

SUCCESSION MANAGEMENT IN ROMANIAN SMEs

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Abstract:

In this article, we intended to conduct an explorative analysis of how Romanian entrepreneurs relate to the issue of succession in their business. The data was collected through an online questionnaire, which was answered by 70 entrepreneurs. The main aspects investigated were the way in which Romanian entrepreneurs plan their retirement and succession and the preparation of future successors. Following this study, our main conclusion is that the owners of family businesses in Romania don't yet see this issue as being important.

Keywords: succession, SMEs, family business, successor.

1. Introduction

Small and medium-sized enterprises are the "backbone" of an economy, one of the engines of the community's economic and social well-being. Within them a very important category is represented by family businesses (figure 1).

Thus, over 50% of companies opened in European countries are family businesses (with the exception of Lithuania, where the percentage of family businesses in the total number of companies is 38%). In most countries the percentage is over 60%, reaching even 90% in countries such as Cyprus, Estonia, Slovakia.

Family-owned companies face, at some point in their lives, the problem of succession, which is not at all easy.

Annually, at European level, 450,000 companies are in this situation, with around 2,000,000 employees employed. Due to the problems generated by the succession, about 150,000 companies are forced to close every year (at European level), losing about 600,000 jobs (EP, 2015)

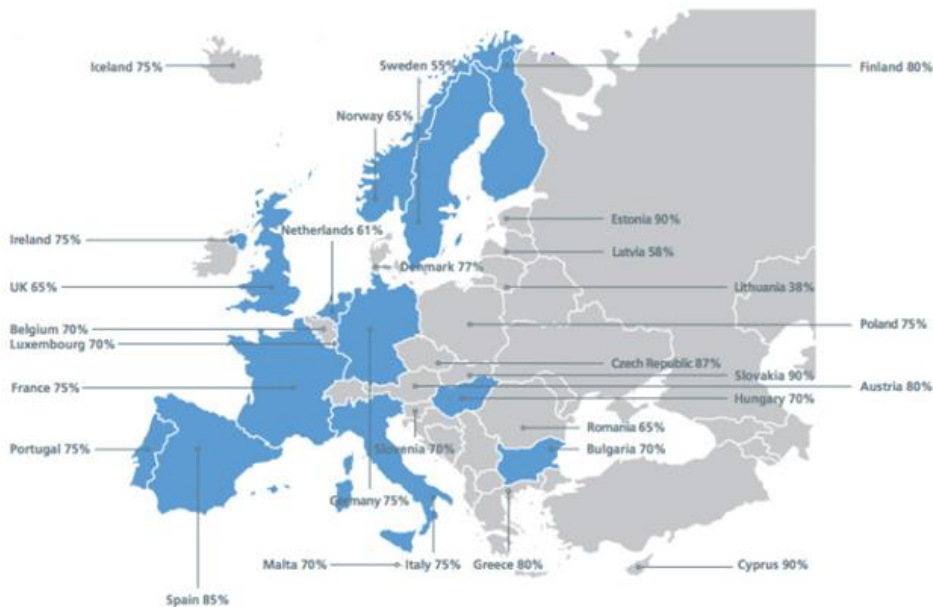


Figure 1. Percentage of family businesses in the total number of companies

Source: <http://www.europeanfamilybusinesses.eu/family-businesses/facts-figures>

The entrepreneurial system in Romania is in a very important stage of its evolution, in which many businesses face their first-generation exchange (Hategan et al, 2019). During this stage, or, more correctly, after, it will be observed that companies will be in one of the following three situations: keeping the family business by transferring it to the next generation, selling it or even disappearing it altogether. The magnitude of the effects for each of these three situations is very difficult to predict, but certainly in the future there will both success and failure stories of family-owned businesses.

Given that entrepreneurs accept the need to prepare for the succession, they must understand that this is a long process, which involves developing a strategy, including certain costs for the operationalization of this strategy.

2. Literature review

The Romanian entrepreneurial environment is “in the most important situation in the 29-year history of Romanian capitalism, the situation in which the first exchange of generations takes place” (Nicolae, 2015). Entrepreneurs who started businesses in the 90’s (at the age of 30-40), will face soon enough the decision to keep the family business or sell it, no longer having the energy or the health to manage it.

If in developed countries, with a consolidated market economy, family businesses have a great tradition and 3-4 generational exchanges have taken place within them, in Romania the experience of successions is very low, and models of good practices for such process have not yet strengthened. The problem is not simple at all and involves a series of challenges, both for the one in charge and for

the identified successor (Nicolae, 2015). Sometimes the implications can be wider for several people. Approaching the moment of a succession, its announcement can generate certain tensions, intrigues between potential successors, can lead to a tough competition between them, with less ethical means, destructive for business (Kirby and Lee, 1996, p. 76; Davis and Harveston, 1999).

The basis of any business process should be a rigorously developed plan. The succession at business level cannot be an exception either, which, in order not to result in negative consequences, must be planned ahead. Tatoglu et al. (2008, p. 156) shows, investigating several studies in the field, that only 3 out of 10 companies survive in the second generation and only 15% in the third generation. Also, Mokhber et al. (2017) show that approximately 70% of small family businesses collapse due to lack of succession planning. The owners of family businesses in the Romanian business environment are no exception. Just as many companies do not develop operational programs, business plans or, even less so, a business strategy, so many entrepreneurs do not treat the issue of their retirement as being important and, thus, don't develop a succession plan (Capital, 2012).

Succession is not a moment (which appears when the former owner/managers retires), but a long process, with several stages (Sharma et al., 2003, p. 3). The succession plan must start long before the owner/manager's retirement and it must start from a very "early" stage in the successor's life (Mokhber et al., 2017).

Sharma et al. (2003, p. 3), following a wide literature review, identifies the following stages of a succession planning process:

- selecting and training of a successor;
- developing a vision or elaborating a strategic plan after the retirement the current owner / manager;
- defining the role of the retiree (before the actual moment of "handing over the baton" and afterwards);
- communicating the decision to key stakeholders.

Thus, a first problem that appears in the succession process is the identification of the most suitable successor. The choice of one of the options for transferring control over the company is influenced by several factors: education, professional experience (not only its duration and nature, but also professional successes and failures), professional and soft skills, social capital (interaction with company stakeholders), personality traits, age, sex, passions / hobbies, signs of interest in business and to take over the business, relationship with family, relationship with the current owner / administrator of the business, interactions with him during the process of preparing the succession, similarities (personality, behavior) with the current owner (Schlepphorst and Moog, 2014, p. 370). The successor can be chosen from the family or from outside it, for each of these alternatives there are pros and cons (Hnátek, 2012). The identification/non-identification of a successor can influence the evolution of a company even before old owner/manager's retirement. Thus, Schiefer et al (2018, p. 289) show that entrepreneurs in an "aged" enterprise, who have not identified a successor, are no longer concerned with the long-term development of the company, no longer invest and no longer encourage innovative approaches.

Another extremely important part of the succession process is the preparation/training of the successor. Cabrera-Suárez (2001, p. 41) presents a process of knowledge transfer (tacit transfer between predecessor and successor)

and successor development. According to this model, the process has several determinants including: the motivation of the predecessor (for succession), the motivation of the successor, the quality of the predecessor-successor relationship, academic training and experiential training through business involvement, specific business elements (economic/financial situation, culture, specific elements related to different categories of stakeholders); family context (cohesion, adaptability, commitment to business).

Another important element of the succession process is the role assumed by the predecessor in the succession process. From this perspective, Hisrich and Ramadani (2017, p. 222), analyzing the literature, identified and presented a process of succession with the following stages:

- incipient phase (initiation phase): in this stage the current business owner has total control of the business. However, he begins to think about the prospect of retirement, has identified a potential successor and gives him some opportunities to get involved in the business.
- integration phase: in this second stage the successor will be more and more involved in the business. He goes through a so-called "apprenticeship" period in which he must accumulate technical knowledge in the field of business and managerial skills.
- co-management phase: in this stage the successor receives an official role (a management position) in the business and there is a progressive transfer of responsibility, know-how and authority from the predecessor. In order to avoid the appearance of tensions, of role conflicts between the two, a clear separation of tasks must be achieved.
- disengagement phase: in this stage the predecessor withdraws progressively, successively giving up certain attributes of management. The stage ends when the predecessor effectively retires and transfers the responsibilities, leadership, authority and ownership of the successor.

Any process of succession is a process of change at the organizational level that can meet resistance at the individual, interpersonal and group level, organizational and environmental (Handler, 1994). Under these conditions, resistance to change is reduced, among other things, if: the predecessor has the ability to dissociate from the company and to give technical advice and advice to the successor; communication is sincere and informed; the successors are perceived as being able to get involved in the business; power is shared; organizational culture supports the continuity of the company; the organizational structure promotes delegation; the environment is problematic (Handler, 1994, p. 146).

In Romania, studies on succession management are not very numerous. In 2015, PricewaterhouseCoopers conducted a broader analysis of this issue. We note from the PwC report some figures: 48% of the Romanian entrepreneurs included in the study plan that after their retirement they will transfer both the ownership and the management of the organization to the new generation; 31% aim to transfer ownership to the new generation, but to hire an external professional management; 80% of the members of the next generation already work in the enterprise (PwC, 2015, p. 3).

Another important study on this topic, in the local scientific landscape, is the one conducted by Hategan et al (2019). The study was conducted on a sample of 201 enterprises, active on December 31, 2017, with a turnover of more than 46

million RON (approximately the equivalent of 10 million euros), with a history of over 20 years, who registered a profit, having as Romanian resident owners. We summarize some of the aspects revealed by this study (Hategan et al., 2019, p. 11):

- 74% of businesses still have the first generation of owners (compared to 45% in the EU and 47% globally);
- in 77% of the companies in the sample, the members of the next generation are involved in their management (compared to 45% at EU level or 43% globally);
- 48% of respondents believe that the involvement of members of the next generation in management requires experience outside the family business of 3-5 years;
- 13% of respondents intend to sell or publicly list the company (compared to 10% in the EU and 17% globally);
- 47% of respondents thought about succession (compared to 50% at EU level and 55% globally), and 13% discussed and documented a succession plan (compared to 22% at EU level and 15% at EU level). global).

3. Research objectives

The research was descriptive and exploratory, predominantly quantitative. We opted for such a research because I found that in the Romanian economic literature the issue of succession management in family businesses was little addressed (Fotea et al., 2017; Isac, 2019; Stănculescu et al. 2019; Hategan et al., 2019).

The main objective of this research is the analysis of the way in which Romanian entrepreneurs plan and organize their retreat and succession. Derived from this objective, we formulated the following research questions:

- RQ1: What are the entrepreneurs' intentions after they retire from business?
- RQ2: What are the main challenges that the successor would face in taking over the business?
- RQ3: What is the level of knowledge and skills required for the successor to take over and successfully run the business?
- RQ4: Is there a direct link between the age of the predecessor and his attitude towards the succession process?

The questions were formulated starting from the main themes and challenges identified in the literature presented in the first part of the article aiming at achieving the general objective of the research. The questionnaire was applied online, between 5.03-5.04.2019 and was posted in several Facebook groups dedicated to entrepreneurs (Romanian Entrepreneurs Group, Management & Marketing Club) but also sent directly as a message to some of them.

Following this endeavour, we received 70 responses from entrepreneurs who own small and medium-sized business, most of them family businesses. Given the exploratory nature of the study, we consider the sample size to be acceptable.

4. Results and discussion

We will start our analysis with the sample's structure. Thus, out of the 70 respondents, 52.9% are female and only 47.1% are male, an aspect which may raise questions about the sample's representativeness. Badea (2017), citing a Mastercard study from 2017, shows that Romania ranks 28th in the world in terms of female entrepreneurship, 25.3% of businesses being owned by women. According to ONRC (National Trade Register Office) statistics, in September 2020, 37.31% of the Romanian legal entities' shareholders were women. Taking into consideration,

besides these statistics, that the number of Romanian female shareholders is increasing and the exploratory nature of the study, we appreciate that its findings are of interest, even in the conditions of this structure of respondents.

Regarding residence, 88.6% of the participants are from urban areas and 11.4% of entrepreneurs have a company in rural areas. We appreciate that the distribution is representative for the current situation of entrepreneurship in Romania. Entrepreneurship in rural areas is less developed in Romania for several reasons: the aging population; the migration of an important part of the active population abroad; underdeveloped infrastructure; lack of support funding programs. We have not identified an official statistic on this issue. However, at the call for the Start-up Nation program in 2017, for example, 76.17% of urban projects and 23.83% were submitted (a distribution not very different than our sample's) (Marinescu, 2017).

In terms of age, most of the respondents (61.43%) are between 31 and 45 years old. The sample includes a fairly large share (11.43%) of entrepreneurs aged between 46 and 60, the age at which they should start thinking about the issue of succession. The complete structure of the sample according to age is shown in Figure 2. We can observe that there are differences between the sample's structure and the distribution of legal entities active in Romania, based on the shareholders' age (according to the latest statistics from the National Trade Register Office, from September 2020): 8.13% with shareholders under 29 years old; 25.94% with shareholders between 30 and 39 years old; 29.07% with shareholders aged between 40 and 49 years old; 19.85% with shareholders aged between 50 and 59 years old; 17% with shareholders over 60 years old. From our point of view, succession management studies should not focus on organizations where entrepreneurs have exceeded a certain age (as it is the case with most research), but should be conducted on samples comprising entrepreneurs of all ages, the succession being a long-term process, initiated long before the retirement of the current owner / manager.

An important element, which will be used in the responses' analysis and discussion, is the respondents' average age: 38.7 years.

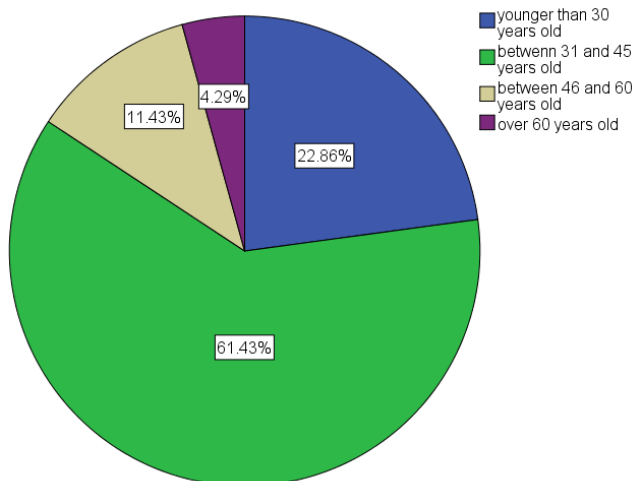


Figure 2. Sample distribution based on the respondents' age

Source: Authors' processing

The distribution of the respondents based on the maturity of their businesses is presented in Figure 3.

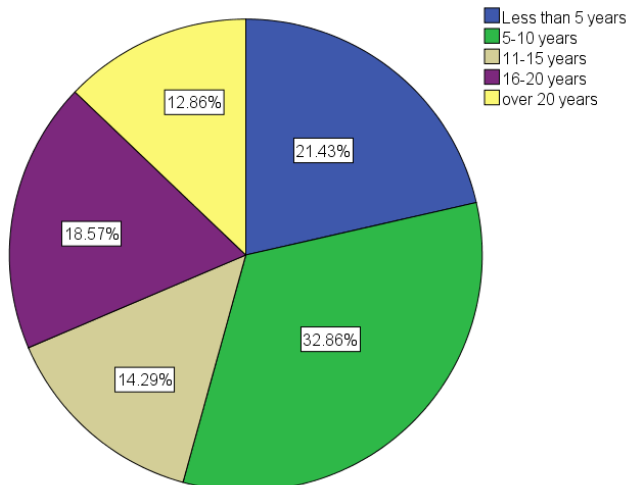


Figure 3. Sample distribution based on the respondents' businesses' maturity

Source: Authors' processing

Most respondents have had a business for less than 5 years (32.86%), but the structure of the sample is quite balanced, the survey being answered even entrepreneurs with businesses of over 20 years (12.86%). We must not forget that the history of entrepreneurship in Romania is relatively short and also that the demographics of SMEs in Romania are very dynamic, caused by the instability of the business environment in these years of transition.

Regarding the industry in which the respondents' business operate, the structure of the sample is as follows: trade - 20%; manufacturing- 15.7%; constructions - 8.6%; services - 4.3%; agriculture, forestry and fishing - 4.3%; IT - 2.9%; financial intermediation - 2.9%; others - 41.3% (management consulting, IT, accounting, MLM, etc.).

The first research question focused on analyzing the entrepreneurs' intentions after they retire from business. The entrepreneurs' intentions after they retire from business are represented in Figure 4. 50% of the respondents state that they "do not know / did not think" about this decision, which obviously is equivalent to the lack of a succession plan if we consider the average age of the respondents). Surprisingly, a fairly large share of entrepreneurs (14.3%) expect to sell the business after retirement, which means that no potential successor has been identified. Only 2.8% of respondents say they will never retire from running a business (they will stay as long as their health allows, regardless of age).

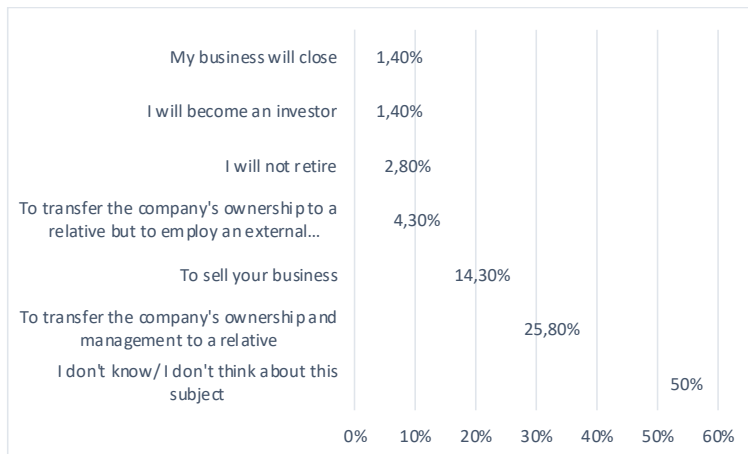


Figure 4. The entrepreneurs' intentions after they retire from business

Source: Authors' processing

The second research question aims to identify the main challenges that a successor would face when taking over the business. Related to this research question, the questionnaire included an open-ended question in which the entrepreneurs were asked to indicate what would be the most difficult thing, in their opinion, for the potential successor. A first part of the respondents considers that the main challenges that the successor could face are those coming from within the company: adaptability to the environment and the workload required by the company, working with people and training competent employees. The second part of them shows that the main challenges of the successor will be those from the general environment (economic, political-legislative, technological and socio-cultural), respectively: fiscal instability, lack of labor, and one third of those interviewed believe that the challenges of the competitive environment will hinder the successor, namely: facing unfair competition, maintaining the competitiveness of the business and developing it through continuous innovation. Very few respondents link the challenges to the personality, training or experience of the successor, mentioning perseverance, taking responsibility, understanding the company's philosophy, mastery of technical notions and keeping calm.

Questions 3-6 in the questionnaire focused on the successor and the qualities and skills needed for the succession to be successful.

The answers collected to question 3 show us that in 52.9% of cases there are other family members who work in the business and only in 47.1% other members are not involved in the company's activity. Given the average age of the respondents, it is very likely that the main cause of non-involvement of the descendants in the business is their young age.

According to the answers to question 4, 28.6% of all respondents specifically prepare one or more family members to take over the business after their retirement, and the remaining 71.4% are not particularly concerned about this. We reiterate the argument that the rather low average age of survey participants may be an explanation for this very large share of those who have practically not started preparing for their succession.

According to the answers to question 5 (represented in figure 5), 32.9% of the total respondents consider that for the successor, practical training through involvement in the business is more important than academic training, 2.9% consider that academic training is more important than practical training, and 64.2% consider that practical and theoretical training are of equal importance in the development process of the successor.

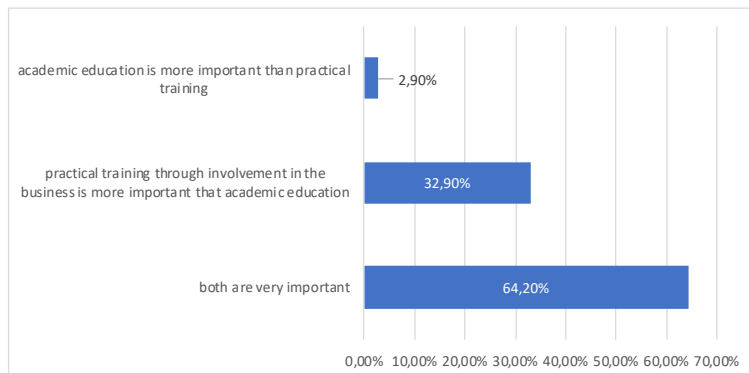


Figure 5. The importance of academic training vs. practical training in the success of succession

Source: Authors' processing

The new generation is quite well educated from an academic point of view, graduating from a more prestigious university in Romania or even abroad, but due to the fact that the academic environment does not offer much practical experience, young people, following their graduation, need an active, intense practical experience before taking over the family business. Entrepreneurial parents must give them the opportunity to be directly involved in the day-to-day running of their own business and give them sufficient autonomy to act, including making some mistakes. From their own experiences (successes, but especially failures) children / heirs can learn and thus can develop (Nicolae, 2015).

Question 6 asked respondents to indicate the optimal age at which they believe the successor should take over the business. The answers are summarized in Figure 6. 60% of respondents consider that this age is between 25 and 35 years. We consider it an age that allows both the accumulation of a professional experience and the enthusiasm to inspire a "new breath" of the business. Somewhat surprisingly, one of the respondents considers that the optimal age at which the successor could take over the business is 20 years old. We consider, without knowing the specific situation of the respondent, that 20 years old is too young for such a challenge, both in terms of theoretical education (it is very possible, that at such a young age, the successor has not completed his studies) and practical experience. However, it is possible that the respondent was thinking about involving the successor in the company's management starting with that age. We should also note that 10 of our respondents cannot specify an exact age, 3 of them saying that the successor should take over the business "when he is prepared".

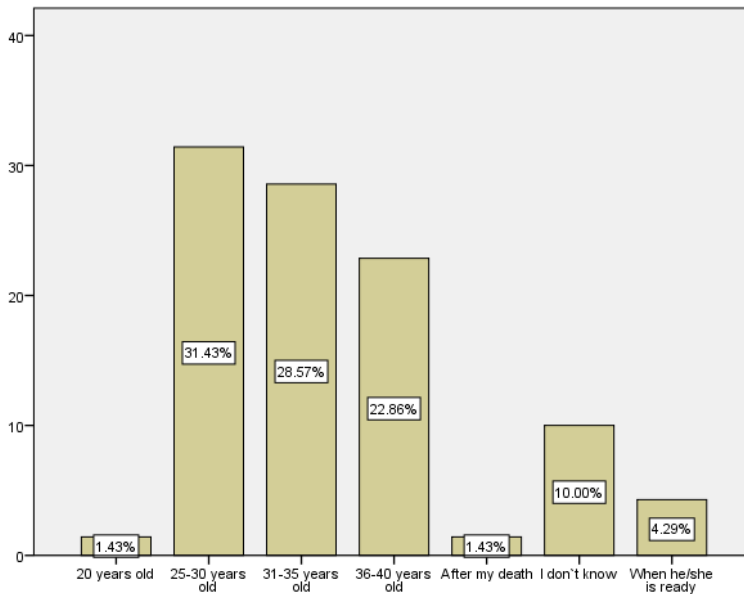


Figure 6. The optimal age of the successor

Source: Authors' processing

To answer the last research question, we analyzed the answers to question 7 which was composed of 8 Likert-type sub-questions, with a scale from 1 - Total disagreement to 5 - Total agreement. The questions as well as the average answers to the 8 questions are presented in Table 1.

The average response of the first sub-question (3.46) suggests that the respondents are eager to educate their young descendants by preparing them for a career in business.

Table 1
Entrepreneurs' attitude towards certain dimensions of succession management

	Min.	Max.	Mean	Std. Dev.
I have involved my potential successor (children, other family members) from a very young age in the business.	1	5	3.46	1.259
I have not tried to influence / I will not try to influence my potential successor to change their option if they wanted / will want another career than that of running the business.	1	5	4.04	1.160
I have guided / will guide my successor (children, other relatives) in choosing studies that will allow them to manage the business professionally.	1	5	2.90	1.206
The potential successor should have management experience in another company.	1	5	2.81	1.183
I think it takes a certain amount of time to manage the business with my successor.	1	5	3.96	1.148
I don't think I will completely retire from the management of the company, as long as my health will allow it.	1	5	3.40	1.290

At some point my retirement will be necessary to give a "new breath" to the business.	1	5	3.51	1.282
I am confident that potential successor will manage the business well.	1	5	3.66	1.075

Source: Authors' processing

The average response of the second sub-question is 4.04, which conveys that respondents believe that they should not influence potential heirs to change their choice if they want a career other than running the business and they will respect their choice.

The average of 2.90 in the third sub-question indicates that the respondents did not plan to orient their heirs in choosing studies that would allow them a more efficient administration of the business.

The average of 2.81 in the fourth sub-question may lead us to the conclusion that the involvement of the potential successor in the management of another company, prior to involvement in the family business, is not considered necessary by the entrepreneurs. Our opinion is that such an experience would be useful, giving the successor the opportunity to face a wider range of situations from which he can learn in the field of profession or from a managerial point of view.

The average of 3.96 in the fifth sub-question shows that entrepreneurs are aware of the need to run the business together with their successors before handing over power to them.

The last three sub-questions should be discussed together. The average of 3.40 answers to the sixth sub-question indicates that most entrepreneurs will not retire from running the business as long as their physical and moral condition allows. The average of 3.51 in the seventh sub-question indicates that a significant part of the current managers agrees that their retirement in favor of the successor will be necessary for an innovative change in the business. The average of 3.66 in the eighth sub-question indicates that most respondents are confident in the successor's ability to effectively manage the business. Although the average for sub-question 6 is high (reflecting a tendency of entrepreneurs in general, those in Romania in particular, to consider themselves irreplaceable), the fact that it is lower than the average for sub-questions 7 and 8 makes us believe that at some point Romanian entrepreneurs will understand that they will have to hand over the baton.

Finally, we analyzed the differences regarding the approach of succession, according to the respondents' age. First, we conducted a chi-square test to check whether there are significant differences between how entrepreneurs up to 45 years old (inclusive) and those over 45 years old prepare their successor (based on the answers to question 4 in the questionnaire). The results are presented in Tables 2 and 3. It is found that the chi-square coefficient is not significant, so there are no significant differences between how the entrepreneurs from the two age groups prepare their future successor.

Table 2

Age – Succession Crosstabulation

			Are you preparing one / more members of your family to take over the business after your retirement?		Total
			Yes	No	
Age	Over 45 years old	Count	6	5	11
		Expected Count	3.1	7.9	11.0
		Residual	2.9	-2.9	
	Up to 45 years old	Count	14	45	59
		Expected Count	16.9	42.1	59.0
		Residual	-2.9	2.9	
Total		Count	20	50	70
		Expected Count	20.0	50.0	70.0

Source: Authors' processing

Table 3

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)
Pearson Chi-Square	4.314 ^a	1	.038	.065	.047
Continuity Correction ^b	2.936	1	.087		
Likelihood Ratio	3.943	1	.047	.065	.047
Fisher's Exact Test				.065	.047
N of Valid Cases	70				
a. 1 cells (25.0%) have expected count less than 5. The minimum expected count is 3.14.					
b. Computed only for a 2x2 table					

Source: Authors' processing

We further investigated whether there are any differences between the responses of entrepreneurs of different ages to the 8 sub-questions of question 7.

In Table 4 we have a summary of these differences that we will analyze further.

Table 4

Differences in attitudes between entrepreneurs towards certain dimensions of succession management according to age category

Age	Sub-question	SQ1	SQ2	SQ3	SQ4	SQ5	SQ6	SQ7	SQ8
	younger than 30 years old		3.13	4.25	3.06	2.50	3.94	3.44	3.06
between 31 and 45 years old		3.63	4.12	2.77	2.98	4.05	3.44	3.74	3.77
between 46 and 60 years old		3.50	3.75	3.50	2.75	3.50	3.25	3.63	3.50
over 60 years old		2.67	2.67	2.33	2.33	4.00	3.00	2.33	2.33
Total		3.46	4.04	2.90	2.81	3.96	3.40	3.51	3.66

Source: Authors' processing

Figures shaded in yellow indicate averages that differ significantly from the general average of attitudes. Significant differences are found among people over the age of 46, which indicates a different way of thinking than younger people, a difference in mentality due to the different socio-cultural conditions in which they lived and they were educated.

Entrepreneurs up to the age of 60 consider the involvement of successors in the business from a very young age to be much more important than those over the age of 60. From the way the question is formulated, it is possible that for entrepreneurs over 60, the answer is a recognition / awareness of a past behavior.

Respondents over the age of 45 have tried / will try more to influence the successors to change their option to pursue a career in another field, in favor of running the business, than those who have not reached the age of 45. We do not consider it a positive thing as it is important for the successors to show interest, passion for involvement in the family business. Hiring a professional manager from outside the family or even selling the business can be better solutions for a family business if the successors are not interested in taking over.

People over the age of 60 had a more reserved attitude regarding the orientation of the successors towards pursuing studies in the field of their business. In this case we believe that the importance of learning only from practice is overestimated. Of course, practice is important, but in the face of a rapidly changing external environment, "playing by the ear" management can no longer be a long-term winning solution.

Also, respondents over the age of 60 do not consider that running another business is necessary in the development of their successors unlike those who have not yet reached this age. From our point of view, a management experience outside the family business can be an important source of learning, it can allow the successor to validate certain skills, it can increase his self-confidence, elements that will help him a lot when he takes over. family business.

Regarding the need for a period in which the owner of the company to manage the business together with his successor in order to prepare him, there is a greater disagreement on the part of people aged between 46 and 60 years. In our opinion, formalized or not, a period of co-leadership is absolutely necessary in order to avoid organizational turmoil. In fact, in the literature all authors talk about the need for such a stage in the process of succession.

Respondents over the age of 46 find a less intense desire to stay in business as long as their health allows. This result is telling us that they are tired of the business environment and that they would like stability in their daily lives, without worries and problems. This deviation is also due to the motivation, ambition and perseverance that disappears with age.

People over the age of 60 believe less that their retirement from the business will cause a positive change in its evolution and they also have less confidence that potential heirs will manage the business well. The source of these different attitudes is represented by the different education received in childhood and adolescence of people over 45 years and those up to 45 years.

5. Conclusions

Most entrepreneurs from our sample do not yet have a clear picture of their intentions after retiring from the business environment. 50% of the respondents in

our study stated that they did not think about the time of their retirement from the business or the succession process, which obviously leads to the idea that the succession process is not prepared or is followed superficially. The age of the respondents could explain, to a certain extent, this lack of concern (51 of the respondents are under 45 years old).

Analyzing the correlation between age and the attitude of entrepreneurs, we noticed that there was a direct link, although not very strong. The age difference influences the attitude of entrepreneurs towards certain important aspects of the succession process. Thus, people under the age of 46 seem to think / worry more seriously about the succession process, although the moment of succession is not so close.

The main challenges for the future successor are identified as: adapting to the environment and workload required by the company, working with people and training competent employees, fiscal instability, lack of labor, facing unfair competition, maintaining business competitiveness and developing it through a continuous innovation etc. We find that most of these challenges are related to the external environment of companies, respectively very few respondents identify potential problems as related to the personality, skills, abilities of the successor. This perspective also imprints a certain architecture of the preparation of the succession process.

Aware that "family wealth" depends on the skills of the successor and the results it will bring to the company through the challenges listed above, business owners place special emphasis on the level of education of the successor. According to them, combining theoretical knowledge with practical experiences is the "key" to training successors capable of managing the business efficiently. However, about a third of respondents consider practical training to be more important, minimizing, in our opinion, the role of sound theoretical training in business administration.

In summary, the owners of family businesses in Romania do not yet give much importance to the planning and the way in which they will organize the process of withdrawal and succession itself. Most do not have a special plan of succession and are guided, seemingly, by the premise that everything will happen "by itself". This attitude is not appropriate for the current period, when changes in the economic environment take place at a very high speed and adapting to these changes requires solid theoretical training, practical experience, and certain attitudes (developed even from a very young age) by entrepreneurs. from family businesses.

The limitations of our study are related to the small sample size and the exploratory nature of the research. A first future direction of research will aim to identify predictors for succession management within a family business. Also, as a second future direction of research, we intend to conduct a study in which the sample will be represented by successors who have already taken over business, seeking to identify their profile, how they were prepared, the main problems with which faced at the takeover, the results obtained in the period immediately following takeovers.

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