



**Microeconomics**

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**ENTREPRENEURSHIP  
AND FAMILY BUSINESS SUCCESSION  
IN GREECE**

**Abstract**

The aim of this article is to gather quantitative and qualitative data on the current state of family business succession and transfer in Greece, as well as to record the current demands and needs for business support during the succession process. The sample of enterprises participating in the research comprised of 130 companies from various business sectors, sizes, and locations in Greece, classified by their number of employees. The research work aims to depict the current situation by showcasing testimonials of entrepreneurs/business owners, representatives and executive members of enterprises with regard to business succession. The findings of this study can be used to draft proposals and make policy recommendations, as well as to build a database to prepare and implement a succession business plan, with the ultimate goal of developing new strategies to strengthen and support the family business succession in Greece.

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### **Key Words:**

entrepreneurship; family business succession; opinion research; Greece.

**JEL:** M12, M51, O12.

8 figures, 20 tables, 17 references.

### **Problem Statement and Literature Review**

**The purpose of this study** is: (a) to gather quantitative and qualitative data on the current state of family business succession in Greece; (b) to record the current demands and needs for business support during the succession process; and (c) to examine and present the context and the issues of the SMEs related to the procedures of succession of property. This is aimed at the implementation of effective policies and new measures of succession by the Greek national and regional authorities in order for the applied policies and the designed action plans to allow the successful handling of obstacles and ensure business viability.

By exhibiting the viewpoints of entrepreneurs/company owners, representatives, and executive members of enterprises with relation to business succession in Greece, the research work seeks to illustrate the current scenario in the framework of: (a) reference to secondary research; (b) passages of political discourse and argumentation, as articulated by social partners, organizations and bodies (e.g., committees) of the central and local/regional government; and (c) the specific findings of the opinion research undertaken for the scheme's deliverable *Action Plan for the Implementation of Effective Policies and New Succession Measures in Greece* within the applied framework of the «Enhancement of the Competitiveness and Sustainability of European SMEs through Succession Procedures and Models» (hereinafter «Success Road»), which was funded by

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the European Programme of Cross-Regional Collaboration: Interreg Europe 2014-2020 (Greek Ministry of Economy and Development, 2021).

The process of transferring management and ownership of a family enterprise to the following generation is known as family business succession. Family assets could be included in the transition as well. Both the managerial succession and the ownership succession are often controlled by family members. The effectiveness of the succession process will therefore depend on how well the family component is integrated and managed. By definition, business succession plans normally entail a recognizable set of characteristics which ought to precede the actual succession enquiry. According to Christensen (1953), a succession plan should incorporate determining the majority of possible successors, defining the successors' qualities, and notifying the successors' profile. Ward (1987) and Lansberg (1988) add the demand for training, thus shaping a post-succession vision.

The choice of business successors is influenced by the business owners' faith in the successor's skills and goals, which encourage the owner to provide the successor with additional opportunities to exercise autonomy inside the enterprise (Gagné et al., 2021). It is critical to identify the elements that affect how involved the next generation is in their family enterprises given the issue of impending business succession. Members of the next generation evaluate how their parents treat them, and this impacts their perceptions of their own competence and attitudes toward the family business (Garcia et al., 2019). Families that implement key strategic actions in an open, adaptable, and nurturing environment are more likely to assist the next generation in setting themselves apart from their parents, finding their voice, and gaining legitimacy within the framework of the family business, which in turn inspires them to start their own business (Canovi et al., 2022).

Hence, the succession planning characteristics must include the successor's selection and induction, the development of a post-succession entrepreneurial strategy, the role of the departing member following the succession completion, as well as the notification of the succession to the main stakeholders (personnel, customers, suppliers) (Sharma et al., 2003).

In Greece, despite the fact that SMEs constitute the «backbone» of the economy, no systematic or extensive research has been carried out in this field, since other forms of business seem to have been more appealing in terms of academic interest. It is true that no general or common definition exists for the term «family business», and it is frequently misinterpreted as «small and medium-sized enterprise» (SME), instead. Even when members of the family are no longer directly involved in running the business, close ties guarantee that they remain active participants.

For either of the two terms, there is no differentiation in use nor is there a specific legal framework. For instance, Law 2941/2001 for the simplification of

business set-up processes lacks the definition of «family business». Taking this aspect into consideration, family enterprises can acquire several legal forms, depending on their number of employees. Therefore, the failure to establish a clear definition of the family business and the absence of an institutional body responsible for issues relevant to such type of business are signs of the minimum support on the part of the Greek government.

In accordance with the Greek commercial law, both for business succession to the next generation and for its sale to third parties, article 13 concerning the autonomous income taxation by enterprises or professions under Law 2238/1994 «Ratification of the Code for Income Taxation», introduces the term «full transfer of business property» which implies the transfer of all the interdependent and unified rights and obligations deriving from an enterprise as economic entity, yet not necessarily from all the rights entailed. Moreover, «partial transfer of business property» equals transfer of an indivisible percentage of rights upon the business property assets. In addition, the Greek commercial law provides for three ways of transfer: by contract when alive, upon hereditary succession upon death, and through business conversion or merging. Subsequently, the available types of transfer are: (a) transfer whose completion is pending as a result of sudden causes like death, incompetency or unforeseen economic disaster; (b) scheduled full transfer as a result of the transferor's retirement, concession of business to secure the descendants' financial stability, or change of career; (c) scheduled partial transfer, which may or may not be accompanied by simultaneous transfer of the enterprise's business administration.

Law 2238/1994 was substituted by Law 4172/2013, wherein Article 42 refers to the transfer of titles as follows: «Any sort of income incurred via value excess arising through the transfer of titles as much as through the entire property transfer is subject to physical persons income tax, on condition that it does not perform entrepreneurial activity, as indicated by: 1) shareholding in a company which may or may not be launched to the stock market; 2) holding shares or proportions in an individual company; 3) possessing government bonds and treasury bills or corporate bonds; 4) possessing financial derivatives. Therefore, the term *transfer* basically refers to the procedure of transferring tangible and intangible property assets, rights and obligations, which constitute the core of every business, along with the legal implications entailed in this procedure. Succession refers to the replacement of the person who owns the enterprise and who, as in the case of SMEs, is also typically assigned with the role of chief leader.

An attempt to map and investigate the current trends for succession and transfer of business in Greece was conducted by the Hellenic Organization of Small and Medium Sized Enterprises (EOMMEX) and Handicraft and the National Observatory for Small and Medium Enterprises (2011). The sample of enterprises comprised of 440 Greek SMEs, which were undergoing property transition at the time, and of 534 SMEs whose transfer had already been completed during 2006-2009. The research carried out a thorough examination of the fea-

tures in the process of succession and transfer of enterprises in Greece, with an emphasis on parameters such as gender, level of education, age, and most importantly, relationship between the transferor and the successor. According to the findings (EOMMEX, 2011), approximately 83% of the successors of Greek family enterprises are members of the family, while 79% of the total amount of transfers involve acts performed by parents to their children's interest. In Greece, seven (7) out of ten (10) family business owners express the intention to transfer their property to the younger generation, whereas only 9% of them consider selling their company to a third party. Additional data show that 46% of the successors take control of their parents' business with the vision to evolve and expand it. The transfer becomes possible when the business owner reaches the age of retirement. In fact, as evidenced, six (6) out of ten (10) transferors were 55-64 years-old, while two (2) out of ten (10) were even older. First-degree relatives (85%) hold the priority as most desired successors, while the transfer per se constitutes a family strategy for securing an occupation for the younger (i.e., children), especially for the male members of the family (83% of the successors). From the above, it is clear that the generation-to-generation (hereditary) succession prevails in Greece over the transfer to a third party, and the reason why this happens is the transferor's retirement, who although withdrawn, continues to partake in the business affairs in an active yet informal manner (73% of the sample).

However, a gradual reverse shift has been noticeable over the recent years as a side-effect of the financial crisis in Greece. Provided that the alternative career opportunities, particularly for the younger generations, are getting fewer and fewer, successors to family enterprises appear willing enough to take charge of their predecessors' work, viewing this option as a chance to secure a career (Vassiliadis & Vassiliadis, 2014). According to Kyriazopoulos and Samanta-Rounti (2007), the second generation tends to be fairly well-prepared both in terms of knowledge and experience, starting off from a low-level position in the business hierarchy and going through some years of work covering the whole spectrum of entrepreneurial activities.

In an effort to build upon and complement the above-mentioned study, a field survey was put into practice for our purposes, with the use of quantitative methodology for the collection of primary data. The goal of this research work was to generate quantitative and qualitative information concerning the current situation in the family business succession and transfer in Greece, as well as regarding the existing needs for the support of enterprises during the succession procedure. It has been a nationwide research with the aim to document and assess aspects such as the experience, the know-how, the viewpoints and the suggestions as formulated within the business setting. The surveyed included companies of any business sector and size, whose entrepreneurial activity extended over any part of the country. The sample was composed with the method of multi-stage sampling among the members of enterprises listed in the Statistical Business Register of the Hellenic Statistical Authority (ELSTAT), for the year 2017. The survey itself involved the completion of a questionnaire by the execu-

tive members of the selected corporations implemented between November 11<sup>th</sup> – December 29<sup>th</sup> 2020. A hundred and thirty (130) corporations regardless of business sector, size and location comprise the sample of the participant corporate entities (according to their number of employees).

## Research Methodology

To ensure the efficiency of the applied methodology approach, the following steps were put in place: first, selection of the data collection method; second, questionnaire design; and third, specification of the sample.

For the needs of the present research work the methodology of internet surveys has been used. In recent years the Internet has emerged as an alternative method for conducting self-administered surveys. Internet surveys are typically based on computerized self-administered questionnaires (keyboard, touch-screen or mouse) on the web, which means that there is no interaction with the interviewer/researcher during data collection (Vasja et al., 2007). Web surveys are a non-intrusive, flexible and inexpensive way of inviting people to answer self-administered surveys. Also, they have the advantage of allowing people to complete a survey when it is convenient to do so (Wolf et al., 2016).

The response process in internet surveys depends on four main components: respondents characteristics (socio-demography, survey experience, interest in the survey topic and attitudes), social environment (general survey climate – survey tradition, perceptions of direct marketing and the legitimacy of surveys), technological environment (internet penetration, broadband use, alternatives devices, ICT literacy), and survey design (invitation, follow-ups, incentives, length of the questionnaire, questionnaire design). From those, only survey design is under partial control of the researcher (Vasja et al., 2007). There are diverse potential designs. For the purposes of the present research work, a cross-sectional design has been used. In cross-sectional design, a sample of respondents is surveyed only once at a specific point in time. Cross-sectional studies are typically based on a representative sample so that descriptive statements about a clearly defined population at the time of the survey are possible (Wolf et al., 2016).

The design and the selection of the sample also include the final confirmation of the sampling method, the settling of the layering/stratification criteria, as well as the sample selection-specification process. The initial target for the size of the sample included 400 enterprises (130 enterprises were the final participants, an ideal sample size for the compilation of trustworthy and accurate data), the selection of which was based on random sampling, which, in turn, entailed a two-axioms statistical process. Drawing on the first principle, the members of a group are equal candidates for the sample, while according to the second the

choice of a group member for the sample does not in any means affect the choice of another. The method of random sampling was selected since the groups of corporate members were retrieved/extracted from the General Electronic Commercial Registry. The original sample of the 400 corporations, was determined by the working team, taking into consideration the number of the small and very small-sized enterprises, which corresponded to 1.248.850 units with a human capital of 0-49 pax, while roughly 30% of these utilized plans of succession or transfer. Those figures were drawn from the statute of statistics for corporate entities by the Hellenic Statistical Agency (last updated; 2017).

There were six research steps.

1. References to secondary international bibliography (valid conclusions could be drawn from a sample of 0,025% in groups of more than 1.000.000 people).

2. Questionnaire Quality-Check, via its application, in simulation, to a limited sample.

3. Research Implementation: that is, distribution and completion of the questionnaire.

4. Codification of Information.

5. Data Analysis.

6. Results and Conclusions.

The key methodological tool which was utilized during the implementation of the present research was a well-structured questionnaire. The collection of material for the sample was carried out with the aid of multi-stage sampling across the corporate members of the enterprises, as outlined in the Statistical Business Register of the Hellenic Statistical Authority (ELSTAT) for the year 2017. On a first level, this method relies on choosing sampling units (meaning wider groups) from the [general/surveyed] population according to the specified criteria; subsequently, it proceeds to sampling among the selected units. Hence, it is a combination of clustered and layered sampling. The parameters-criteria applied in the sampling process were the number of legal entities (enterprises) and their categorization in relation to the primary, secondary or tertiary sector. Greece's 13 Regions were the initial sampling material. Table 1 illustrates the number of legal entities for each Region in the three (3) sectors.

The layering-grouping of the geographical areas was based on the number of enterprises in each Region (last column of Table 1).

Table 2 shows the categorization of regions into 5 groups (the total amount of enterprises has been classified in descending order). Moreover, Table 2 further demonstrates this descending sequence.

Table 1

**Number of legal entities, activity cycle and employees per one-digit sector of the economy and Regional Unit**

Region	Legal entities (enterprises)			
	Primary sector	Secondary sector	Tertiary sector	Total
Eastern Macedonia-Thrace	49.909	6.057	32.451	88.417
Central Macedonia	94.876	20.521	120.891	236.288
Western Greece	19.140	4.134	15.242	38.516
Epirus	19.352	4.652	21.306	45.310
Thessaly	59.023	8.395	44.378	111.796
Central Greece	36.906	6.985	31.205	75.096
Ionian Islands	10.089	3.900	23.997	37.986
Western Greece	50.292	7.651	38.712	96.655
Peloponnese	66.790	8.569	36.393	111.752
Attica	21.097	40.250	285.554	346.901
North Aegean	17.019	3.162	13.991	34.172
South Aegean	7.595	6.180	35.139	48.914
Crete	77.169	9.889	46.771	133.829
Total	529.257	130.345	746.030	1.405.632

Source: Statistical Enterprise Register – Year 2017 (ELSTAT, 2017).

Table 2

**Dividing the regions into 5 groups**

Region	Number of enterprises	Descending order
Attica	346.901	1
Macedonia	236.288	2
Crete	133.829	3
Thessaly	111.796	3
Peloponnese	111.752	3
Western Greece	96.655	4
Eastern Macedonia-Thrace	88.417	4
Central Greece	75.096	4
South Aegean	48.914	5
Epirus	45.310	5
Western Macedonia	38.516	5
Ionian Islands	37.986	5
North Aegean	34.172	5
Total	1.405.632	



The classification and grouping of the regions follow a descriptive or a more specialized statistical method, such as the cluster analysis, which was implemented in the present research work.

In turn, allotment of the sample into these 5 groups or subgroups was performed. For instance, apart from the Regions of Attica and Central Macedonia, questionnaires were distributed among enterprises of a regional area, which functioned as representative of that particular group. In this way, the supplied responses through the questionnaires were indicative of the specific region of the country, featuring a different number of enterprises. The sampling process was facilitated by the clear geographical boundaries set through the framework for the sampling (Table 3).

*Table 3*

**Sample allotment according to the division of regions into 5 clusters**

Cluster 1	Region of Attica
Cluster 2	Region of Central Macedonia
Cluster 3	Region of Crete
	Region of Thessaly
	Region of Peloponnese
Cluster 4	Region of Western Greece
	Region of Eastern Macedonia-Thrace
	Region of Central Greece
Cluster 5	Region of South Aegean
	Region of Epirus
	Region of Western Macedonia
	Region of Ionian Islands
	Region of North Aegean

Next, the ratio of the particular number of enterprises in each group (per industry sector) to the number of enterprises in the whole country was calculated with the purpose to determine the aggregate number of enterprises for each sector of the group throughout the country. Each group of selected regions was supplied with the appropriate number of questionnaires.

The following table, shows that the Region of Attica is supplied with the 25% of questionnaires (2 for the primary, 3 for the secondary and 20 for the tertiary sector), given that the initial target for a sample of 400 enterprises was 100 questionnaires. It should be noted that minor modifications to the percent-

ages occurred, either due to practical impediments over the sampling process, or because there was a need to create samples large enough to offer a more comprehensive estimation of the specific groups.

Subsequently, each Region was matched with a main prefecture – capital (regional authorities' headquarters) or some other area for any reasons. In the base of the chosen region, contact information and details were requested from the Chamber of Commerce Register; also requested was the type of main activity for each group in all three sectors. It is noted that systematic sampling could have been applied via the Chamber of Commerce Register, following the necessary steps for the selection of legal units (enterprises) per industry sector. Table 4 presents the quantitative allocation per group of regions, and the ratio to the initial target of 400 sample questionnaires; meanwhile, Table 5 provides further details on the outcome of this process.

Table 4

**Quantitative allocation per group of regions and the respective ratio of the [initial] 400 sample questionnaires**

Clusters	Per Region Clusters	% participation	Number of questionnaires
1	Attica	25	99
2	Central Macedonia	17	67
3	Crete	25	102
	Thessaly		
	Peloponnese		
4	Western Greece	19	74
	Eastern Macedonia-Thrace		
	Central Greece		
5	South Aegean	15	58
	Epirus		
	Western Macedonia		
	Ionian Islands		
	North Aegean		
Total		100	400

Table 5

**Outcome of the quantitative allocation process per group of regions  
and the respective ratio of the [initial] 400 sample questionnaires**

Clusters	Quantitative allocation per group of regions			% Ratio to the initial target of 400 sample questionnaires			Total
	Primary sector	Secondary sector	Tertiary sector	Primary sector	Secondary sector	Tertiary sector	
Region of Attica	21.097	40.250	285.554				
Cluster 1	21.097	40.250	285.554	2	3	20	25
Region of Central Macedonia	94.876	20.521	120.891				
Cluster 2	94.876	20.521	120.891	7	1	9	17
Region of Crete	77.169	9.889	46.771				
Region of Thessaly	59.023	8.395	44.378				
Region of Peloponnese	66.790	8.569	36.393				
Cluster 3	202.982	26.853	127.542	14	2	9	25
Region of Western Greece	50.292	7.651	38.712				
Region of Eastern Macedonia-Thrace	49.909	6.057	32.451				
Region of Central Greece	36.906	6.985	31.205				
Cluster 4	137.107	20.693	102.368	10	1	7	18
Region of South Aegean	7.595	6.180	35.139				
Region of Epirus	19.352	4.652	21.306				
Region of Western Macedonia	19.140	4.134	15.242				
Region of Ionian Islands	10.089	3.900	23.997				
Region of North Aegean	17.019	3.162	13.991				
Cluster 5	73.195	22.028	109.675	5	2	8	15
Total	529.257	130.345	746.030	38	9	53	100

## Research Results

### *Sample Profile*

As far as the geographical dispersion of enterprises is concerned, Table 6 presents dispersion per region cluster.

Table 6

#### **Geographical dispersion of enterprises per region clusters**

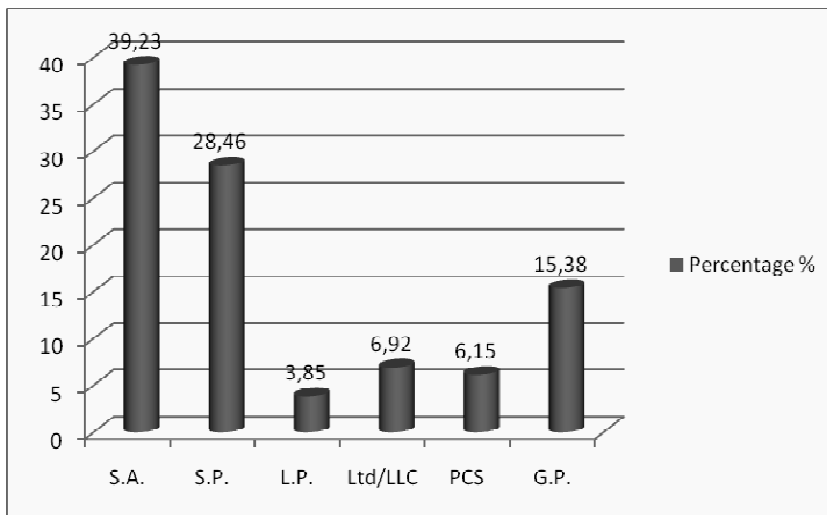
Cluster 1	Region of Attica	42
Cluster 2	Region of Central Macedonia	21
Cluster 3	Region of Crete	15
	Region of Thessaly	
	Region of Peloponnese	
Cluster 4	Region of Western Greece	34
	Region of Eastern Macedonia-Thrace	
	Region of Central Greece	
Cluster 5	Region of South Aegean	18
	Region of Epirus	
	Region of Western Macedonia	
	Region of Ionian Islands	
	Region of North Aegean	
Total		130

In relation to the allocation of enterprises according to their legal form, 51 enterprises (39,23%) are Société Anonyme (S.A.), and 37 (28,46%) are Sole Proprietorship (S.P.) companies (Figure 1).

As for the categorization of enterprises according to the number of employees, the overwhelming majority comprises of small-sized enterprises, also reflecting the general environment across the wider productivity network in Greece. To be precise, 78 companies (60% of the sample) offer employment to one (1) or up to nine (9) individuals, and another 42 of them provide work to ten (10) to forty-nine (49) persons (32,31%). Finally, only seven (7) enterprises have got personnel of 50-249 employees, and only three (3) are fortified with more than 250 employees (Figure 2).

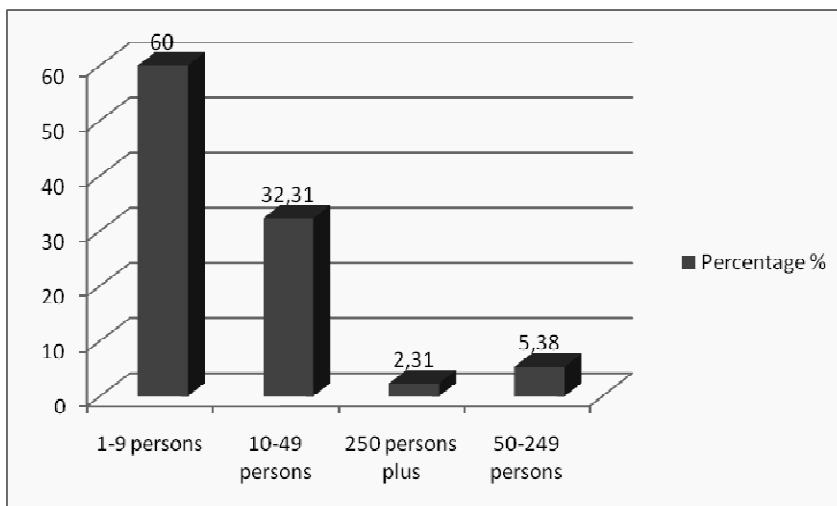
*Figure 1*

**Allocation of enterprises according to the legal form**



*Figure 2*

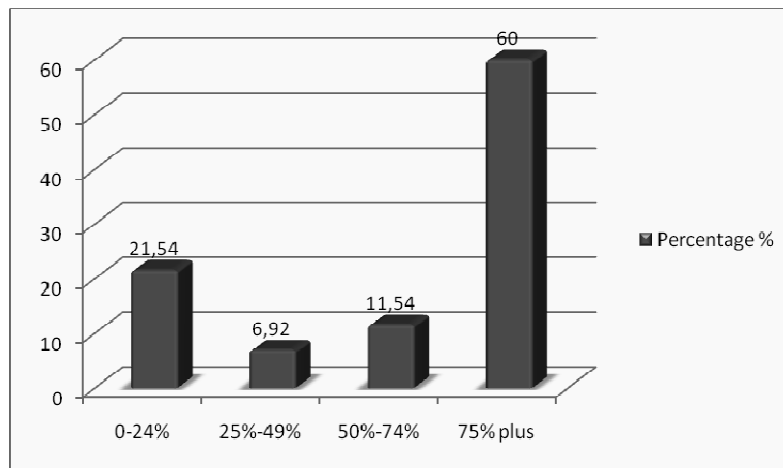
**Categorization of enterprises according to the number of employees**



Concerning the allocation of enterprises in terms of shareholding on the family members' side, thus confirming the paternal character of most types of enterprises. In detail, 78 companies of the sample (60%) hold more than 75% of the shares, followed by corporations in which family members possess merely 0-24% of the shares (28 enterprises corresponding to the 21,54% of the sample), while entities with a percentage of shares ranging from 25-49% to 50-74% among their family members, come last (Figure 3).

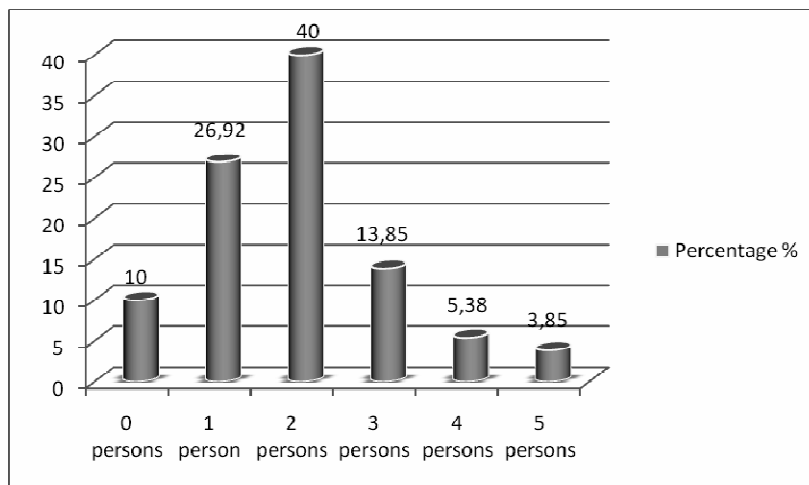
Figure 3

**Allocation of enterprises in terms of shareholding  
(of the main entrepreneurial activities) owned by the family members  
(percentage of shares)**



As it is obvious, the corporate types which dominate in this case are the small-sized and paternal character enterprises, something which is further supported by the fact that in many of these enterprises family members are actively involved in their management. More specifically, in the 117 out of the 130 companies there is at least one (1) person responsible for carrying out the administrative duties. In detail, 52 corporations (40%) are equipped with two (2) persons in charge, while in 35 enterprises (26,92%) there is one (1) such person, and in 18 companies (13,85%) there are three (3) managerial posts (Figure 4).

Figure 4

**Categorization of enterprises according to the number of family members actively partaking in their management**

Concerning the grouping of enterprises based on their activity cycle, 51 out of 130 corporations correspond to activity cycles of up to 150.000€, which includes 39,23% of the research sample. This is followed by 30 enterprises (23,08%) with an activity cycle ranging from two (2) to ten (10) million euro, while the number of larger-scale companies is 10 (7,69%) with their activity cycle adding up to € 10 million plus (Figure 5).

With respect to the participants' demographic data (Figures 6, 7 and 8), male executives form the majority of the research sample (106 males versus 24 females: 81,54% versus 18,46%, respectively). In addition, these 41 individuals – representatives fall under the age group of 45-54 years-old (31,54%), while 32 individuals belong to the category of 35-44 years of age (24,62%). In diametric opposition, participation by the youngest and the eldest members is very limited (1 person under the age of 25, and 11 persons above 65 years of age) (Figure 7). Finally, as far as the interviewees' educational level is concerned (Figure 8), the majority that is 91 individuals have completed either postgraduate or undergraduate studies, whereas only 7 persons (5,38%) are secondary education graduates, and the rest of them are primary education graduates.

Figure 5

**Allocation of enterprises based on their business activity cycle**

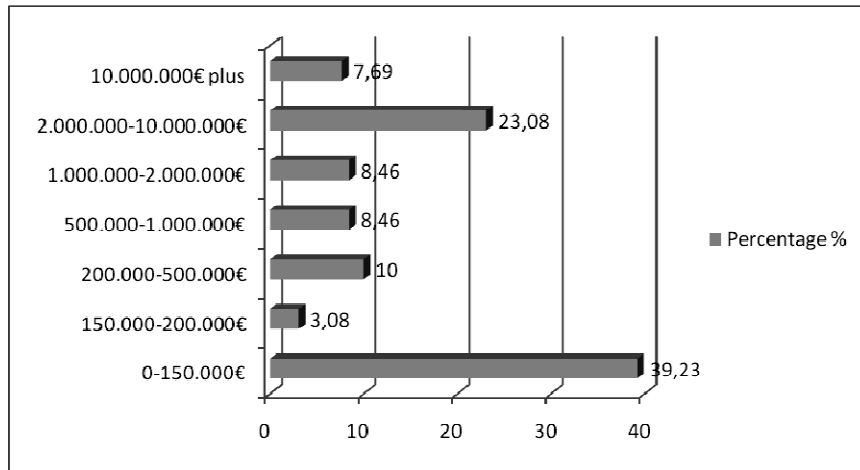


Figure 6

**Categorization of enterprises according to their corporate members' gender**

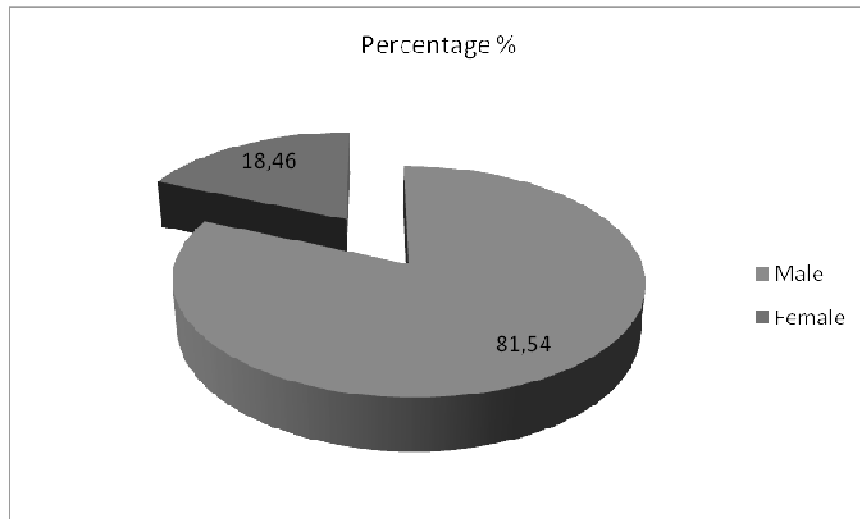




Figure 7

**Grouping of corporate representatives based on their age**

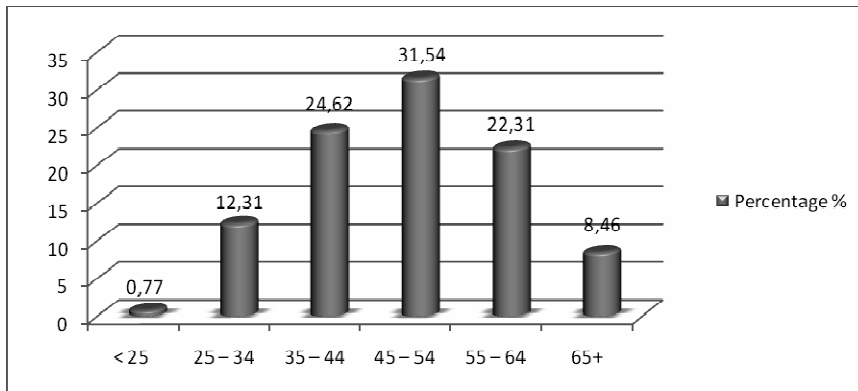
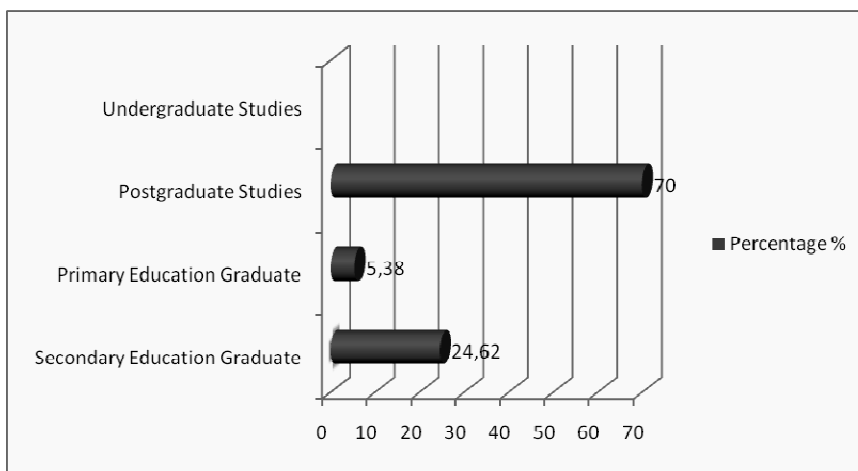


Figure 8

**Grouping of corporate members according to their highest level of education**



### **Sample of Enterprise Founders**

This chapter illustrates the research results as formulated in the questions pertaining to the founders of enterprises (65 interviewees), structured at first on two levels. The first level included members indifferent to the issue of succession, whereas the second one involved interested members. Yet, the first case, as shown in Table 7, is differentiated into two sub-categories with ten individuals stating that they had no interest whatsoever in the particular issue, and thirty-four (34) claiming that they saw no prospects for that matter in the near future, that is within a time span of five (5) years (total sum 44 interviewees). In the second case, twenty (20) persons responded that they would consider the issue of succession in the near future (Table 7). Drawing on the latter, further questions were purposefully developed in order to understand their approach to succession and thus more specific aspects were examined.

Table 7

#### **Are you concerned with the business continuity of your enterprise?**

	Frequency	%
Succession procedures are underway or already completed	1	1,54
Yes, it concerns me but not in the near future (at least, for the coming 5 years)	34	52,31
Yes, it concerns me for the near future (in the next 1-3 years)	20	30,77
No, I am not interested	10	15,38
Total	65	100

It is worth mentioning that the main reason that 44 interviewees exhibited no interest either in the short run or overall was attributed to the fact that they were not at a retirement age; whereas, a small percentage replied that the business was recently established or became profitable and hence they had no intention to transfer it. Furthermore, the portion of the sample with no interest in succession either in the short term or in general provided the following answers concerning their understanding of the concept of transfer: 34,09% responded that they had «little» knowledge of it, ten persons replied that they had «none awareness», while another ten argued they possessed «enough awareness» (Table 8).

Table 8

**What is your degree of familiarity with the notion of transfer to another family member or to a third party?**

	Frequency	%
No awareness	10	22,73
Enough awareness	10	22,73
Little knowledge	15	34,09
Lots of knowledge	5	11,36
Too much knowledge	4	9,09
Total	44	100

Regarding the question addressed to 44 (out of the 65) interviewees with no interest in the issue of succession, either in the short run or altogether, as to whether they had been informed in the past on business succession and transfer issues, it is evident that regardless of having an interest in the issue of succession/transfer or not, the majority of respondents answered that they had never been previously informed on the topic, with only 19 interviewees stating that they had been provided with some relevant information (Table 9).

Among the corresponding sample (44 interviewees), the majority (56,82%) confirmed that they wish to receive further details on the specifics of the succession/transfer procedure for their business, whereas 43,18% (Table 10) stated that they had neither a short-term nor a long-term need to do so.

Table 9

**Have you ever been informed on issues of business succession/transfer?**

	Frequency	%
Yes	25	56,82
No	19	43,18
Total	44	100

Table 10

**Would you be interested in knowing further details on the business transfer process to another member of the family or to a third party?**

	Frequency	%
Yes	25	56,82
No	19	43,18
Total	44	100,00

Subsequently, those participants who responded that they would like to receive more information on the succession/transfer process (25 persons) were further called on to specify which of the following aspects they wished to stay updated on (legal requirements and transfer procedures, tax payment obligations, insurance commitments, plan of transfer design, finding and selecting an eligible successor/buyer, funding resources, available services for the support of the transfer procedure). The interviewees said that they wished to be mainly informed about the legal requirements and succession/related provisions (20 persons), while 16 persons preferred the tax payment obligations which accompany the process of succession. A marginally lesser portion (15 participants) expressed their preference for the planning phase of the transfer procedure, followed by miscellaneous topics of interest such as the funding resources, insurance commitments, available support services (Table 11).

Table 11

**If yes, which particular aspect would you request further advice on?**

	Frequency	%
Legal requirements and transfer procedures	20	80,00
Tax payment obligations	16	64,00
Insurance commitments	12	48,00
Plan of transfer design	15	60,00
Finding and selecting an eligible successor/buyer	6	24,00
Funding resources	11	44,00
Available services for the support of the transfer procedure	14	56,00

On the other hand, a series of more specific questions pertain to aspects of design and implementation in the long-run were addressed to the participants with an interest in the succession/transfer issue of their business in the near future (20 individuals), with the aim to extract useful information in relation to the extent to which Greek enterprises are in need of support mechanisms.

In this context, the addressed question was: «Which of the following areas do you think you might need assistance in?». The corresponding answers were the following: Succession plan design, Paperwork, Tax payment/insurance obligations, Selecting a successor, Successor's training/induction, Briefing of the directly involved members on aspects pertaining to the new leadership, Resolving potential conflicts and differences, Smooth transition to the new role, Securing of funding, or I shall not request support. According to Table 12, support with bureaucratic issues features is on the top of the list, followed by the interest in the

successor's training and induction, though with a large difference. Moreover, confirmation of the tax payment/insurance commitments remain another significant area which requires assistance, as argued by the interviewees. Finally, less important fields which call for support in sequential order are the succession plan design, the securing of funding, the notification of the directly interested members of issues pertaining to the new leadership, the smooth transition of the involved parties into their new assignment.

Table 12

## Which field do you think you might request support in?

	Frequency	%
Succession plan design	5	20,00
Paperwork	12	48,00
Tax payment/insurance obligations	7	28,00
Selecting a successor	1	4,00
Successor's training/induction	8	32,00
Briefing of the directly involved members on aspects pertaining to the new leadership	4	16,00
Resolving potential conflicts and differences	2	8,00
Smooth transition to the new role	3	12,00
Securing of funding	5	20,00
I shall not request support	1	4,00

Last but not least, for the same portion of the sample (20 individuals), 9 out of 20 interviewees claimed to be willing to pay for support with bureaucratic tasks, tax payment, insurance and other relevant issues arising from the succession/transfer procedure (Table 13). In particular, the addressed question was: «Which of the following services are you willing to pay for?». Eight (8) respondents mentioned that they would pay in order to receive advice on securing funding, while six (6) interviewees would rather opt for the design of a succession plan, as well as for the successor's training/preparation. Finally, a relatively small percentage (5 individuals) stated that they had no intention to pay for any of the offered services.

Table 13

**Which of the following services are you willing to pay for?**

	Frequency	%
Succession plan design	6	30
Succession plan overall completion	3	15
Fulfilment of the tax payment, insurance and other bureaucratic commitments	9	45
Guidance for the selection of successor	1	5
Successor's training/induction	6	30
Successor's preparation for their transition into their new role	1	5
Securing of potential resources for funding	8	40
None of the above	5	25

**Sample of Enterprise Successors**

This chapter showcases the survey results as retrieved from the questions referring to the enterprise successors and more specifically the sixty-five (65) individuals who identified themselves as successors of companies either at a formal or informal stage of transfer (27 corporate entities) or upon completion of their process of transfer (38 corporate units). As seen in Table 14, internal relations within the company are governed by the fact that most corporate members (89,23% or 58 persons) are first-degree relatives with the company owner, indicating that this part of the sample represents family enterprises.

Table 14

**Relation with the owner**

	Frequency	%
Person outside the business or family	3	4,62
Colleagues in the same company	2	3,08
First-degree relative	58	89,23
First-degree relative and colleague in the same company	1	1,54
Other than first-degree relative	1	1,54
Total	65	100

Regarding the question «Which are (or were) the reasons for you to become successors of the older/previous generation», the most common answer (43 persons, 66,15%) was the desire for the continuation of their family business, while some respondents (27,69%, i.e., 18 persons) mentioned the owner's retirement as the reason. Other reasons, measured in much lower percentages, pertained to sudden or unforeseen circumstances, relocating close to the heart of business activity, or the owner's relocation to a new place of residence (Table 15).

Concerning the incentives behind the decision to follow the footsteps of the previous/older generation (Table 16), 41 survey participants (63,08%) replied that their motive was to ensure the family enterprise continuity. 24 interviewees stated that it was a good opportunity for occupational stability, while 22 respondents stated that they would be given the chance to put their innovative ideas into practice. In addition, 14 individuals were stimulated by the family's own expectations for the survival of their enterprise.

Table 15

**Which are (or were) the reasons for you to become successors of the older/previous generation?**

	Frequency	%
Sudden/unforeseen circumstances	2	3,08
Desire for the continuation of the family business	43	66,15
Relocating close to the heart of business activity	1	1,54
Relocation of the owner to a new place of residence	1	1,54
Retirement of the business owner	18	27,69
Total	65	100

Table 16

**Which incentives have you considered in your decision to follow in the footsteps of the previous/older generation?**

	Frequency	%
Natural progress in/of the business	41	63,08
Good opportunity to secure one's career	24	36,92
Chance to implement innovative ideas	22	33,85
Reflecting upon the family's own aspirations for the continuation of their business	14	21,54
I had/have no alternative	1	1,54
It has been the dream of a lifetime to me	12	18,46
It is my field of interest	1	1,54

To the question investigating the owners' role upon completion of the succession/transfer process, the most popular response was that he/she would hold an informal supplementary role (44,62%, 29 persons), while 24,62% reported that the exact role of the owner remained unspecified. 20 persons replied that the owner would either step back from the ownership but continue to act upon its management and control, or completely resign from the ownership, administration and monitoring of the business (Table 17).

Table 17

**What would be the owner's role in the company, after the succession procedure?**

	Frequency	%
Remains unspecified	16	24,62
Would step back from ownership but continue to participate in management	10	15,38
Would completely resign from the ownership, administration and monitoring of the business	10	15,38
Would have an informal supplementary role	29	44,62
Total	65	100

As for the question pertaining to the problems so far evoked or still undermining the transfer process, the view most widely held draws on the complicated bureaucratic procedures (28 respondents) followed by the difficulties of increased tax burden as expressed by 18,90% of the sample (Table 18). A smaller number of survey participants reported the lack of incentives on the part of the government coupled with the inconsistencies of the bureaucratic system (answers supplied by 18 and 17 persons, accordingly). It is worth mentioning that 11 respondents said they have not yet encountered any problems in this phase. Lastly, 10 individuals stated that they were unable to provide an answer to this question, since the progress in the succession/transfer process had not been substantial enough.

Regarding the question of whether they have been informed on the succession/transfer specifics, most of the respondents gave a negative answer (i.e., 67,69% corresponding to 44 participants), while 21 individuals gave a positive answer, with 19 of them having been briefed on the details by their own business accountant/tax advisor. Moreover, regarding the question of whether they have received guidance and advice by external consultants, positive responses came from 30 persons in a total of 65 survey participants (i.e., 46,15%).



Table 18

**Which problems have been evoked during the transfer process?**

	Frequency	%
Complicated bureaucratic procedures	28	22,05
Inconsistent bureaucratic procedures	17	13,39
Conflicts, tensions and arguments with the owner	6	4,72
Difficulty in the adjustment of the personnel	3	2,36
Insufficient knowledge of the required procedures	5	3,94
Increased tax burden during the transfer process	24	18,90
Lack of incentives by the government	18	14,17
Transfer process pending	10	7,87
No problems at all during the transfer process	11	8,66
Personal inexperience	5	3,94

The remaining 35 replied that they had not employed any external consultants, justifying their answer with the fact that they did not consider it necessary or essential or by arguing that this matter lies within the owner/founder of the company; furthermore, they also drew on the pending state of the succession/transfer process as an additional reason to explain that there had been no need to cooperate with external advisors at the time, while others claimed that they were well-aware of the procedure specifics and what they require. Other than that, only two successors-interviewees said that they had no idea of where to seek support. With respect to the question throwing light on the particular areas in which successors required assistance with the transfer/succession technicalities (multiple choice question), most answers point to the fulfilment of bureaucratic tasks and ensuring compliance with the tax payment/insurance obligations (22 and 20 persons, respectively). Last but not least, to a lesser degree, support was required in the drafting of the succession-transfer action plan – an opinion held by 4 persons –, while by a marginal difference the smooth transition into the successor's new role and the search for potential sponsorship, are listed as well (3 respondents). Finally, regarding the interviewees' participation in educational activities relevant to the nature of their business, only four (4) individuals replied positively, with another 7 respondents mentioning individualized counselling activities via mentoring/coaching.

Concerning the time span over which the formal procedure of transfer took place, in the survey sample of 38 interviewees with a positive answer to the related question, the vast majority of them reported that the required duration lasted from 1 to 3 months (21 persons, 55,26%), while 8 participants (21,05%) indicated a time period of 3 to 6 months; finally, 4 others (10,53%) defined a time span of 4 to 12 months, while in the case of 5 enterprises of the sample (13,16%) the corresponding time was more than a year (Table 19).

Table 19

**How long did it take for the succession/transfer process to reach full completion?**

	Frequency	%
1-3 months	21	55,26
3-6 months	8	21,05
6-12 months	4	10,53
More than 12 months	5	13,16
Total	38	100

Eventually, with regard to the question about the successors' own vision for the enterprise, where a total number of interviewees who assumed command was 65, the responses included the improvement of the business economic results (19 individuals), and the development of new products/services (18 persons), while 14 answers referred to the introduction and application of new production and management methods (Table 20).

Table 20

**What is your vision for the business?**

	Frequency	%
Development of new products/services	18	27,7
Improvement of the business economic results	19	29,2
Launching of new production and management methods	14	21,5
Securing of an income after succession completion (retirement)	3	4,6
Survival of the business	9	13,8
Further evolution of the business	2	3,1
Total	65	100

## **Discussion and Conclusions**

First and foremost, it should be highlighted that the family business succession or transfer procedure often constitutes one of the most crucial issues and, for this reason, it is a pivotal point in the life cycle of an enterprise. It is the moment when the founder/owner of an enterprise has to resign from its leadership and pass it on to someone else. Transfer or succession is also a major issue to a family enterprise, since it involves a process of readjustment in the roles of its founder-owner and the next generation which shall be in charge. Provided that a key feature which governs most corporations in Greece nowadays is the family itself, one understands that the administration and the decision-making lie within the purview of the owner and the individual members. Therefore, the institutional mechanism of business succession/transfer must play a dominant role in the agendas for discussions about sustaining local (Greek) entrepreneurial activity. Moreover, family enterprises functioning as the power that triggers industrial development also contribute greatly to facilitating the evolution and interconnection of one generation to another, while promoting the entrepreneurial talent-spirit at the same time.

The issue of succession must be correlated to the recent and current trends which urge for the establishment of start-up businesses. The non-transfer of very small-sized enterprises often results in an increase of start-up businesses. This implies that, instead of conducting effective transfers, the closure of an old and the founding of a new company appears to be more enticing. However, the Greek state ought to show equal or maybe even greater interest in business succession/transfer rather than in the start-ups, with the ultimate purpose of contributing to the preservation of the available inventory of companies and employment opportunities.

Taking into account that the very process of succession comprises a vital issue per se by demonstrating a high level of dynamics, it is evident that throughout this transitional phase of transfer, the assigned roles and duties of the two main parties involved evolve through an interrelated and overlapping relation which ends in the exchange of management and ownership of a company, partially or completely.

Furthermore, relevant studies illustrate that a considerable number of enterprises, especially medium-sized ones, are not equipped with a provisional and descriptive memo for the succession action plan. Additionally, according to secondary sources, significant discrepancies exist between the corresponding legislation and the policy context for taxation and insurance issues and the succession/transfer procedures in the business sector. The inconsistencies and perplexity of the Greek statutory framework is to a huge extent a factor of delay or postponement of decisions concerning the transfer of an enterprise, something

which often leads to the emergence of new companies and the acquisition of the business that is about to be transferred.

In addition, the effectiveness and quality of business succession for the benefit of the next generation are major parameters of the transfer assessment. On the one hand, quality draws on the internal business environment, basically on factors pertaining to the manner in which the corporate members behaved during the transition, e.g., relationship issues, disagreement, conflict of individual interests, etc. On the other hand, efficiency refers to the external business environment; more specifically, during a family business succession process, owners usually stick to an outdated management approach that was initially adopted out of fear of investing and risking, while being incapable of adjusting to the current trends for a modernized, extrovert and innovative progress in business. Hence, an important parameter which might impede the process of succession is the older generation's reluctance to pass on the «reins», further aggravated by the complexity of leadership shift. At the stage of transfer, both the transferor and the successor are called to deal with certain socio-psychological issues concerning the future of their business and themselves. For instance, the owner may have doubts about the successor's competence and/or about changes in the business strategy. Thus, confusion might exist within the company, when roles among members are not clearly defined, ultimately obstructing appropriate and punctual decisions. Consequently, any kind of conflict discourages investors and interested parties from engaging with the business, mainly financially.

Opinion research results drawing on the deliverable «Action Plan Design for the Implementation of Effective Policies and New Measures for Business Succession in Greece», which was conducted within the framework of the scheme «Reinforcement of Competitiveness and Sustainability for the European SMEs through Succession Processes and Models» and funded via the European Project «Cross-Regional Collaboration; Interreg Europe 2014-2020», offer an array of useful conclusions on the Greek entrepreneurs' attitude and beliefs about succession and transfer practices; their remarks are illustrated both through the founder's and the successor's point of view.

To begin with, their feedback reveals a considerable shortage in terms of awareness and information on issues related to business succession and transfer, something that is easily understood from their responses of possessing little or enough knowledge of these terms. In detail, a vast number of them commented that they had never been briefed before by any institution or consultant, and that it had been their own initiative to explore things with the aid of their personal tax advisor/accountant. The dissemination of information was more organized in cases where the chamber of commerce or an entrepreneurial unit or an external business consultant intervened.

Still, the majority of entrepreneurs and especially those who are interested in the issue of succession in the short run, expressed their wish to receive training on certain aspects, mainly the legal commitments and the transfer proce-

dures, the tax payment obligations arising from the process of succession, as well as the drafting of the succession-transfer plan, the funding resources, the insurance commitments and the available support services. However, it seems that the entrepreneurs who participated in the survey were not keen on matters such as the pursuit of buyers and the identification of successors, predominantly because of the confirmation that in most cases business continuation is ensured through succession from one generation to the other, given that the research is mainly based on family business.

Besides the lack of awareness, most entrepreneurs had not taken part in any relevant training programme or personalized counselling, since they had not considered it necessary. Furthermore, participant successors claimed that most of the time, the founder of the business is responsible for this set of actions, while others argued that they were unfamiliar with the steps required.

Additionally, it is worth noting that very few of them were willing to accept the service of external advisors on payment for a series of issues which concern them. However, some entrepreneurs would welcome a form of support with the intention to pay for it; namely for the attainment of tax payment, insurance-related and miscellaneous tasks which the process of succession causes to happen. Moreover, they would offer payment for assistance with the securing of funding and for the drafting of an action plan for the transfer, as well as for their successor's induction and training. Their feedback is compatible with and can, thus, justify the statement that the main problem lies in bureaucracy, as well as in the complexity of the practicalities in the succession/transfer procedures. Last but not least, other issues include the lack of incentives-motives and the increased tax burden.

In turn, another thing to be pointed out is that the concept of succession is viewed by the business founders as a good practice which could provide the younger generation with the opportunity to secure its future, while entrepreneur successors basically see it as a prospect to ensure (family) business continuity, and then as a means of financial stability, enabled upon its founder's retirement. The mechanism which usually facilitates the process of succession is the complete transfer of property, administration and control of the business, while quite frequently the resigning person maintains an informal supplementary role within the operation spectrum. Lastly, the formal time required for the completion of the succession/transfer procedure usually ranges from one to three months and, in a few cases, it extends beyond one year; finally, in terms of effectiveness, successors consider it very successful.

In total, the development of an interactive management system and of communication channels assigned with the appropriate conduct of business is vital. It should be underlined though that support/assistance by institutional bodies is not always organized and thus it sometimes fails to meet the common mission. Raising awareness of the target audience, spreading information about the available support, holding specialized training sessions on business transfer, guidance and advice on entrepreneurship, as well as enabling transactions for business buyers and

sellers along with the possibility for sponsorship, are all useful means of facilitating business transfer. At the same time, following the establishment of a vision and its constituent aims for the company's future, the next thing needed is a strategic business plan open to increased risk strategies. Finally, the government's participation, as well as the contribution of institutional organizations is also fundamental to aid enterprises in drafting their business succession plans.

As the issue of business succession for small and medium enterprises is expected to be an important factor for their survival, it is essential to proceed with further research and study it through various perspectives. Therefore, it would be of particular interest to pursue the research field topics such as the problems and resolutions per phase, during the business succession process, the growth progress and evolution of the enterprises after the transfer/succession, and the main characteristics of business transfer/succession in key industries such as trade, catering and accommodation. In addition, it would be interesting to investigate the views and positions of the social partners, business representation organizations, chamber bodies, as well as those of the Public Administration (e.g. Ministry of Development and Investments), regarding the adjustments required for the consolidation of a favorable legal and institutional framework, to encourage and support the family business succession in Greece.

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