

SUCCESSION INTENTIONS ACROSS THE GLOBE: THE ROLE OF INSTITUTIONAL FACTORS

ABSTRACT

While succession intentions have received increasing scholarly attention in recent years, there is a lack of knowledge about country-level antecedents and differences. Our paper aims to close this gap by investigating succession intentions of 6,360 students with family business background from 26 countries. More specifically, we blend theory of planned behavior with institutional theory and find that institutional variables such as individualism, uncertainty avoidance, and the level of corruption explain the formation of succession intentions over and above traditional theory of planned behavior elements. In addition, we reveal a U-shaped relationship between a nation's level of economic development and the strength of succession intentions. This indicates the existence of two types of succession intentions: necessity and opportunity succession. These findings add valuable insights to literature on family businesses, succession, theory of planned behavior, and practice.

INTRODUCTION

In recent years, scholars have increasingly investigated what makes individuals want to join their parents' business (Schroeder & Schmitt-Rodermund, 2013; Schroeder, Schmitt-Rodermund, & Arnaud, 2011; Zellweger, Sieger, & Halter, 2011). However, even though family firms are deeply embedded in their social and institutional context (Le Breton-Miller & Miller, 2009) and career choice intentions, such as succession intentions, are assumed to vary considerably across institutional contexts (cf. Linan & Chen, 2009), a detailed investigation of