THE SUCCESSORS OR THE NEGLECTED PERSPECTIVE IN COMPANY SUCCESSION IN FAMILY FIRMS (SUMMARY)

Susanne Durst
*University of Liechtenstein, susanne.durst@hochschule.li*

Urs Baldegger
*University of Liechtenstein*

Frank Halter
*University of St. Gallen*

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SUMMARY

THE SUCCESSORS OR THE NEGLECTED PERSPECTIVE IN COMPANY SUCCESSION IN FAMILY FIRMS

Susanne Durst, University of Liechtenstein, Principality of Liechtenstein
Urs Baldegger, University of Liechtenstein, Principality of Liechtenstein
Frank Halter, University of St. Gallen, Switzerland

Principal Topic

A review of articles dealing with successors has shown a main consideration of the successor from the perspective of family succession. Thereby, the topic is mainly considered from the incumbent owner’s standpoint or that of the family, thus, only unbalanced insights into the dynamics of company succession are provided. However, with regard to the future, the successor’s perspective is more decisive as he or she represents the person who is in charge of the company’s continuity. Additionally, recent research implies that non-family succession is upgraded in relation to family succession. Overall, it can be argued that an increased focal point on successors’ special requirements is highly in need.

By taking the successor’s standpoint in this study, we examine if there are potential differences between external and internal successors regarding the succession process. Particularly, we are interested in identifying likely differences between the two types of successor regarding their need for support, their level of qualification, and their succession preparation.

Method

To meet our objectives our study is based on a survey including 174 family and non-family successors from Switzerland.

Results and Implications

We found particular differences between family and non-family successors regarding the three research questions posed. Although all successors need support during the succession process, our findings suggest that the kind of support differs considerably between family and non-family successors. Especially, the latter seem to have an enhanced need for support, which might be in consequence of the higher information asymmetry given. Our findings further suggest that a higher level of qualification and a higher degree of professional experience with non-family successors have to compensate for a reduced succession preparatory stage.

The insights gained in the process of company succession can be seen as contributing to the development of appropriate entrepreneurship education programs as here family and non-family successors obtain the relevant knowledge and skills needed to run the business in the future. Furthermore, our findings can help business consultancy firms in their efforts to develop suitable measures regarding company succession.

CONTACT: Susanne Durst; susanne.durst@hochschule.li; (T): 00423 – 265 -1273 ; (F): 00423 – 265 – 1271 ; University of Liechtenstein, Fuerst-Franz-Josef-Strasse, 9490 Vaduz, Principality of Liechtenstein.