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Professional trilemma of students with family business experience

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Abstract

Purpose – Family businesses represent the largest share of small-sized firms in majority of economies around the world. Having in mind the global economic situation this trend is expected to be continued. With the goal of better understanding of the process of transferring the business to the next generation, which ensures a long-term success, the purpose of this paper is to investigate expectations of student's with family business background.

Design/methodology/approach – The research addresses the issue of an individual's perception of entrepreneurship and the related factors that influence individual's decision on whether to build a career as an employee, become a successor of family business or start own business as an independent entrepreneur. The authors separately analyzed West European (data from another study), East European and Slovenian senior student population for the purpose of comparative study. Students were surveyed and binominal regression was used for statistics.

Findings – The results show differences between investigated populations and positions Slovenian students in the mean. The authors anticipate that differences are caused by historical, cultural and educational backgrounds. This challenging area is raising a lot of sub-questions for possible future research.

Originality/value – The value of the study is in the replication of the existing methodology from the benchmarking study and result comparison.

Keywords Entrepreneurship, Locus of control, Family business, Succession, Career decisions, Independence

Paper type Research paper

Introduction

Career choice intentions of individuals and motives of entrepreneurs are very frequently investigated topics in contemporary entrepreneurship research. Numerous studies, mostly conducted among students, investigate student's career choice intention after the completion of their studies. Different pieces of research identify various personal characteristics and emotional attitudes that influence the decision an individual will choose regarding his/her career. Intentional business founders, for example, mostly strive for independence and possess high levels of innovation and self-fulfillment motives (Fisher *et al.*, 1993; Kolvereid, 1996; Krueger *et al.*, 2000; Carter *et al.*, 2003).

Despite of these findings, there is gap for some deeper understanding of career choice intentions of successors of family business which are traditionally believed to be in most cases expected to join their parents' business and to take it over in some undefined time horizon (Miller *et al.*, 2003) regardless the conditions of different economic environment and level of development of the society. Those are extremely important and consequently often very hard decisions which need to be made no later but after completion of studies when an individual regardless his/her background is somehow expected to join and to start to compete at the labor force market. Moreover, we lack some deeper understanding of career choice when speaking about successors of family business. In case of successors we usually bring in mind young individuals,



who were in many cases born into family businesses, facing important decisions during or immediately after their studies. This group of young people has in comparison to their mates, who have not experienced the dynamics of a family businesses, the following three options: either they can find a job and become employees (hired labor force) or establish their own business (become entrepreneurs) or take over the role of a successor in the family business. Another argument which firmly supports the urge for this streamline of research is the fact that a huge difference between expectations exists when spoken about succession intention of potential successor and expectations of a parent, family business owner. Namely, two-thirds of family business' owners expect and hope that their children will carry on the family business while, on the other hand, only 22.7 percent of potential successors really intend to do so (Tan *et al.*, 2013).

Birley (2002) notes, that there are no research instruments so far presented in the relevant scientific literature that would directly deal with this topic. Given the worldwide economic and social relevance and proved importance provided by family businesses, understanding entrepreneurial motives among students – potential successors, is of extremely high importance for ensuring long-term stability of family firms (Astrachan and Shanker, 2003) and sustainability of the family business sector as it is sometimes referred to (Carrigan and Buckley, 2008). Trying first to address this challenging topic, a research covering ten countries in Western Europe was carried out (Zellweger *et al.*, 2011) to fill identified research gap by investigating the different determinants of career choice intentions of students based and influenced by the family business background.

The empirical background of this paper was a similar study conducted among students of the Slovenian and Central and Eastern European (from here after CEE) universities. The idea for the repetition of the research was encouraged by some expressed positive attitude toward repetition of certain studies with different samples and socio-economic context (Davidsson *et al.*, 2004). The research followed the clear ambition to re-utilize the tested and proved research methodology and to obtain an opportunity to compare findings taking into account the paradigm of different time horizon of the market economy experience by the CEE study participants. Namely, all the participating countries in this particular study have common denominator of almost 50 years of communist regime experience which, among others, broke the entrepreneurial tradition and severely delayed market economy development. The aim of the analysis of the research results is to provide mutual benchmarking of the results and on this basis to show the situation in Slovenia in comparison with the one in the CEE and Western Europe. The main purpose of the research work is to be provided with an insight into the motives of potential successors for their career decisions and moreover, it will give a new context of understanding the family business transition dynamics to family business founders, guidance counselors and educational organizations responsible for facilitating the process of transition between generations of the family business.

Assuming that there are differences between European West and East which are, to a certain extent, historically driven, we speculate that this fact could influence young generation and their perception of family business and general understanding of entrepreneurship processes. There are important differences in the three dimensions (regulatory, cognitive and normative) in the CEE emerging economies, reflecting their idiosyncratic cultural norms and values, traditions and institutional heritage in promoting entrepreneurship (Manolova *et al.*, 2008). Implementing entrepreneurship as a part of political pre-election campaign is very often issue but pays more in the CEE

countries (De Vries and Hobolt, 2012). Our goal was to perform a survey among students at universities of Slovenia and selected CEE countries and to find these differences between the three groups of students. The impact of entrepreneurial parents and grandparents or, in other words, family business background on the offspring is not alike in all regions and the influences are particularly strong in high in-group collectivism cultures (Laspita *et al.*, 2012) which was the source of the motivation to study separately the CEE region comparing to Slovenia and Western Europe.

Theoretical background

Examining antecedents of career choice intentions is based on well-established theory of planned behavior (Fishbein and Ajzen, 1975; Ajzen, 1991). In some pieces of research it was found out that perceived behavioral control has a significant impact on career intention of antecedents in family business (Krueger *et al.*, 2000). Behavioral control by itself consists from locus of control, which deals with external factors that may have certain impact on behavior, and self-efficacy, which counts for one of possible internal factors. To obtain credible and reliable results both parameters have to be measured (Ajzen, 2002). An individual can possess strong internal locus of control, but believe at the same time that one is really not capable of performing a specific task (Bandura, 1997). Self-efficacy is affected by performance and locus of control by life experiences (Dyal, 1984). Self-efficacy in the context of our research is the conviction that an individual can execute a certain type of behavior (Bandura, 1994). In accordance with these claims and benchmarking research of career choice intentions of students with family business background (Zellweger *et al.*, 2011) it can be expected that higher level of internal locus of control will result in more intensively expressed preference to found a new business compared with the intention to continue the family business tradition.

Self-efficacy parameter provides information about the easiness or difficulty to perform an intended behavior (Ajzen, 2002). Family firms and parents as role models may well be an important or even key source of entrepreneurial self-efficacy (Delmar and Davidsson, 2000) however, the transmission of entrepreneurial intentions within families is complex and involves more than one generation (Laspita *et al.*, 2012). Consequently, it determines the strength of a belief that an individual is capable to successfully perform the intended task or behavior (Chen *et al.*, 1998). High levels of self-efficacy reinforce efforts for achievement and promote quick recovery from failure (Bandura, 1997). High level of self-efficacy contributes to the probability of establishing a new company and to create products and networks (Stinchcombe, 1965). As personal motives are important for career choice decision, we measure two additional parameters. Theory of planned behavior assumes that if the outcome of behavior is expected to satisfy an individual motive, the probability of performing that behavior will be higher. Independence and innovation are recognized as two highly important factors (Carter *et al.*, 2003).

Independence motive expresses an individual's desire for freedom (Schein, 1978). The innovation motive on the other hand stands for one's intention and eternal wish of accomplishing something completely new (Carter *et al.*, 2003). Among the most frequent reasons why an offspring intends to succeed the family firm is the ambition to be in control and to be the boss. This leads to the conclusion that succession intention is also related to the independence motive (Stavrou, 2003). Thus, it can be expected that founding a new business best satisfies the entrepreneurial motive of independence. This gives an offspring the opportunity to be completely free and independent in his/her life decisions, to avoid predestined paradigms, and to realize his/her dreams.

It is expected that the independence motive is least accomplished with the decision for an employee career, which places succession in the position of somehow middle choice.

Our last investigated career intent driver is innovation motive, which has a great influence on career motives of founder entrepreneurs (Carter *et al.*, 2003). Originality and open mind are important for starting a new business (Bird, 1988). Founders tend to search new solutions to problems and new products, organization models or market opportunities (Baker *et al.*, 2003). In this context it is expected the career of a new business founder to be more preferable than the succession career. We expect an employee type of career to be ranked on the least preferable place when speaking about innovation motive due to the fact that it gives least possibilities for originality in all aspects.

Recently, another cross-cultural study and the Global Leadership and Organizational Behavior Effectiveness project was launched to develop a model for the transmission of entrepreneurial intentions within families in different cultures. Using data on more than 40,000 individuals from 15 countries, it has been showed that beyond the transmission of entrepreneurial intentions from parents to children, grandparents – either directly or “indirectly” via the parents – impact the offspring’s intentions. Moreover, it has been found that parents’ and grandparents’ influences partly substitute for one another. The strength of these effects varies across cultures. The results of the study provide a detailed picture of the intergenerational transmission of entrepreneurial intentions (Lasпита *et al.*, 2012).

Discussions on family business in Slovenia have recently turned to the problem of transferring family firms to the next generation. Family firms established in the 1990s are approaching to transferring ownership and management to the next family generation. Majority of Slovenian owners/managers believe that a business should stay in a family. Other options, such as transfer to the employees/management or closure of a firm, occur less frequently (Duh and Tominc, 2004).

Slovenian owners/managers believe that children should be introduced into a business at an early age and be educated about the business needs. Furthermore, they believe only one successor and not a team should take over the leadership; a successor should be found among family members as a business is considered stronger with family members involved. Slovenian owners/managers are quite sure about the capabilities of their children to take over and manage a family business. They also believe that children should become co-owners when they join a business and when their parents are active in the business. The succeeding generation wants to retain more freedom when deciding about entering a family business. Successors lack a proper training and mentoring and, therefore, feel uncertain about their capability to manage a firm (Duh *et al.*, 2007).

For the purpose of comparison we keep our hypothesis same as those in the benchmarking study (Zellweger *et al.*, 2011):

- H1. Higher level of internal locus of control results in preferring founding intention to the succession, and the succession to the employment.
- H2. Higher level of self-efficiency results in preferring founding intention to the succession, and the succession to the employment.
- H3. Higher level of independence motive results in preferring founding intention to the succession, and the succession to the employment.
- H4. Higher level of innovation motive results in preferring founding intention to the succession, and the succession to the employment.

Methodology and sampling

We use multinomial logistic regression as a method for data analysis. The method is selected based on the fact that our dependent variable is categorical, with three possible outcomes. Our central category in all hypotheses is succession intention so we use it also as a reference category for multinomial logistic regression (Gregory *et al.*, 2005). Students were asked to declare their career intention within five years from the completion of their studies and after that period. The three possibilities were: an employee, a family business successor or a founder of a new business.

We have exposed four independent values: locus of control, self-efficacy, independence motive and, innovation motive. In addition to these, two control variables were added: gender (Fisher *et al.*, 1993) and feelings toward family business. To measure each independent value we used a set of questions and for each question a Likert six-point scale ranging from “very unimportant” to “very important”. Six-point scale was used in order to avoid neutral respondents’ decisions which tend to prevail if an even number point scale is utilized for statement evaluation.

The benchmarking study is based on 36,451 students which participated in survey on college-based entrepreneurship conducted in 2006 (Zellweger *et al.*, 2011). Out of the entire sample, 9,904 (27.2 percent) of them had family business background and 5,363 (14.7 percent) students did indicate their career choice. In total, 609 (1.7 percent) students intended to follow their parent’s footsteps in family firm, 1,808 (5.0 percent) will start a new business and 2,946 (8.1 percent) plan to become employees. The questionnaire used in our study was reconstructed from the answers provided in the benchmarking study. Thus, in our case, we deal with a replication of an existing study which at least brings up the benefit to the researchers that they do not need to reinvent the research methodology for the purpose of the study but, they simply use the already tested one (Zahra *et al.*, 2006).

We collected our data on four Slovenian faculties and eight faculties from CEE countries (Serbia, Macedonia, Bulgaria, Croatia, Albania and Romania). The reason behind the selection of particular countries for the study was a pragmatic one: a long-term excellent professional relationship of the researchers which colleagues in the selected countries which were ready to assist with the study surveying mostly their own students. However, the research motivation for the conduction of the study and comparison of the results of CEE and Slovenia was encouraged by findings of the GEM 2012 report in which Slovene economy was classified as an innovation-driven economy while all other studied economies participating in GEM 2012 (Romania, Croatia, Macedonia) were evaluated to be more efficiency-driven economies (Xavier *et al.*, 2012).

The research was conducted in 2012. In Slovenia 577 students were included. In total, 275 of them had a family business background which represents 47.7 percent. We analyzed 221 (38.3 percent) students which did declare their career selection. In CEE countries 1,641 students were involved. In total, 775 of them have family business background which represents 47.2 percent of the sample. In all countries, our sampling approach was a purely opportunistic one: responses were collected in classrooms as a part of the study process, being aware that this approach may in the end result in possible biases of responding and limited generalizability of findings.

The main criteria for asking a certain faculty for cooperation in the study was a personal knowing of a reliable person there who would be able and ready to conduct a survey. Thus, through an informal network of academic colleagues, we were able to approach several schools (faculties) in the listed countries. The contact persons were sent written instruction for the surveying accompanied with the original questionnaire which

was prepared by the researchers in English and locally translated in all the languages of the participated countries. There was no reverse checking of the translation so there is some space for possible “lost in translation” limitations of the study. In the instructions it was clearly demanded that only senior last year students should be invited in sample because they should have been in the life period when some decisions about their life orientation and professional career should be taken. In most cases fellow teachers were kind enough to allow a 30 minutes time interval within the official class hours in which the survey questionnaire, printed on paper, were filled-in by students. After a certain time period, the collected data were input in the database for each country and sent back to Slovenia. The whole process of surveying took for about four months of time.

Our sample structure is shown in Table I where one can see, that parents' involvement in some business activity are vary comparable in Slovenian and CEE samples. On the other hand the gender structure is in both samples more balanced to the male side which cannot be interpreted from the statistical findings but one can speculate that it should probably be the consequence of the different gender structure at the faculties where the survey took place. The questionnaire itself consisted of four pages of questions, all in the form of five-level Likert scale demanding about 15-20 minutes of respondents' time.

Our dependent variable is categorical with three possible dimensions (outcomes) which suggests multinomial logistic regression model as the most suitable method for the statistical analysis (Gregory *et al.*, 2005). We are using linear regression model specified as:

$$Y = A_0 + B_1 \times X_1 + B_2 \times X_2 + B_3 \times X_3 + B_4 \times X_4 + \varepsilon \quad (1)$$

Y is observed categorical value of dependent variable, A_0 is the population intercept, B_i is the partial regression slope parameter and ε is the error associated with prediction for Y. In our case we have four predictors (X_i) and four regression weights (B_i) belonging to the four formerly discussed behavior predictors (locus of control, self-efficacy, independence and innovativeness). It is assumed that no pairs of predictors are correlated to such an extent as to either cause the singularity of the correlation matrix, or to destabilize the estimation of model parameters (population intercept, partial regression slopes). Since all our Pearson correlations are well below the 0.60 cut-off, there is no indication of multi-collinearity. To support this claim variation inflation factor (VIF) was calculated for all groups of students. The values of all VIF factors are less than 1.3 which is well below the suggested maximal cut-off value of 10.0 (Hair *et al.*, 2009) or even 5.0 suggested with more conservative approach (Daniel, 2011). With all our VIF factors between 1.0 and 1.3 we are close to the idealistic value of 1.0.

	Slovenia		CEE countries	
N	221		775	
Male	130	58.8%	505	65.2%
Female	91	41.2%	270	34.8%
<i>Entrepreneurs</i>				
Father	110	49.7%	378	48.8%
Mother	24	10.9%	83	10.7%
Both	87	39.3%	314	40.5%

Source: Own research (2012)

Table I.
Sample structure

Findings

Table II reports the results of multinomial regression analysis for three groups of students with succession intention as reference category. We took West European data from the benchmarking survey (Zellweger *et al.*, 2011).

Locus of control

The results show that students with higher level of internal locus of control will more likely select employment than succession intention in both studied regions (Slovenia and CEE) which also corresponds to the finding of the benchmarking study on this case. On the other hand students with higher level of locus of control in Slovenia will more likely decide for new business than for succession. In Western European countries there was no noticeable difference between the two options: employment or launching a new business (Zellweger *et al.*, 2011). In Eastern European countries just an opposite result is computed out of the collected data. Namely, students with higher level of internal locus of control tend to select succession before new business. Opposing finding for the locus of control for students from east deserves further investigation. However, with a little bit of speculation, this finding can be interpreted with the inclusion of theory of role modeling (Anderson and Cavallaro, 2002): many successful entrepreneurs from transition economies are recognized as heroes and as such also seen in the eyes of their off-springs which may see better opportunity to fulfill their locus of control need through continuation of their role models' (parent's) job. Normally, higher level of internal locus of control should result with more desire for control according to some prior research findings (Krueger, 2003).

Self-efficacy

In the case of self-efficacy in Slovenia our hypothesis can be partly confirmed. It can be seen that Slovene students will more likely select succession of a family business rather than employment or launching a new start-up. The very results for students coming from the CEE are very similar. The main difference comparing to the benchmarking study is that in Western Europe students will more likely choose a career of a founder than a succession of

	Western Europe		Slovenia		CEE	
	B	Exp(B)	B	Exp(B)	B	Exp(B)
<i>Employed</i>						
Locus	0.198	1.219	0.327	1.387	0.281	1.324
Self-efficacy	-0.154	0.857	-0.751	0.472	-0.551	0.576
Independence	-0.898	0.407	-0.254	0.776	0.363	1.438
Innovation	0.039	1.040	0.222	1.249	-0.078	0.925
Gender	0.140	1.150	0.032	1.033	0.379	1.461
Feelings	-1.257	0.285	1.306	3.691	0.166	1.181
<i>New business</i>						
Locus	0.014	1.014	0.230	1.259	-0.161	0.851
Self-efficacy	0.108	1.114	-0.127	0.881	-0.313	0.731
Independence	0.173	1.189	0.180	1.197	0.405	1.499
Innovation	0.327	1.387	0.900	2.460	0.348	1.416
Gender	-0.152	0.859	0.791	2.206	0.711	2.036
Feelings	-0.970	0.379	1.716	5.562	-1.281	0.278

Table II.
Regression
coefficients:
succession intention
is reference category

Sources: Zellweger *et al.* (2011); Own research (2012)

a family business. The explanation of the difference between the West and the East (including Slovenia) may be in the lack of entrepreneurial tradition in the transition economies meaning that entrepreneurial career is still not perceived as a legitimate option for young people yet so, respondents in majority thought that they would better fulfill their self-efficacy motives through continuation of an established family business. On the other hand, also due to the lack of tradition and family business experience all the possible pitfalls of getting involved in a family business by a young person may still be overlooked.

Independence motive

In the case of independence motive our hypothesis for Slovenian students can be confirmed completely. There are some different result for CEE students, where it is evident that students with higher levels of independence motivation will more likely select employment as a career choice before succession of a family business. We again speculate that the reason for this difference is in the fact that entrepreneurship is still a very new and unknown career option in CEE which probably means that entrepreneurs are mostly likely founders of their family firms started more in the beginning of economic transition period. The companies from the beginning of 1990s of the previous century are still run mostly by the founding generation. Potential successors find it too hard to be creative and innovative and to realize and fulfill their own vision and dreams due to the fact that it is almost impossible to apply any major changes in the family business practice and strategy while parents are still active in the family firm. Thus, potential successors may feel that they would be better able to express their eagerness for independency as employees in some successful and prospective company. In the benchmarking study, this hypothesis was entirely confirmed.

Innovation motive

From innovation motive aspect we can confirm our hypothesis partly for Slovene students, where we found out that students with higher level of innovation motivation prefer employment career better than succession of family firm. The situation in Western European countries is similar but still not the same. We see that in Western countries there is no noticeable difference between the two possibilities when we discuss about succession vs employment. In CEE region we can entirely confirm the hypothesis. Thus, potential successors in Slovenia and CEE may feel that they would be better able to express their innovativeness as employees in some prospective development-oriented company.

Hypothesis confirmation

In Table III an overview of our results compared to results of the benchmarking survey in Western European countries in the context of our hypothesis is presented. For each

Hypothesis	Western Europe		Slovenia		CEE	
	OB/FB	SE/EM	OB/FB	SE/EM	OB/FB	SE/EM
1. Locus	0	-	+	-	-	-
2. Self-efficacy	+	+	-	+	-	+
3. Independence	+	+	+	+	+	-
4. Innovation	+	0	+	-	+	+

Notes: OB, own business; FB, family business; SE, self-employed including OB and FB; EM, employee
Sources: Zellweger *et al.* (2011); Own research (2012)

Table III.
Hypothesis
confirmation results
in all regions

region two columns are shown each representing one of the two statements in each hypothesis where first column represents results of preference of having own business over continuing family business (OB/FB) and second column gives results for preference of being self-employed (including both own business and family business) over being and employee (SE/EM).

Control variables

Our control variables show considerable differences between genders. In Slovenia, male students compared to female are more likely to found a new business than to choose the career in family firm. We came to the same conclusion in CEE region while the result in Western region is rather opposite. When comparing employment intention with succession intention, male students compared to female students from all regions prefer employment before succession career, although it needs to be noted that the investigated difference in Slovenia is very low and we could even claim that gender has no major impact on the decision or one's preference. The similar case of a control variable is student's age which gave no results worth of discussion which is in a way rationally expected because vast majority of the students were of very similar age because the criteria for inclusion in the sample was that it should be last year senior students.

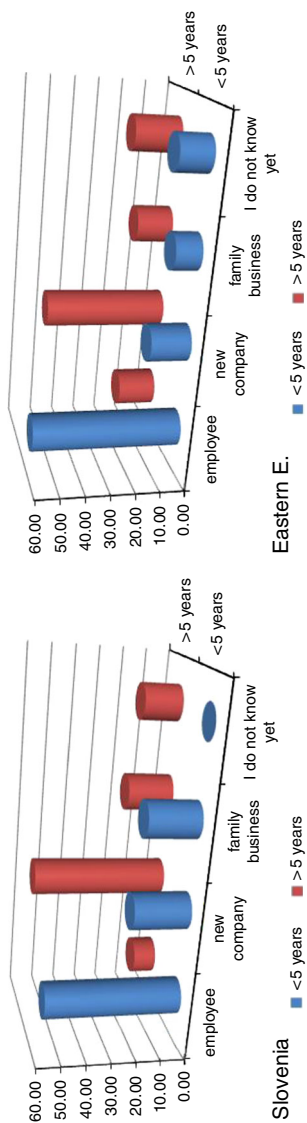
Positive exposure toward family business results in the higher likelihood of preferring the succession career to both alternatives in Western Europe. In Eastern Europe students with positive feelings about family business will prefer employment to succession and succession to new company. Slovene students prefer succession intention to both alternatives. It can be seen that gender and positive feelings have considerable influence on students when they are choosing their career path and that this influence is different in different regions.

Dependent variable

In both studied regions we analyzed and compared student's career choices. Slovene students are very determined about their career choice within the time leg of five years. For the period more than five years after completion of studies more students are undetermined. All percentage shares are similar in both studied regions. It can be noticed that a large number of students selected employment as a career possibility immediately after studies and new start-up after that period. This can lead us to possible conclusion that students need more entrepreneurial knowledge and experience before starting a career as an entrepreneur. On the other side we see that number of students which selected a career of a successor is relatively constant in time which suggests that once they are determined for this career path, they do not expect changes. Our findings are illustrated on Figure 1.

Discussion and implications

By explicitly investigating students with family business background in Slovenia and comparing the results with Western and CEE countries, we believe that our study makes some important observations and contributions to understanding of career decision-making process of young future graduates. Students with higher levels of internal locus of control will more likely choose employment or new start-up rather than succession of a family firm. We concluded that off-springs probably perceive family firm as an environment which imposes decisions and visions. People with higher level of internal locus of control generally feel that they are decision makers since they



Eastern E.

Slovenia

Source: Own research (2012)

Figure 1.
Career choice within
five years after
study and after

know that they only influence the way the events unfold. They see the family firm more as an obstacle which prevents them to shape their own path in the future. Potential successors experience long time exposure to family environment on one side and family business on the other. Students raised in a family business environment are affected by the parent's absence which was usually away due to always urgent business matters. Presumably offspring from family business may be more exposed to this effect in time of adolescence. From early childhood they have to struggle for parent's time and attention. Parents as role models have great influence on future entrepreneurial tendencies of their offspring. Exaggeration in the sense of parent's succession expectations could have substantial negative influence on children with high level of internal locus of control. Consequently potential successor will choose different career path, which gives him more control under events.

Individuals with higher levels of self-efficacy will more likely choose succession compared to new business. Family business is already running. It does have its problems, but on the other hand, all problems can be better controlled due to the fact that the company has a stable organization. Product is well known, workflow is consistent and markets are developed at least at some level. This offers the opportunity to be very effective on selected specific field of work in family firm. New start-up on the other hand, has a lot of variables which usually have negative influence on effectiveness. In all three observed regions, higher levels of self-efficacy mean that students will more likely select one of both entrepreneurial careers (own business or family business) before employment. We can generally claim that students which have family business background and have higher level of self-efficacy will express higher level of likelihood to choose a career path which allows them to make profit directly from being entrepreneurial.

Self-efficacy is also connected with independence motive to some extent. Environment with a lot of co-workers has high demands for constant activity coordination and adaptations. This is typical for employment career path. We suspect that political and economic instability in CEE may have very important influence on our results. Existing economic situation forces individuals with high level of self-efficacy to stay in family business which offers maximal stability on micro economic level.

Individuals with higher level of independence motive will still choose one of two entrepreneurial career paths, but in different order. Their first selection is starting a new business. This is the result which was expected. It is obviously not influenced with the environment since results are same in both regions we analyzed as well as in reference Western European region. New company offers maximal opportunities for independence. The fact that family business already exists and offers more stability does not outperform the desire for independence. Staying in family firm means dependence. Negative influence of parent's expectations could have an important role in this group of individuals since each attempt of influence is understood as a restriction.

Students with higher detected level of innovation motive generally prefer career in their own company compared to family business. This is the expected result. An innovative individual will maximize his/her innovation potential only if he/she has absolute control over the environment. We also see that students are not so decisive when choosing between employment and succession. Only in Slovenia we detected noticeable preference for employment. In other two regions there is no noticeable difference. Stability of existing family firm which was mentioned earlier, has a negative connotation in this case. Stability means that all major business parameters are

precisely defined. For an innovative individual this fact can be easily understood as a serious barrier to introducing and implementing new ideas.

In Slovenia and CEE majority of family firms are still managed by the founding generation. The share of the first generation varies from country to country (from 75 to 85 percent) while less than 50 percent of the founding generation owners/managers is already considering transition to the next generation (Mandl, 2008). Companies are still in the first generation of their life-cycle which usually claims the rights and rewards for business success of the company. These owners usually do not have adequate business knowledge, they rely exclusively on extensive experience, gained in seriously different economic environment and they are often reluctant to any changes. Off-springs are on the opposite side. They have new ideas and usually they are better and formally higher educated. This situation often tends to generate conflicts. This is why family firms should have a very clear vision of introducing an offspring into the business. Parents should be aware of their complex role in early stage of upbringing. In the early years they should spend enough time with children. Later on they should always have time for sharing positive information and feelings about the business with offspring and avoid negative information at all times. In the last stage children should be slowly introduced to the business by taking care about small tasks at first, which will later become more and more demanding. In the end of the day, it is a parent's responsibility to develop the sense of belonging and commitment with their potential successors.

Broadly based international pieces of research have demonstrated that less than half potential successors are prepared to take the responsibility and continue family business (Stavrou, 1999). The reason behind the succession intention are more entrepreneurial than family driven. The important factors are desire to realize own ambitions and independence motive (Vadnjal, 2008). A young person can reach this goal in number of different ways, one of which is a succession career. This is where formal educational system plays an important role by pointing out strengths and weaknesses of different career opportunities.

The educational system should offer more entrepreneurial knowledge and experience since recent surveys prove that entrepreneurial knowledge has positive influence on entrepreneurial aspirations (Vadnjal *et al.*, 2010). The existing system gives students a lot of strict facts but very little creativity. In CEE (and generally in the emerging economies) entrepreneurship still has some negative image and connotations which may be the consequence of the present political and economic situation as well as historical reasons (Kiss *et al.*, 2012). It is very important to change this attitude and to create a positive entrepreneurial environment which will offer knowledge and opportunities for getting experience. The fact that family businesses constitute a substantial part of the existing European companies and have a significant role to play in future strength of the European economy, specific actions should be undertaken to shape the environment in favor of family business.

Our study is limited by relatively low number of students included in the survey which resulted with not significant parameter values. We also did not consider number of siblings and their birth order which also may have an impact on individual career decision. Considering the opportunistic approach, samples used in the survey were not random and properly balanced between countries.

The first implication of the study would be for sure in the field of business education and training. What is included in majority of entrepreneurship and small business management undergraduate and graduate programs' curricula is a basic entrepreneurship course and managing growing business course which cover entrepreneurial process and

start-up skills on the first hand, and skills for managing growth (mostly management technics and advanced business finance). Also courses on family business are usually found in business schools in the environments with longer tradition in business education (in our case Western Europe). On the other hand, family business as a topic is still not frequently present in the curricula at East European business school which should become aware that this may be probably one of the most important issues in the broader topic of entrepreneurship and small business management.

The second implication needs to be addressed to policy makers and professionals who may become aware that classical paradigm on assisting family businesses which is helping them in their transitions into next generation periods, may be enhanced into the consideration of having family businesses with their ambitious second generation successors as potential new venture starters. They have the positive experience and business attitude from their families. With the combination of their four, in this paper discussed, critical success factors for decision making for entrepreneurial process, they may be an important source of the new venture creation in the future.

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