outcome.

3.3. Data and sample

A survey conducted in six European countries under the ERASMUS + project dedicated to studying succession in family businesses gathered 407 responses. After the data had been cleansed for missing values, the total number of observations fell to 383. Table 2 shows the distribution by country and region.

The inherent cultural, institutional, and market differences between the family businesses studied here result from the aggregation of results into two main regions: southern European Mediterranean countries and southern Slavic countries. The consideration of a relationship between personal characteristics and organizational characteristics and further consideration of cultural environment enabled the identification of combinations of conditions defining the patterns that influence successors' motivation and thus tend to determine the sustainability of businesses where succession takes place.

3.4. Data analysis

Given the research objectives and the characteristics of the data, fsQCA was used to seek the configurations of conditions leading to a different form of motivation for succession. This approach to data analysis has become more widespread in recent years and is now

Table 2
Breakdown of observations by country.

Region	Country	Total observations	Percentage
Mediterranean countries	Portugal	49	13.27%
	Italy	50	14.74%
	Greece	94	23.83%
	Cyprus	60	14.99%
Southern Slavic countries	North Macedonia	60	15.72%
	Bulgaria	70	17.44%
Total		383	100.00%

common in areas such as entrepreneurship. FsQCA is based on set theory. Its first step consists of calibration of the original variables into conditions. The necessity and sufficiency of conditions (or configurations of conditions) are then assessed based on the measures of consistency and coverage (Schenider & Wagemann, 2012; Huarng, 2016). The solutions resulting from the truth table algorithm (sufficiency analysis) are considered informative if the consistency is superior to 0.74 and the coverage lies in the interval from 0.25 to 0.65 (Woodside, 2013). FsQCA, unlike conventional quantitative analysis, admits the existence of equifinal solutions and asymmetric relationships (Roig-Tierno, Huarng, & Ribeiro-Soriano, 2016). The truth table algorithm computes the complex, intermediate, and parsimonious solutions.

4. Results and analysis

Combinations of personal and organizational characteristics for the entire sample define specific patterns that influence successors' motivation and thereby promote either succession by opportunity or succession by necessity. Motivated successors are considered opportunity entrepreneurs, so no clear configurations are obtained for necessity (not motivated) successors.

The intermediate solutions are the most suitable for theoretical interpretation (Fiss, 2011). Nevertheless, the tables that display the results differentiate between situations where there are parsimonious (core) solutions and those where there are intermediate (peripheral) solutions. The results are analyzed on three levels: the general model (comprising the entire sample), the southern European Mediterranean countries, and the southern Slavic countries. Results for the general model provide five configurations with four solutions (Table 3).

The configurations for the existence of motivated successors are as follows:

Solution 1: Successors with a high level of formal education where succession is supported by a succession plan and either a) young, female successors or b) small family businesses.

Solution 2: Male successors working in big family businesses with a high educational level and no succession plan;

Table 1
Description of variables.

Independent variables		Description and scale
Personal characteristics	Age	Age of successor: aged below 25 = 0.05; aged between 26 and 35 = 0.499; aged over 35 years old = 0.95
	Gender	Gender of the family business successor: women = 1; men = 0
	Education	Formal educational level of successor: higher education or post-graduation studies = 0.95; vocational/professional training = 0.499; secondary studies = 0.05
Organizational characteristics	Business maturity	Maturity of family business, given by the successor's generation: 2nd generation = 0; 3rd generation or more = 1
	Business size	Size of family business, given by number of employees: 1–9 = 0.05; 10–49 = 0.499; 50–249 = 0.75; 250 or more = 0.95
Outcomes	Succession plan	Existence (1) or absence (0) of a succession plan
	Motivation for succession	Description Successors' motivation, given by intentions when embracing the succession process aggregated according to answers to questionnaire: "I had no alternative" = 0.05 (most reactive/necessity); "My family expected me to inherit the business" = 0.25; "It seemed to me the natural course of events" = 0.499 (maximum ambiguity); "It seems a good career opportunity" = 0.75; "I thought it would be an opportunity to put innovative ideas in practice" = 0.95 (most proactive/opportunity).

Table 3
Configurations for opportunity successors for the general model (overall sample).

	S1a	S1b	S2	S3	S4
fs_gender	●		○	○	
fs_age	○				○
fs_educ	●	●	●	○	
fs_size		○	●	○	○
fs_plan	●	●	○	○	
RawCov	0.07	0.17	0.12	0.10	0.48
UniqCov	0.01	0.07	0.06	0.04	0.28
Consistency	0.91	0.86	0.94	0.88	0.93
SolConsist			0.90		
SolCoverage			0.65		

Note: ● = core causal condition present; ● = peripheral causal condition present; ○ = core causal condition absent; ○ = peripheral causal condition absent.

Solution 3: Male successors with a low education level working in small family businesses without a succession plan;

Solution 4: Young successors working in small family businesses.

The role of context was studied by examining two groups of countries: southern European Mediterranean countries and southern Slavic countries. Results appear in [Tables 4 and 5](#).

Notably, the solutions obtained for the southern European Mediterranean countries mostly coincide with those obtained for the overall sample, with just one solution (S2), showing a neutral permutation. In this case, older male successors with relevant levels of formal education working in big family businesses also seem to be motivated for succession.

There are major differences between the results for the southern Slavic countries and those for the southern European Mediterranean countries. Although the solutions for the southern Slavic countries can be reduced to three, neutral permutation in two of the proposed

solutions gives six possible configurations for opportunity succession:

S1: Male successors working in big family businesses;

S2a: Highly educated female successors when succession is not supported by a succession plan;

S2b: Highly educated successors from small family businesses;

S2c: Highly educated, young successors;

S3a: Young male successors;

S3b: Young successors supported by a succession plan.

Based on these results, the overall set of solutions can be examined to identify differences in the importance of personal and organizational characteristics in explaining motivation for succession ([Beynon, Jones, & Pickernell, 2016](#)).

Table 4
Configurations for opportunity successors for southern European Mediterranean countries.

	S1a	S1b	S2a	S2b	S3	S4
fs_gender	●		○	○	○	
fs_age	○		●			○
fs_educ	●	●	●	●	○	
fs_size		○	●	●	○	○
fs_plan	●	●		○	○	
RawCov	0.06	0.19	0.22	0.16	0.11	0.36
UniqCov	0.01	0.07	0.02	0.01	0.05	0.15
Consistency	0.90	0.84	0.97	0.94	0.89	0.92
SolConsist			0.88			
SolCoverage			0.62			

Note: ● = core causal condition present; ● = peripheral causal condition present; ○ = core causal condition absent; ○ = peripheral causal condition absent.

Table 5
Configurations for opportunity successors for southern Slavic countries.

	S1	S2a	S2b	S2c	S3a	S3b
fs_gender	○	●			●	
fs_age				○	○	○
fs_educ		●	●	●		
fs_size	○		○			
fs_plan		○				●
RawCov	0.36	0.18	0.50	0.41	0.48	0.30
UniqCov	0.08	0.01	0.04	0.00	0.16	0.02
Consistency	0.90	0.83	0.88	0.95	0.93	0.90
SolConsist				0.88		
SolCoverage				0.96		

Note: ● = core causal condition present; ● = peripheral causal condition present; ○ = core causal condition absent; ○ = peripheral causal condition absent.

5. Discussion

This study explores the determinants of succession from the successor's perspective (i.e., what determines a successor's motivation). Accordingly, this study assesses the importance of both personal and organizational characteristics for providing successors with an opportunity profile.

The results show a certain balance between the influence of personal characteristics (successors' gender, age, and formal educational level) and organizational characteristics (size of the family business and importance of the succession plan) as determinants of opportunity succession. The first proposition (P1) is confirmed. Entrepreneurship theory suggests that women represent a minority among self-employed people. However, once women overcome market barriers and create their own businesses, their entrepreneurial success tends to be equal to that of men. Thus, the survival of business ventures tends to be similar for men and women entrepreneurs. Conversely, entrepreneurship theory asserts that men tend to be less likely to remain self-employed than women and that an entrepreneur's gender does not have a significant effect on business survival (Belda & Cabrer-Borrás, 2018). In the case of family businesses, as previously noted, family moral support seems crucial for the success of women entrepreneurship (Welsh & Kaciak, 2019), whereas education is important to overcome some contextual constraints.

The results for our model show that women tend to be more motivated for succession in the southern Slavic countries, especially if they are young or have a high level of formal education. In the southern European Mediterranean countries, the sole combination where women seem to be motivated for succession is when they have a high level of education and a defined succession plan that seems to guarantee the right conditions (or perhaps comfort) to pursue succession. These gender differences regarding succession may be explained by Hofstede's cultural dimension of masculinity (Hofstede, 1980, 1984). The southern European Mediterranean countries have higher scores of masculinity than the southern Slavic countries.

The formal education of the successor is positively correlated with a smooth transition and post-succession performance (Morris et al., 1997). The most effective successors hold college degrees, while the least effective ones have only a high school diploma (Goldberg, 1996). The theory of human capital (Cohn & Geske, 1990) highlights the benefits of education. High levels of formal education seem crucial to assure the motivation of successors in southern European Mediterranean countries, especially when they are men in big family businesses. In the case of the southern Slavic countries, education per se seems to

be a requisite to ensure motivation for succession, even without a succession plan or in small family businesses. The results seem to contradict the principle of human capital theory (Cohn & Geske, 1990), according to which, as age increases, individuals tend to accumulate more human capital and financial resources and so tend to be more likely to persist in their entrepreneurial business activities (Belda & Cabrer-Borrás, 2018). Even for young successors involved in a process of family business succession, having the infrastructure of the family business behind them while receiving support from the family offsets (at least partially) the risk involved. This situation seems more pronounced in southern Slavic countries, where young successors tend to be keener to succeed even if this succession tends to happen with the support of a succession plan.

In the southern European Mediterranean countries, the issue of age seems not to be important for motivation and must be complemented by other personal and organizational characteristics such as gender, education, family business size, or the existence of a succession plan. Organizational characteristics such as the existence of a succession plan or the size of the family business tend to define the motivation of successors more in southern European Mediterranean countries than in southern Slavic countries, where personal characteristics such as education appear to be more relevant.

Without a stronger background of business practice, and without the adequate formal educational level and training, the task for successors in big, mature businesses is more difficult. For certain personalities, this situation may be a reason for demotivation. The second proposition (P2) is confirmed.

The research shows the importance of duly planning for family business succession to prevent breakdowns in the normal functioning of the business. One of the primary reasons that family businesses fail seems to be the lack of a succession plan (Le Breton-Miller et al., 2004; Tatoglu, Kula, & Glaister, 2008). When a succession plan exists, successors create an expectation about the job to be done, so the fundamental issues rely on the successors' posture, interests, and motivation with respect to the family business. At the same time, the existence of a succession plan may act as a guarantee for the successor that the incumbent intends to hand the power on and that there is an adequate procedure to gradually transfer this power, granting the successor the autonomy to start the job that has been defined. This process may be even more important for big companies (Bettinelli, Fayolle, & Randerson, 2014; Nordqvist et al., 2013).

In practice, however, the results show that these ideas are not so evident. It may be questioned whether the key issue with succession is the existence of a formal written succession plan or rather the

procedures and preparation that writing such a plan entails for the family firm, and the implications that it may have on the mindset of the key succession stakeholders, starting with the successors themselves.

In general, differences between the southern European Mediterranean countries and the southern Slavic countries show the importance of context in terms of the role of personal characteristics and organizational characteristics to promote opportunity succession. For some cultures, offering such a plan may place in doubt moral values, family principles, or even respect for elders (normally, those who will be succeeded) and may be considered a kind of challenge to the status quo by the successor. Thus, the readiness of the successor and the successor's previous involvement in management activities may be more relevant than the plan itself, not only to become aware of the firm's capabilities and competitive advantages but also to have the chance to tackle new challenges and changes facing the company in several domains of its future business.

In theory, more formal cultures demand such a plan, whereas more informal cultures consider it less necessary. However, when the culture is more formal, this plan is arguably less important because everything is traditionally planned in advance. Conversely, in less formal cultures, the formalization of such a plan is more important to give specific guidelines to successors about what, how, and when their main contribution is expected for the destiny of the family business.

The results tend to confirm the ambiguity of this situation. The third proposition (P3) is confirmed. Generally, in more rigid societies such as those of the southern Slavic countries, the existence of the succession plan should be more important than in the southern European Mediterranean countries. However, in the Mediterranean region, the existence of this plan is crucial for successors' motivation in two out of six combinations, especially when successors have a high level of formal education. In contrast, it is important not to have such a plan in the two remaining solutions when education level is lower. In the southern Slavic countries, there is a need for a succession plan to promote opportunity succession only when successors are young. The plan is dispensed with when successors are highly educated women, and it is irrelevant when successors are men.

6. Conclusions and contributions

This model shows that the personal characteristics of successors and the organizational characteristics of the family business combine to produce motivated successors. The context in terms of history, tradition, economics, institutional support mechanisms, and so forth, the different development stages of countries, and the cultural aspects that shape family business behavior and model psychological conditions of successors highlight the need and increased importance of institutional support for family businesses.

The motivation underlying successors' attitudes toward family business succession can determine the success of family business succession. This study goes beyond the analysis performed in other family business studies to make an important contribution to explaining family business succession. The knowledge that can be derived from this study can contribute to developing better family business policies and promoting better management of succession processes in family businesses. Specifically, the findings of this study can help overcome traditional constraints such as gender issues or age-related problems in succession, which affect the success and sustainability of family businesses.

7. Limitations and future research

The main limitations of this study derive from the questions that were posed to the successors regarding the specific type of succession as well as the sample selection, which did not consider sector or type of family business. Another issue that was not addressed in this study is that, when succession is related to the pursuit of new business opportunities, an important element is the transition from ownership to

succession. The questionnaire used for this study did not include a question to record the specific type of succession. Future research may consider these limitations to enrich the model and conduct additional analyses based on different samples. In addition, further research on this topic could use the proposed model to develop a longitudinal study and enhance the results.

References

- Amit, R., & Muller, E. (1995). 'Push' and 'pull' entrepreneurship. *Journal of Small Business and Entrepreneurship*, 12(4), 64–80.
- Aragon-Mendoza, J., del Val, M. P., & Roig-Dobón, S. (2016). The influence of institutions development in venture creation decision: A cognitive view. *Journal of Business Research*, 69(11), 4941–4946.
- Belda, P., & Cabrer-Borrás, B. (2018). Necessity and opportunity entrepreneurs: Survival factors. *International Entrepreneurship and Management Journal*, 14, 249–264.
- Benavides-Velasco, C. A., Quintana-García, C., & Guzmán-Parra, V. F. (2013). Trends in family business research. *Small Business Economics*, 40, 41–57.
- Bettinelli, C., Fayolle, A., & Randerson, K. (2014). Family Entrepreneurship: A development field. *Foundations and Trends in Entrepreneurship*, 10(3), 161–236.
- Bird, B., Welsch, H., Astrachan, J., & Pistrui, D. (2002). Family business research: The evolution of an academic field. *Family Business Review*, 15(4), 337–350.
- Beckhard, R., & Dyer, W. G., Jr. (1983). SMR forum: Managing change in the family firm - Issues and strategies. *Sloan Management Review*, 24, 59–65.
- Berger, B. (1991). *The culture of entrepreneurship*. San Francisco: ICS Press.
- Beynon, M., Jones, P., & Pickernell, D. (2016). Country-level investigation of innovation investment in manufacturing: Paired fsQCA of two models. *Journal of Business Research*, 69, 5401–5407.
- Bocatto, E., Gispert, C., & Rialp, J. (2010). Family-Owned business succession: The influence of pre-performance in the nomination of family and nonfamily members: Evidence from Spanish firms. *Journal of Small Business Management*, 48(4), 497–523.
- Botella-Carrubi, M. D., & González-Cruz, T. (2019). Context as a provider of key resources for succession: A case study of sustainable family firms. *Sustainability*, 11, 1873. <https://doi.org/10.3390/su11071873>.
- Carsrud, A., & Brännback, M. (2011). Entrepreneurship motivations: What do we still need to know? *Journal of Small Business Management*, 49(1), 9–26.
- Christensen, C. R. (1953). *Management succession in small and growing enterprises*. Andover, Massachusetts: Harvard University Graduate School of Business Administration, The Andover Press Ltd.
- Chua, J., Chrisman, J., & Sharma, P. (1999). Defining the family business by behavior. *Entrepreneurship and Practice*, 23(4), 19–39.
- Chrisman, J. J., Chua, J. H., & Litz, R. A. (2003). Commentary: A unified perspective of family firm performance: An extension and integration. *Journal of Business Venturing*, 18(4), 467–472.
- Cohn, E., & Geske, T. G. (1990). *The economics of education* (3rd ed.). New York: Pergamon Press.
- Danes, S. M., Stafford, K., Haynes, G., & Amarapurkar, S. S. (2009). Family capital of family firms bridging human, social, and financial capital. *Family Business Review*, 22(3), 199–215.
- Dyck, B., Mauws, M., Starke, F. A., & Mischke, G. A. (2002). Passing the baton - the importance of sequence, timing, technique and communication in executive succession. *Journal of Business Venturing*, 17(2), 143–162.
- Dyer, W., Jr., & Handler, W. (1994). Entrepreneurship and family business: Exploring the connections. *Entrepreneurship Theory and Practice*, 19(1), 71–83.
- Fairlie, R. W., & Robb, A. M. (2009). Gender differences in business performance: Evidence from the characteristics of business owners survey. *Small Business Economics*, 33(4), 375–395.
- Fiss, P. (2011). Building better causal theories: A fuzzy set approach to typologies in organization research. *Academy of Management Journal*, 54, 393–420.
- GEM (2019). *Global Entrepreneurship Monitor 2018–2019*. London: Babson College.
- Goldberg, S. D. (1996). Effective successors in family-owned business. *Family Business Review*, 9(2), 185–197.
- Handler, W. C. (1992). The succession experience of the next generation. *Family Business Review*, 5(3), 282–307.
- Huang, K.-H. (2016). Qualitative analysis with structural associations. *Journal of Business Research*, 69, 5187–5191.
- Lansberg, I. S. (1998). The succession conspiracy. *Family Business Review*, 1(2), 119–143.
- Le Breton-Miller, I., Miller, D., & Steier, L. P. (2004). Toward an integrative model of effective FOB succession. *Entrepreneurship: Theory and Practice*, 28(4), 305–328.
- Light, I. (2001). *Social capital's unique accessibility*. Paper presented at the Danish Building and Urban Research/EURA Conference, Copenhagen.
- Lumpkin, G. T., Martin, W., & Vaughn, M. (2008). Family orientation: Individual-level influences on family firm outcomes. *Family Business Review*, 21, 127–138.
- Mirjana, P. B., Ana, A., & Marjana, M.-S. (2018). Examining determinants of entrepreneurial intentions in Slovenia: Applying the theory of planned behaviour and an innovative cognitive style. *Economic research-Ekonomska istraživanja*, 31(1), 1453–1471.
- Mokhber, M., Gi, T. G., Rasid, S. Z. A., Vakilbashi, A., Zamil, N. M., & Seng, Y. W. (2017). Succession planning and family business performance in SMEs. *Journal of Management Development*, 36(3), 330–347.
- Morris, M. H., Williams, R. O., Allen, J. A., & Avila, R. A. (1997). Correlates of success in family business transitions. *Journal of Business Venturing*, 12(5), 385–401.
- Murphy, L., & Lambrecht, F. (2015). Investigating the actual career decisions of the next

- generation: The impact of family business involvement. *Family Business Strategy*, 6(1), 33–44.
- Nordqvist, M., & Melin, L. (2010). Entrepreneurial families and family firms. *Entrepreneurship & Regional Development*, 22(3–4), 211–239.
- Nordqvist, M., Wennberg, K., Bau, M., & Hellerstedt, K. (2013). An entrepreneurial process perspective on succession in family firms. *Small Business Economics*, 40, 1087–1122.
- Porfírio, J. A., Mendes, T. C., & Felício, J. A. (2018). From entrepreneurship potential in cultural and creative industries to economic development: The situation of UK and southern European countries. *International Entrepreneurship and Management Journal*, 14(2), 329–343.
- Porfírio, J. A., Carrilho, T., & Mónico, L. (2016). Entrepreneurship in different contexts in cultural and creative industries. *Journal of Business Research*, 69(11), 5117–5123.
- Pyromalis, V. D., & Vozikis, G. S. (2009). Mapping the successful succession process in family firms: Evidence from Greece. *International Entrepreneurship Management Journal*, 5, 439–460.
- Randerson, K., Bettinelli, C., Fayolle, A., & Anderson, A. (2015). Family entrepreneurship as a field of research: exploring its contours and contents. Available from OpenAIR@RGU. [online]. Available from: <http://openair.rgu.ac.uk>.
- Roig-Tierno, N., Huang, K.-H., & Ribeiro-Soriano, D. (2016). Qualitative comparative analysis: Crisp and fuzzy sets in business and management. *Journal of Business Research*, 69, 1261–1264.
- Rowe, B. P., Haynes, G. W., & Bentley, M. T. (1993). Economic outcomes in family-owned home-based businesses. *Family Business Review*, 6(4), 383–396.
- Schneider, C. Q., & Wagemann, C. (2012). *Set-theoretic methods for the social sciences: A guide to qualitative analysis*. Cambridge, United Kingdom: University Printing House.
- Shapiro, A., & Sokol, L. (1982). The social dimensions of entrepreneurship. *Encyclopedia of entrepreneurship*, 72–90.
- Sharma, P., & Nordqvist, M. (2008). A classification scheme for family firms: From family values to effective governance to firm performance. In J. Tapies, & J. L. Ward (Eds.). *Family values and value creation: How do family firms foster enduring values?* (pp. 71–101). Palgrave Macmillan Publishers.
- Sharma, P., Chrisman, J. J., & Chua, J. H. (2003). Predictors of satisfaction with the succession process in family firms. *Journal of Business Venturing*, 18(5), 667–687.
- Stamm, I., & Lubinski, C. (2011). Crossroads of family business research and firm demography—A critical assessment of family business survival rates. *Journal of Family Business Strategy*, 2, 117–127.
- Steyaert, C. (2007). 'Entrepreneurship' as a conceptual attractor? A review of process theories in 20 years of entrepreneurship studies. *Entrepreneurship & Regional Development*, 19(6), 453–477.
- Tatoglu, E., Kula, V., & Glaister, K. W. (2008). Succession planning in family-owned businesses: Evidence from Turkey. *International Small Business Journal*, 26(2), 155–180.
- Thornton, P. H., Ribeiro-Soriano, D., & Urbano, David (2011). Socio-cultural factors and entrepreneurial activity: An overview. *International Small Business Journal*, 29(2), 105–118.
- Trow, D. B. (1961). Executive succession in small companies. *Administrative Science Quarterly*, 6(2), 228–239.
- Uhlner, L. M., Kellermanns, F. W., Eddleston, K. A., & Hoy, F. (2012). The entrepreneurial family: A new paradigm for family business research. *Small Business Economics*, 38(1), 1–11.
- Ward, J. L. (2011). *Keeping the family business healthy: How to plan for continuing growth, profitability, and family leadership*. New York: Palgrave Macmillan.
- Welsh, D. H., & Kaciak, E. (2019). Family enrichment and women entrepreneurial success: The mediating effect of family interference. *International Entrepreneurship and Management Journal*, 15(4), 1–20.
- Woodside, A. G. (2013). Moving beyond multiple regression analysis to algorithms: Calling for adoption of a paradigm shift from symmetric to asymmetric thinking in data analysis and creating theory. *Journal of Business Research*, 66, 464–472.
- Zanger, C., GeiBer, M., & Schübel, S. (2014). Sustainable Business Management – Factors influencing the planning and forms of business succession. *Rencontres de St-Gall – Septembr*. Available online at: https://www.kmu-hsg.ch/rencontres2014/resources/Topic_B/Rencontres_2014_Topic_B_ZANGER_Geissler_Schuebel.pdf.
- Zellweger, T., & Sieger, P. (2012). Entrepreneurial orientation in long-lived family firms. *Small Business Economics*, 38, 67–84.

José António Porfírio is Associate Professor at Universidade Aberta in Portugal, holding a PhD in Management (specialization in Strategy), a degree in Management and a Master in Mathematics Applied to Economics and Management (1993). He works mostly in the field of Corporate Strategy, Entrepreneurship and Family Business, with several works published in reference journals such as *Journal of Business Research*, *European Journal of Training and Development*, and *International Entrepreneurship and Management Journal*. He is Pro-Rector of Universidade Aberta. Responsible for Project Management, Research and Development. He was the Director of Social Sciences and Management Department from January 2009 until January 2013, being presently the Coordinator of different courses in the field of Management such as the Master in Management. Professionally José as also a long experience as coordinator of several European projects in the domains of Entrepreneurship, Family Business, and Social Inclusion, and an experience of more than 20 years as manager and consultant for several companies in Portugal, and for the UNCTAD TrainForTrade Program of the United Nations in Geneva, where he works since 1999 as a consultant on distance-learning and foreign trade.

Dr. J. Augusto Felício is Full Professor at the School of Economics and Management (ISEG), University of Lisbon. He is President of Centre of Management Studies and Research Fellow at the Centre for Advanced Research in Management (ADVANCE) at the School of Economics and Management, University of Lisbon. He holds a PhD in Management from the School of Economics and Management, University of Lisbon. He is author of several articles in scientific journals and international conferences, namely, *International Entrepreneurship and Management*, *Journal of Business Research*, *Journal of Business Economics and Management*, *Journal of International Entrepreneurship*, *Management Decision*, *The Service Industries Journal*, *Service Business*. His research interests are in the areas of entrepreneurship, family firms, innovation, human capital and social capital, corporate governance and strategy.

Tiago Carrilho holds a PhD in Economics, a degree in Economics and a Master in Regional and Urban Planning (1996). Tiago is working mostly in the field of Entrepreneurship, and Regional Development, with articles published in reference journals (such as *Journal of Business Research*) and participation in conferences in these domains. He is Assistant Professor at Universidade Aberta and has experience in vice-coordination of different courses in the field of Management. Professionally Tiago as experience as participant in European projects in the domains of Entrepreneurship, Family Business, and Social Inclusion.