



European Research Report



Assessment Procedure for Micro and Small Sized Enterprises Successors in Tourism Industry

PROJECT NUMBER — 2014-1-DE02-KA200-001608

EUROPEAN RESEARCH REPORT

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Introduction

One of the most severe upcoming issues faced by Europe's economy is the planning, organisation and implementation of effective business succession. Companies find less and less qualified aspiring people to whom the management of the business can be passed over faithfully. Experience shows that the smaller the company, the bigger this problem is. This means, that the most affected are micro and family businesses, which in fact account for 60% of all European companies. (KMU Forschung Austria, 2008: Overview of Family Business Relevant Issues, p99).

Not all economic sectors are affected in the same way. Of course, those that are threatened most are mainly based on micro and small enterprises. The largest of these sectors is tourism, where 95% of companies employ fewer than 10 people (ETC, 2004: European tourism: facts and figures). At the same time, the tourism industry is the third largest economic activity and the sector continues to grow. (EC, 2010: Europe, the world's No 1 tourist destination, p3). It generates an overall GDP of 12%, with two million enterprises providing 20 million jobs. (Jonckers/EC/DG E&I, 2005: General trends and skills needs in the tourism sector in Europe, p8). Against this background, tourism is often seen as the only realistic economic activity for poorer and less well developed regions where particularly micro and small family enterprises are located. Often statistical forecasts seem to support this assumption, e.g. recent indicators concerning European travel have been encouraging and international visits are on track to expand by around 5% per year. (ETC, 2011: EUROPEAN TOURISM – Trends & Prospects - Q3, p7)

The following problem situation was identified as the starting point for our project idea:

- Unresolved company succession is one of the most threatening problems to Europe's economy in the near future; this goes for the regional, national and EU levels
- Micro and smaller (especially family) companies are affected most
- tourism is one of Europe's largest economic sectors with very promising potential for development, however the problem of unresolved company succession is more evident than in other economic sectors
- Concepts, methods, instruments etc. for overcoming this situation are urgently needed but currently they hardly exist.



Our project contributes to developing solutions to the problem through the following three main activities:

- A) Implementation of a European survey about the company succession situation in the EU and about key competences, skills and knowledge needed for successful company succession
- B) Development of a tailor-made assessment procedure (linked to EQF requirements) for micro/small-sized company successors in the tourism sector
- C) Publication of a policy paper summarising the findings and outcomes of the project as well as providing feedback and advice to stakeholders and political decision makers about how to tackle the challenge of successful company succession in Europe.

1. Research Methods and Instruments

In order to identify the key competences, skills and knowledge needed for successful company succession in UE, an online-based questionnaire has been created. This one includes two main parts:

- Demographic data on the entrepreneurs interviewed
- Competence profile of management successors - 20 questions, covering:
 - Market competencies
 - Organisational competencies
 - Leadership competencies

The questionnaire and the research phase as well are dedicated to staff and management of micro and small enterprises, associations/stakeholders representing their interests as well as VET and HE providers. Through this research we want to establish what the status quo of professional business succession models within Europe's tourism industry, what are appropriate key skills, competence and knowledge for micro and small enterprises managers; additionally, they can also give feedback and advice about how a possible measuring and accreditation procedure could be structured and offered so that they would be likely to attend it. The questionnaire has been evaluated by all project partners and once again evaluated in a pre-test procedure by relevant stakeholders, representatives of target groups and the external expert. After pretesting, 259 experts and micro/small-sized enterprises managers all over Europe had answered.

2. Data Analysis

2.1. Demographic data on the entrepreneurs

The total number of respondents was **259 entrepreneurs** from **6 countries**: 41 from England (15.8%), 27 from Slovenia (10.4%), 101 from Germany and Austria (39%), 32 from Belgium (12.4%), 25 from Romania (9.7%), 33 from Bulgaria (12.7%). Regarding respondents' nationality, most of them are German (28.2%), similar percentages being recorded for other nationalities: British, Romanians, Slovenians, Belgians, Bulgarians and Austrians.

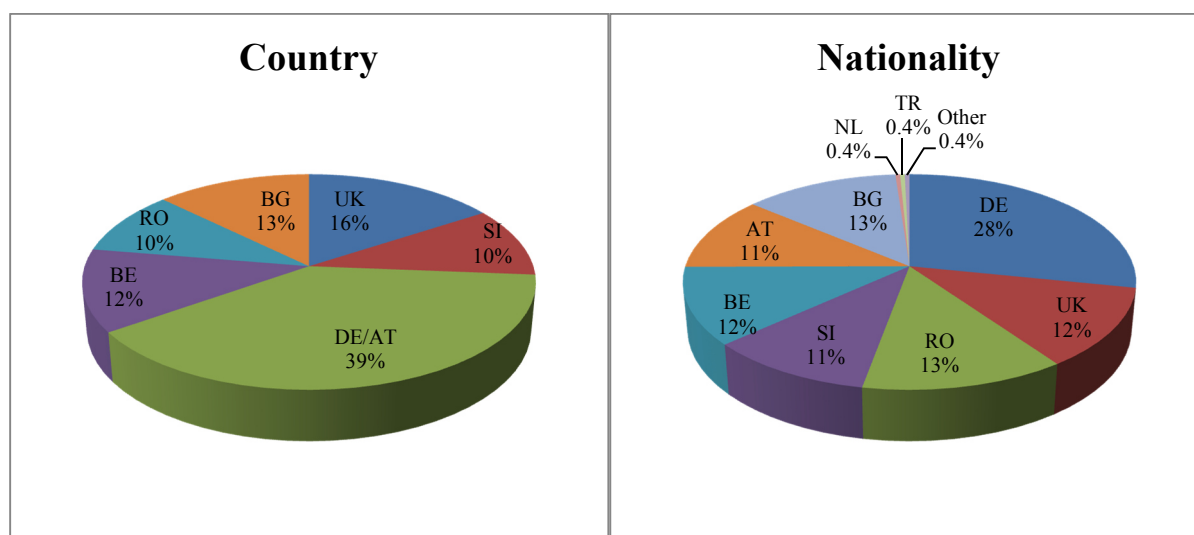


Figure 1: Distribution of respondents by country and nationality
Source: authors, according to research conducted

On the total of 259 respondents (148 are male, 57.1%; 111 female, 42.9%), most of them, 35.1% (91 persons) have between 30 and 45 years, other 32,4% (84 persons) between 46 and 60 years. Lower percentages are registered for 18-29 years age group (17%, 44 persons) and over 60 years (8.1%, 21 persons). 19 persons, representing 7.3% of all respondents have not completed age.

Regarding the education level of respondents, most of them (98, 37.8% of total) have **Bachelor's Degree**, other 28.6% (74 persons) **Master's Degree**. **Vocational education** have 20.5% of total respondents (53 persons), and a small percentage of 13.1% (34 persons) **High school Degree**.

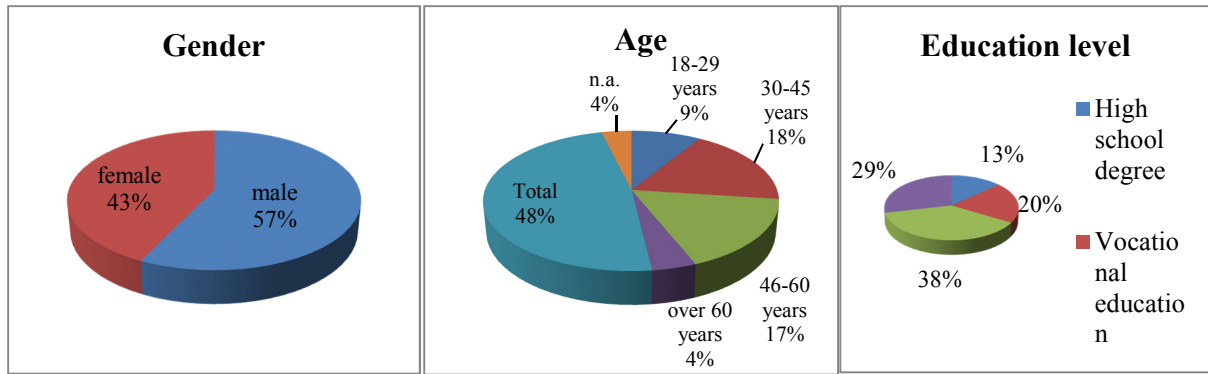


Figure 2: Distribution of respondents by gender, age and education level
Source: authors, according to research conducted

After their position in the company, almost half (45.9%, 119 respondents) are **owners**, over a third (35.1%, 91 respondents) are in **middle management**, and almost 1 of 5 (18.9%, 49 respondents) are in **senior management** position. Of the total respondents, 35.1% (91 persons) are in the management of companies for **over 15 years**, other 34.7% (90 persons) between 5 and 15 years, respectively 30.1% (78 persons) less than 5 years.

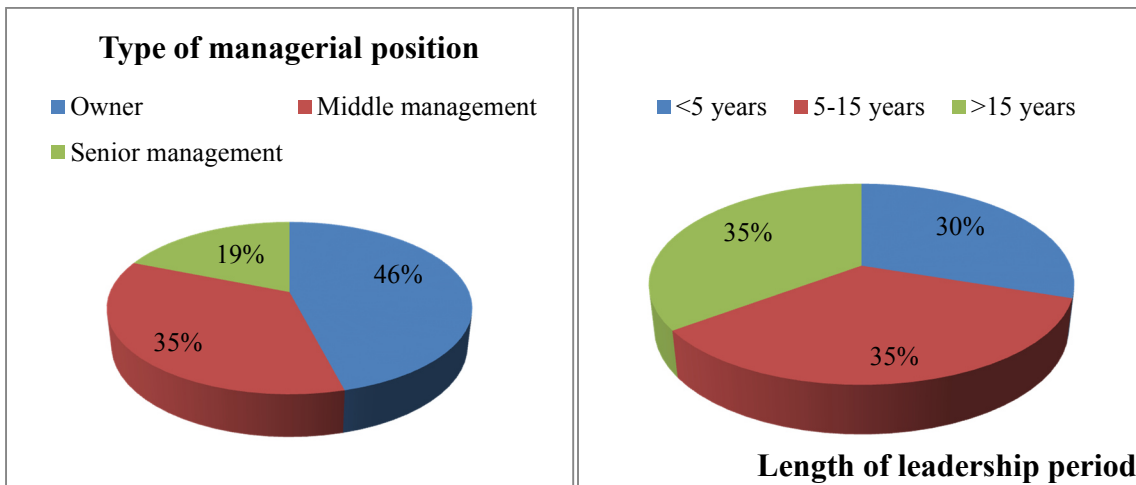


Figure 3: Distribution of respondents by managerial position and length of leadership
Source: authors, according to research conducted

Almost half (117, 45.2%) of the companies included in the research have less than 9 employees, about a third (84, 32.4%) have between 10 to 49 employees, and 22,4% (58 companies) between 50 to 249 employees.

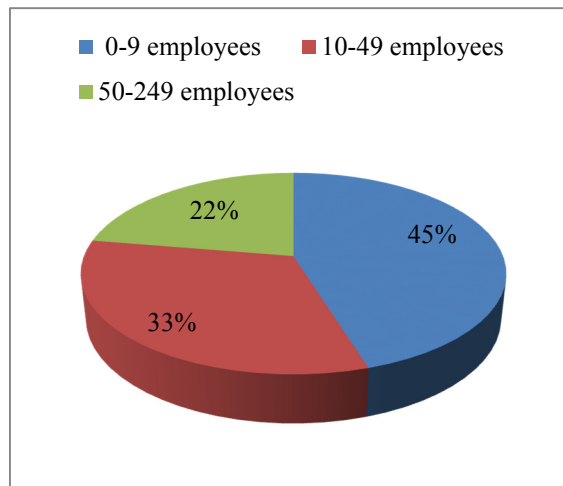


Figure 4: Distribution of respondents by company size
Source: authors, according to research conducted

2.2. Competence profile of management successors

To find how **the knowledge, skills and competences** are **relevant for successful business succession**, we considered three dimensions:

- **Market competences**
- **Organizational competences**
- **Leadership competences**

Regarding **Market competences**, respondents evaluated the following characteristics about management successors:

- Management successors must **understand the market characteristics**
- Management successors must **understand** the (external) **stakeholders** (Eg: customers, suppliers, competitors, public administration etc.) interests
- Management successors mutually **agree transitional arrangements** with stakeholders
- Management successors **explore market opportunities**.
- Management successors can **deal with customers of different nationalities**
- Management successors **recognize customs and tradition of their own country**
- Management successors **check and assess the options for** horizontal, vertical and lateral **cooperation**



Regarding **Organizational competences**, respondents evaluated the following characteristics about management successors:

- Management successors must **understand the business model** of the acquired company
- Management successors successfully **manage and control the business development** of the company
- Management successors are able to **develop and communicate strategic choices**
- Management successors are **running the company correctly**
- Management successors **define and verify quality standards**
- Management successors **strike a balance between tradition and innovation**
- Management successors are **using ICT, internet and social media as tools** for information, interaction and decision making

Regarding **Leadership competences**, respondents evaluated the following characteristics about management successors:

- Management successors **set an exemplary standard to co-workers** and give directions both professionally and personally
- Management successors **implement the necessary changes**
- Management successors **are open minded to new ideas and know how to assess risks**
- Management successors **check compliance of colleagues** with professional, social and quality oriented standards.
- Management successors **are giving feedback and support personal development.**
- Management successors **resolve conflict** with and between co-workers

2.2.1. Market competences

Among the 210 respondents (81.1%) who gave valid responses on “Management successors must understand the market characteristics” question, 126 (48.6% of total sample, 60% of valid answers) consider this as “completely important” and another 80 (30.9% of total sample, 38.1% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 122 (47.1% of total, 58.1% of valid answers) of respondents consider that **knowing the industry and the company’s market position** is “*completely important*” and another 83 (32% of total, 39.5% of valid answers) that this is “*more important*”
- 117 (45.2% of total, 55.7% of valid answers) of respondents consider that knowing the tendencies in their specific market (risks and opportunities in the tourism market) is “*completely important*” and another 86 (33,2% of total, 41% of valid answers) that this is “*more important*”
- 121 (46.7% of total, 57.6% of valid answers) of respondents consider that knowing **supporting financial institutions or funding programs** is “*more important*” and another 49 (18.9% of total, 23.3% of valid answers) that this is “*completely important*”
- 125 (48.3% of total, 59.5% of valid answers) of respondents consider that **understanding the legal framework and the relationships with public administration** is “*more important*”, and another 65 (25.1% of total, 31% of valid answers) that this is “*completely important*”.

The distribution of answers is reflected in mean for each attribute. So, according to this, understanding **the market characteristics**, the most important for management successors is knowing the industry and the company’s market position (mean: 3.55).

Among the 210 respondents (81.1%) who gave valid responses on “Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests” question, 108 (41.7% of total sample, 51.4% of valid answers) consider this as “more important” and another 95 (36.7% of total sample, 45.2% of valid answers) that this is “*completely important*”.

In order to achieve this, we notice the following results:

- 102 (39.4% of total, 48.6% of valid answers) of respondents consider that understanding the value chain of their business is *“completely important”*, and another 89 (34,4% of total, 42,4% of valid answers) that this is *“more important”*;
- 112 (43.2% of total, 53.3% of valid answers) of respondents consider that identifying the key stakeholders is *“more important”* and another 83 (32.0% of total, 39.5% of valid answers) that this is *“completely important”*;
- 101 (39.0% of total, 48.1% of valid answers) of respondents consider that identifying the needs and expectations of their key external stakeholders is *“more important”* and another 93 (35.9% of total, 44.3% of valid answers) that this is *“completely important”*;

The distribution of answers is reflected in mean for each attribute. So, according to this, understanding the external stakeholders interests, the most important for management successors is understanding the value chain of their business (mean: 3.38).

Among the 210 respondents (81.1%) who gave valid responses on **“Management successors mutually agree transitional arrangements with stakeholders”** question, 125 (48.3% of total sample, 59.5% of valid answers) consider this as *“more important”* and another 59 (22.8% of total sample, 28.1% of valid answers) that this is *“completely important”*. In order to achieve this, we notice the following results:

- 92 (35.5% of total, 43.8% of valid answers) of respondents consider that having effective communication skills with donors (family and non- family) is *“more important”* and another 91 (35.1% of total, 43.3% of valid answers) that this is *“completely important”*;
- 100 (38.6% of total, 47.6% of valid answers) of respondents consider that have basic knowledge about specific inheritance and tax law implications is *“more important”*, but another 59 (38.6% of total, 47.6% of valid answers) that this is *“less important”*;
- 102 (39.4% of total, 48.6% of valid answers) of respondents consider that having the ability to negotiate with important stakeholders (investors, customers, suppliers) is *“completely important”* and another 94 (36.3% of total, 44.8% of valid answers) that this is *“more important”*;



The distribution of answers is reflected in mean for each attribute. So, according to this, **agreeing transitional arrangements with stakeholders**, the most important for management successors is having the ability to negotiate with important stakeholders (mean: 3.40).

Among the 210 respondents (81.1%) who gave valid responses on “**Management successors explore market opportunities**” question, 100 (38,6% of total sample, 47.6% of valid answers) consider this as “*more important*” and another 98 (37.8% of total sample, 46.7% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 96 (37.1% of total, 45,7% of valid answers) of respondents consider that having the ability to recognize and assess products/services and prices of competitors is “*completely important*” and another **96** (37.1% of total, 45.7% of valid answers) that this is “*more important*”;
- 120 (46.3% of total, 57.1% of valid answers) of respondents consider that being able to identify new market segments “*completely important*”, and another 76 (29.3% of total, 36.2% of valid answers) that this is “*more important*”;
- 103 (39.8% of total, 49.0% of valid answers) of respondents consider that knowing how to design and price services in relation to competitors is “*more important*”, and another 97 (37.5% of total, 46.2% of valid answers) that this is “*completely important*”;

The distribution of answers is reflected in mean for each attribute. So, according to this, **exploring market opportunities** the most important for management successors are being able to identify new market segments (mean: 3,50) and knowing how to design and price services in relation to competitors (mean: 3,40).

Among the 210 respondents (81.1%) who gave valid responses on “**Management successors can deal with customers of different nationalities**” question, 100 (38.6% of total sample, 47.6% of valid answers) consider this as “*more important*” and another 80 (30.9% of total sample, 38.1% of valid answers) that this is “*completely important*”.

In order to achieve this, we notice the following results:

- 108 (41.7% of total, 51.4% of valid answers) of respondents consider that having a good understanding of customs and traditions of other cultures is “*more important*”, but another 49 (18.9% of total, 23.3% of valid answers) that this is “*less important*”;
- 114 (44.0% of total, 54.3% of valid answers) of respondents consider that being able to establish good connectivity in multicultural environment is “*more important*” and another 62 (23.9% of total, 29.5% of valid answers) that this is “*completely important*”;
- 108 (41.7% of total, 51.4% of valid answers) of respondents consider that taking the initiative in communication with customers from different cultures is “*more important*” and another 58 (22.4% of total, 27.6% of valid answers) that this is “*completely important*”;
- 95 (36.7% of total, 45.2% of valid answers) of respondents consider that having knowledge of foreign languages is “*more important*” **and another 91** (35.1% of total, 43.3% of valid answers) that this is “*completely important*”;

The distribution of answers is reflected in mean for each attribute. So, according to this, **dealing with customers of different nationalities** the most important for management successors is having knowledge of foreign languages (mean: 3.29).

Among the 210 respondents (81.1%) who gave valid responses on “**Management successors recognize customs and tradition of their own country**” question, 106 (40.9% of total sample, 50.5% of valid answers) consider this as “*more important*” and another 63 (24.3% of total sample, 30.0% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 100 (38.6% of total, 47.6% of valid answers) of respondents consider that having good historical knowledge is “*more important*”, but another 73 (28.2% of total, 34.8% of valid answers) that this is “*less important*”;
- 105 (40.5% of total, 50.0% of valid answers) of respondents consider that having knowledge of historical connections to other countries is “*more important*”, but another 68 (26.3% of total, 32.5% of valid answers) that this is “*less important*”;



- 92 (35.5% of total, 43.8% of valid answers) of respondents consider being open minded about multiculturalism is “*more important*” and another 86 (33.2% of total, 41.0% of valid answers) that this is “*completely important*”;

The distribution of answers is reflected in mean for each attribute. So, according to this, **recognizing customs and tradition of their own country** the most important for management successors are being open minded about multiculturalism (mean: 3.21).

Among the 210 respondents (81,1%) who gave valid responses on “**Management successors check and assess the options for horizontal, vertical and lateral cooperation**” question, 133 (51.4% of total sample, 63.3% of valid answers) consider this as “*more important*” and another 57 (22.0% of total sample, 27.1% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 134 (51.7% of total, 63.8% of valid answers) of respondents consider communicating with other similar companies in region is “*more important*” and another 53 (20.5% of total, 25.2% of valid answers) that this is “*completely important*”;
- 119 (55.9% of total, 56.7% of valid answers) of respondents consider leading communication with suppliers is “*more important*” and another 70 (27.0% of total, 33.3% of valid answers) that this is “*completely important*”;
- 102 (39.4% of total, 48.6% of valid answers) of respondents developing networks/networking is “*completely important*” and another 94 (36.3% of total, 44.8% of valid answers) that this is “*more important*”.

The distribution of answers is reflected in mean for each attribute. So, according to this, **checking and assessing the options for horizontal, vertical and lateral cooperation** the most important for management successors are developing networks (mean: 3.41).

According to the mean values for each of the seven key characteristics who define the Market Competences, we see that the most important are: understanding the market characteristics (3.57), understanding external stakeholders (3.41) and exploring market opportunities (3.4).

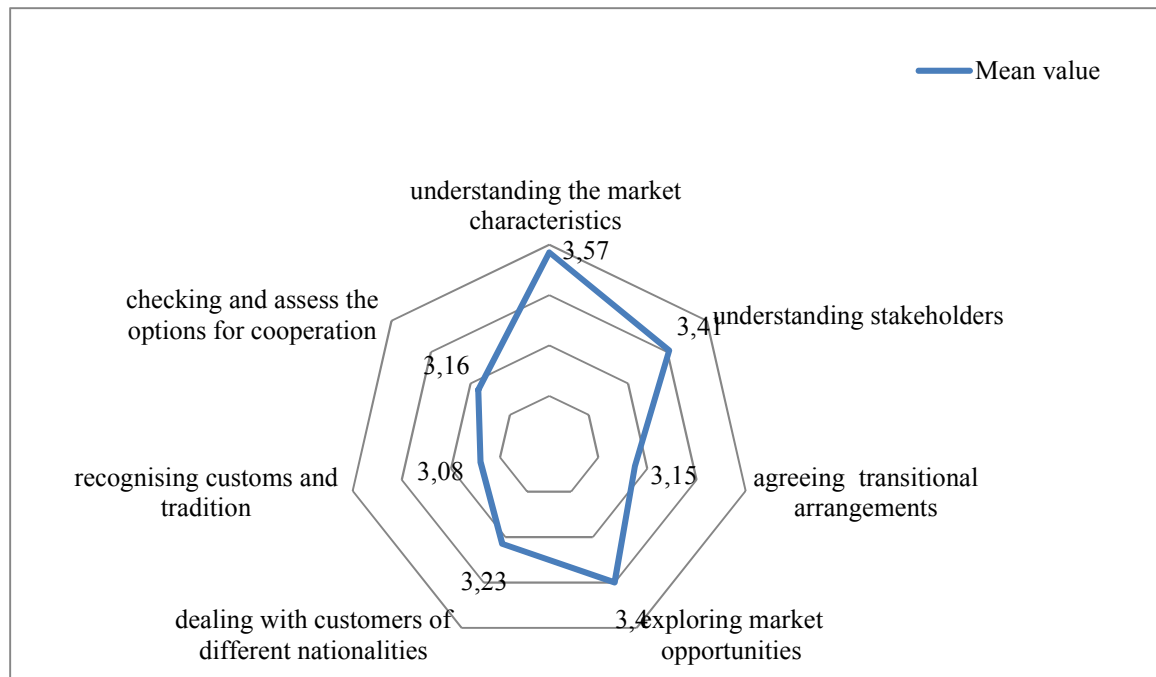


Figure 5: Market competences radar
 Source: authors, according to research conducted

According to the main values for **knowledge, skills and competences** regarding the **Market competence dimension**, *management successors should*: know the industry and the company's market position, know the tendencies in their specific market (risks and opportunities in the tourism market), have the ability to negotiate with important stakeholders (investors, customers, suppliers), be able to identify new market segments, Know how to design and price services in relation to competitors, develop networks/networking

2.2.2. Organizational competences

Among the 203 respondents (78.4%) who gave valid responses on "Management successors must **understand the business model** of the acquired company" question, 117 (45.2% of total sample, 57,6% of valid answers) consider this as "completely important" and another 77 (29,7% of total sample, 37,9% of valid answers) that this is "more important".



In order to achieve this, we notice the following results:

- 112 (43,2% of total, 55,2% of valid answers) of respondents consider that understanding the strategic and operational issues of the business model is “*completely important*”, and another 77 (29,7% of total, 37,9% of valid answers) that this is “*more important*”
- 126 (48,6% of total, 62,1% of valid answers) of respondents consider that being capable of understanding and analysing the revenue/expenditure of the company is “*completely important*”, and another 67 (25,9% of total, 33% of valid answers) that this is “*more important*”
- 104 (40,2% of total, 51,2% of valid answers) of respondents consider that having the ability to predict the sustainability and prospects of the company is “*completely important*”, and another 85 (32,8% of total, 41,9% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **understanding the business model**, the most important for management successors is being capable of understanding and analysing the revenue/expenditure of the company (mean: 3.56).

Among the 203 respondents (78.4%) who gave valid responses on “**Management successors successfully manage and control the business development of the company**” question, 113 (43.6% of total sample, 55.7% of valid answers) consider this as “*completely important*” and another 83 (32.0% of total sample, 40.9% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 103 (39.8% of total, 50.7% of valid answers) of respondents consider that understanding the company’s management system is “*completely important*”, and another 89 (34.4% of total, 43.8% of valid answers) that this is “*more important*”
- 97 (37.5% of total, 47.8% of valid answers) of respondents consider that knowing how to perform a business assessment is “*completely important*”, and another 88 (34.0% of total, 43.3% of valid answers) that this is “*more important*”
- 119 (45.9% of total, 58.6% of valid answers) of respondents consider that knowing how to control the liquidity of the company is “*completely important*”, and another 71 (27.4% of total, 35.0% of valid answers) that this is “*more important*”



- 120 (46.3% of total, 59.1% of valid answers) of respondents consider that knowing how to identify and deal with internal and external risk factors of the company is “*completely important*”, and another 71 (27.4% of total, 35.0% of valid answers) that this is “*more important*”
- 131 (50.6% of total, 64.5% of valid answers) of respondents consider that working towards achieving profit is “*completely important*”, and another 66 (25.5% of total, 32.5% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **managing and control the business development of the company**, the most important for management successors is working towards achieving profit (mean: 3.60).

Among the 203 respondents (78.4%) who gave valid responses on “**Management successors are able to develop and communicate strategic choices**” question, 104 (40.2% of total sample, 51.2% of valid answers) consider this as “*more important*” and another 85 (32.8% of total sample, 41.9% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 120 (46.3% of total, 59.1% of valid answers) of respondents consider that knowing and applying business strategic tools is “*more important*”, and another 69 (26.6% of total, 34.0% of valid answers) that this is “*completely important*”
- 109 (42.1% of total, 53.7% of valid answers) of respondents consider that being able to apply scenario techniques for different commercial & financial situations is “*more important*”, and another 66 (25.5% of total, 32.5% of valid answers) that this is “*completely important*”
- 113 (43.6% of total, 55.7% of valid answers) of respondents consider that having knowledge of different and effective organisational structures is “*more important*”, and another 63 (24.3% of total, 31.0% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, being **able to develop and communicate strategic choices**, the most important for management successors is knowing and applying business strategic tools (mean: 3.26).



Among the 203 respondents (78.4%) who gave valid responses on “**Management successors are running the company correctly**” question, 121 (46.7% of total sample, 59.6% of valid answers) consider this as “*completely important*” and another 78 (30.1% of total sample, 38.4% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 101 (39.0% of total, 49.8% of valid answers) of respondents consider that having knowledge of specific local laws, acts and regulations (such as: company law, general food law regulation etc.) is “*more important*”, and another 84 (32.4% of total, 41.4% of valid answers) that this is “*completely important*”
- 111 (42.9% of total, 54.7% of valid answers) of respondents consider that having basic knowledge about tourism law and social legislation is “*more important*”, and 78 (30.1% of total sample, 38.4% of valid answers) that this is “*completely important*”
- 108 (41.7% of total, 53.2% of valid answers) of respondents consider that having basic knowledge about tax laws that are important for running the company is “*more important*”, and another 81 (31.3% of total, 39.9% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **running the company correctly**, the most important for management successors is having basic knowledge about tax laws that are important for running the company (mean: 3.3).

Among the 203 respondents (78.4%) who gave valid responses on “**Management successors define and verify quality standards**” question, 100 (38.6% of total sample, 49.3% of valid answers) consider this as “*more important*” and another 94 (36.3% of total sample, 46.3% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 101 (39.0% of total, 49.8% of valid answers) of respondents consider that having knowledge about quality management systems in tourism and gastronomy is “*more important*”, and another 82 (31.7% of total, 40.4% of valid answers) that this is “*completely important*”



- 104 (40.2% of total, 51.2% of valid answers) of respondents consider that knowing how to adapt international quality standards to the national requirements and local culture is “*more important*”, and another 59 (22.8% of total, 29.1% of valid answers) that this is “*completely important*”
- 104 (40.2% of total, 51.2% of valid answers) of respondents consider that permanently design, implement and assess quality systems and tools for own company is “*more important*”, and another 84 (32.4% of total, 41.4% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **defining and verifying quality standards**, the most important for management successors is permanently design, implement and assess quality systems and tools for own company (mean: 3.33).

Among the 203 respondents (78.4%) who gave valid responses on “**Management successors strike a balance between tradition and innovation**” question, 112 (43.2% of total sample, 55.2% of valid answers) consider this as “*more important*” and another 59 (22.8% of total sample, 29.1% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 104 (40.2% of total, 51.2% of valid answers) of respondents consider that being aware of tradition and local roots is “*more important*”, but another 46 (17.8% of total, 22.7% of valid answers) that this is “*less important*”
- 119 (45.9% of total, 58.6% of valid answers) of respondents consider that being aware of globalization process is “*more important*”, and another 45 (17.4% of total, 22.2% of valid answers) that this is “*completely important*”
- 101 (39.0% of total, 49.8% of valid answers) of respondents consider that being innovative with a “glocal” (think global, act local) orientation is “*more important*”, and another 67 (25.9% of total, 33.0% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **striking a balance between tradition and innovation**, the most important for management successors is being innovative with a “glocal” orientation (mean: 3.14).

Among the 203 respondents (78.4%) who gave valid responses on “**Management successors are using ICT, internet and social media as tools for information, interaction and decision making**” question, 95 (36.7% of total sample, 46.8% of valid answers) consider this as “*completely important*” and another 94 (36.3% of total sample, 46.3% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 112 (43.2% of total, 55.2% of valid answers) of respondents consider that having knowledge of EDP (electronic data processing) is “*more important*”, and another 54 (20.8% of total, 26.6% of valid answers) that this is “*completely important*”
- 108 (41.7% of total, 53.2% of valid answers) of respondents consider that using informatics tools to support the decision making process is “*more important*”, and another 53 (20.5% of total, 26.1% of valid answers) that this is “*completely important*”
- 88 (34.0% of total, 43.3% of valid answers) of respondents consider that knowing how to manage their own web site with technical support is “*more important*”, and but 60 (23.2% of total, 29.6% of valid answers) that this is “*less important*”
- 84 (32.8% of total, 41.4% of valid answers) of respondents consider that using extensively Internet and social media (like Facebook, Twitter) to interact and communicate with customers and co-workers is “*more important*”, and another 63 (24.3% of total, 31.0% of valid answers) that this is “*completely important*”
- 98 (37.8% of total, 48.3% of valid answers) of respondents consider that providing options for written customer feedback (questionnaire/homepage) is “*more important*”, and another 73 (28.2% of total, 36.0% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **using ICT, internet and social media as tools for information, interaction and decision making**, the most important for management successors is providing options for written customer feedback (mean: 3.18).

According to the mean values for each of the seven key characteristics who define the Organizational competences, we see that the most important are: running the company correctly (3.57), understanding the business model (3.52) managing and control the business development (3.51).

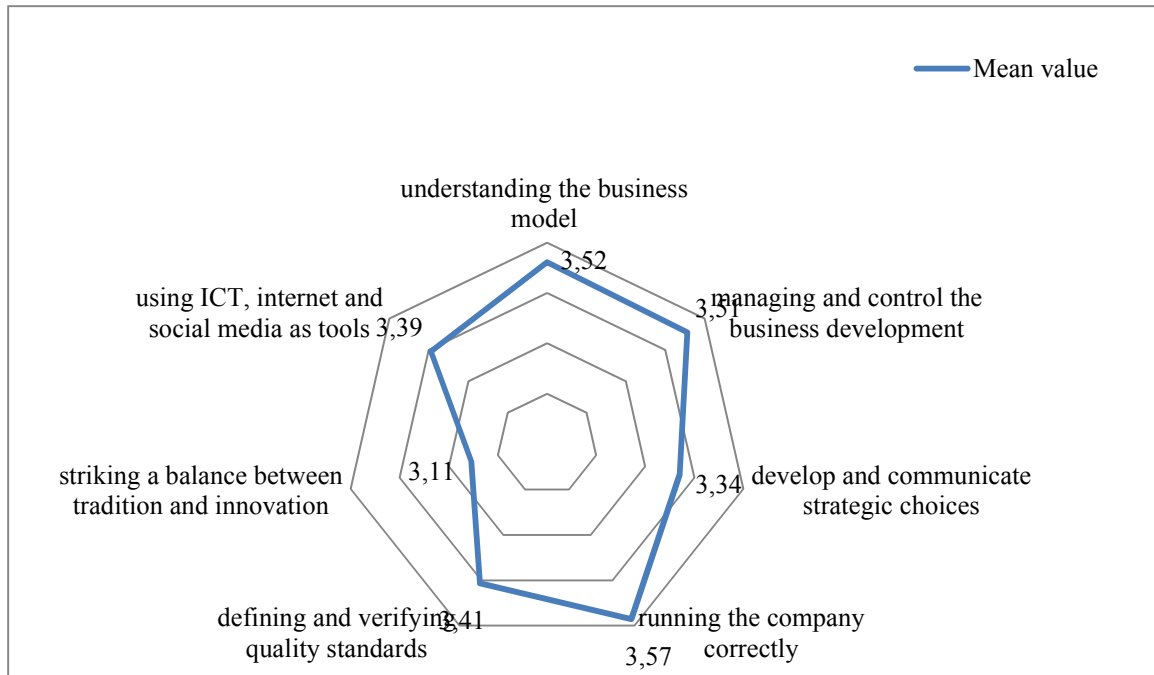


Figure 6: Organizational competences radar
 Source: authors, according to research conducted

According to the main values for **knowledge, skills and competences** regarding the **Organizational competences dimension**, *management successors should*: working towards achieving profit, being capable of understanding and analysing the revenue/expenditure of the company, knowing how to identify and deal with internal and external risk factors of the company, knowing how to control the liquidity of the company, understanding the strategic and operational issues of the business model.

2.2.3. Leadership competences

Among the 198 respondents (76,4%) who gave valid responses on “Management successors **set an exemplary standard to co-workers** and give directions both professionally and personally” question, 97 (37,5% of total sample, 49.0% of valid answers) consider this as “*more important*” and another 88 (34.0% of total sample, 44.4% of valid answers) that this is “*completely important*”. In order to achieve this, we notice the following results:

- 109 (42.1% of total, 55.1% of valid answers) of respondents consider that having professional and social skills is “*completely important*”, and another 83 (32.0% of total, 41.9% of valid answers) that this is “*more important*”



- 91 (35.1% of total, 46.0% of valid answers) of respondents consider that demonstrating their professional qualifications is “*completely important*”, and another 80 (30.9% of total, 40.4% of valid answers) that this is “*more important*”
- 108 (41.7% of total, 54.5% of valid answers) of respondents consider that having planning and organizational skills is “*completely important*”, and another 86 (33.2% of total, 43.4% of valid answers) that this is “*more important*”
- 129 (49.8% of total, 65.2% of valid answers) of respondents consider that having problem solving abilities is “*completely important*”, and another 60 (23.2% of total, 30.3% of valid answers) that this is “*more important*”
- 93 (35.9% of total, 47.0% of valid answers) of respondents consider that having a good standard of general education is “*more important*”, and another 82 (31.7% of total, 41.4% of valid answers) that this is “*completely important*”
- 108 (41.7% of total, 54.5% of valid answers) of respondents consider that acting as a role model is “*completely important*”, and another 74 (28.6% of total, 37.4% of valid answers) that this is “*more important*”.

The distribution of answers is reflected in mean for each attribute. So, according to this, **setting an exemplary standard to co-workers** and giving directions both - professionally and personally, the most important for management successors is having problem solving abilities (mean: 3.59).

Among the 198 respondents (76.4%) who gave valid responses on “**Management successors implement the necessary changes**” question, 100 (38.6% of total sample, 50.5% of valid answers) consider this as “*completely important*” and another 94 (36.3% of total sample, 47.5% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 96 (37.1% of total, 48.5% of valid answers) of respondents consider that being able to create and implement a vision is “*completely important*”, and another 92 (35.5% of total, 46.5% of valid answers) that this is “*more important*”
- 106 (40.9% of total, 53.5% of valid answers) of respondents consider that being able to lead difficult conversation with all involved is “*completely important*”, and another 84 (32.4% of total, 42.4% of valid answers) that this is “*more important*”



- 100 (38.6% of total, 50.5% of valid answers) of respondents consider that knowing how to compromise is “*completely important*”, and another 85 (32.8% of total, 42.9% of valid answers) that this is “*more important*”
- 91 (35.1% of total, 46.0% of valid answers) of respondents consider that having knowledge in change-management is “*more important*”, and another 90 (34.7% of total, 45.5% of valid answers) that this is “*completely important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **implementing the necessary changes**, the most important for management successors is being able to lead difficult conversation with all involved (mean: 3.48).

Among the 198 respondents (76.4%) who gave valid responses on “**Management successors are open minded to new ideas and know how to assess risks**” question, 119 (45.9% of total sample, 60.1% of valid answers) consider this as “*completely important*” and another 75 (29.0% of total sample, 37.9% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 118 (45.6% of total, 59.6% of valid answers) of respondents consider that being able to motivate the human resources to be creative and participative is “*completely important*”, and another 71 (27.4% of total, 35.9% of valid answers) that this is “*more important*”
- 99 (38.2% of total, 50.0% of valid answers) of respondents consider that being able to collect and evaluate information from the employees is “*more important*”, and another 93 (35.9% of total, 47.0% of valid answers) that this is “*completely important*”
- 97 (37.5% of total, 49.0% of valid answers) of respondents consider that demonstrating calculated risk taking is “*completely important*”, and another 88 (34.0% of total, 44.4% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, being **open minded to new ideas and know how to assess risks**, the most important for management successors is being able to motivate the human resources to be creative and participative (mean: 3.55).



Among the 198 respondents (76.4%) who gave valid responses on **“Management successors check compliance of colleagues with professional, social and quality oriented standards”** question, 113 (43.6% of total sample, 57.1% of valid answers) consider this as *“more important”* and another 74 (28.6% of total sample, 37.4% of valid answers) that this is *“completely important”*. In order to achieve this, we notice the following results:

- 100 (38.6% of total, 50.5% of valid answers) of respondents consider that practicing management techniques *“by walking around”* is *“more important”*, and another 66 (25.5% of total, 33.3% of valid answers) that this is *“completely important”*
- 92 (35.5% of total, 46.5% of valid answers) of respondents consider that promoting team spirit is *“more important”*, and another 91 (35.1% of total, 46.0% of valid answers) that this is *“completely important”*
- 93 (35.9% of total, 47.0% of valid answers) of respondents consider that having mentoring skills is *“more important”*, and another 83 (32.0% of total, 41.9% of valid answers) that this is *“completely important”*
- 127 (49.0% of total, 64.1% of valid answers) of respondents consider that having team leading skills is *“completely important”*, and another 65 (25.1% of total, 32.8% of valid answers) that this is *“more important”*

The distribution of answers is reflected in mean for each attribute. So, according to this, **checking compliance of colleagues with professional, social and quality oriented standards**, the most important for management successors is having team leading skills (mean: 3.61).

Among the 198 respondents (76.4%) who gave valid responses on **“Management successors are giving feedback and support personal development”** question, 95 (36.7% of total sample, 48.0% of valid answers) consider this as *“more important”* and another 93 (35.9% of total sample, 47.0% of valid answers) that this is *“completely important”*. In order to achieve this, we notice the following results:

- 98 (37.8% of total, 49.5% of valid answers) of respondents consider that being able to provide both formal and informal feedback for work done is *“more important”*, and another 88 (34.0% of total, 44.4% of valid answers) that this is *“completely important”*



- 98 (37.8% of total, 49.5% of valid answers) of respondents consider that being able to systematically carry out evaluation meetings is “*more important*”, and another 76 (29.3% of total, 38.4% of valid answers) that this is “*completely important*”
- 115 (44.4% of total, 58.1% of valid answers) of respondents consider that investing in development of his employees is “*completely important*”, and another 77 (29.7% of total, 38.9% of valid answers) that this is “*more important*”

The distribution of answers is reflected in mean for each attribute. So, according to this, **giving feedback and support personal development**, the most important for management successors is investing in development of his employees (mean: 3.55).

Among the 198 respondents (76.4%) who gave valid responses on “**Management successors resolve conflict with and between co-workers**” question, 104 (40.2% of total sample, 52.5% of valid answers) consider this as “*completely important*” and another 87 (33.6% of total sample, 43.9% of valid answers) that this is “*more important*”. In order to achieve this, we notice the following results:

- 97 (37.5% of total, 49.0% of valid answers) of respondents consider that having skills in persuasion is “*completely important*”, and another 85 (32.8% of total, 42.9% of valid answers) that this is “*more important*”
- 117 (45.2% of total, 59.1% of valid answers) of respondents consider that having conflict resolution abilities is “*completely important*”, and another 73 (28.2% of total, 36.9% of valid answers) that this is “*more important*”.

The distribution of answers is reflected in mean for each attribute. So, according to this, **resolving conflict with and between co-workers**, the most important for management successors is having conflict resolution abilities (mean: 3.55).

According to the mean values for each of the six key characteristics who define the **Leadership competences**, we see that the most important are: being open minded to new ideas and knowing how to assess risks (3.58), implementing the necessary changes (3.48) managing and resolving conflict with and between co-workers (3.48).

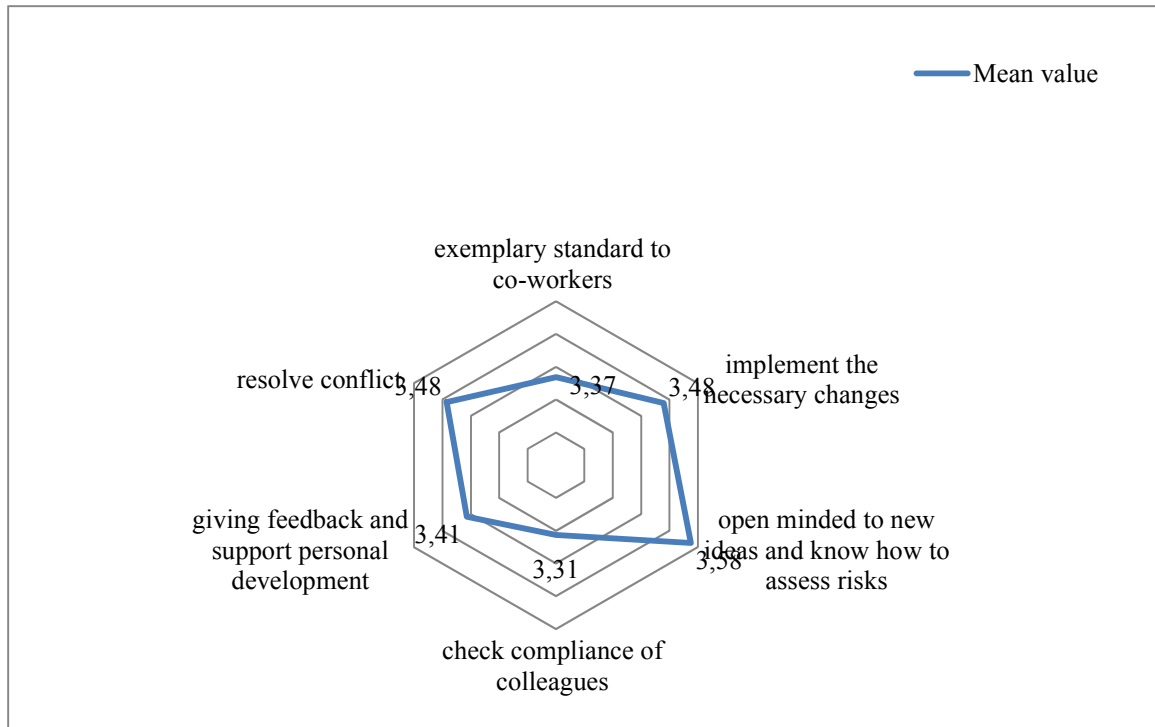


Figure 7: Leadership competences radar
Source: authors, according to research conducted

According to the main values for **knowledge, skills and competences** regarding the **Leadership competences dimension**, management successors should: having team leading skills, having planning and organizational skills, investing in development of his employees, having planning and organizational skills, being able to motivate the human resources to be creative and participative.

2.3. Testing correlation between knowledge, skills and competences for successful business succession

All correlations between sub dimensions and between the attributes associated with each sub-dimension are **positive and statistically significant** for a confidence interval of 99% (the Sig's values are in all cases lower than the maximum acceptable value of .005).

At each sub-dimension level, **the correlations** for the items associated with each sub-dimension are **moderate to high**, all items are **positively correlated** (the Pearson correlation index has positive values) which means that they measure the same thing.

For each dimension, the sub-dimensions are positively correlated and the intensity of the correlations between them is small to moderate. For the Leadership competences' dimension, the correlations between sub-dimensions are moderate.

For those sub-dimensions associated to **Market competences'** dimension, the correlation matrix is presented in the next figure.

Table 1: Market competences – correlation matrix

Market competences	understand the market characteristics	understand the stakeholders interests	mutually agree transitional arrangements with stakeholders	explore market opportunities	deal with customers of different nationalities	recognize customs and tradition of their own country	check and assess the options for horizontal, vertical and lateral cooperation
understand the market characteristics	1	0.336	0.245	0.398	0.179	0.146	0.210
understand the stakeholders interests	0.336	1	0.397	0.346	0.325	0.335	0.378
mutually agree transitional arrangements with stakeholders	0.245	0.397	1	0.347	0.387	0.378	0.383
explore market opportunities	0.398	0.346	0.347	1	0.338	0.396	0.316
deal with customers of different nationalities	0.179	0.25	0.387	0.338	1	0.430	0.307
recognize customs and tradition of their own country	0.146	0.335	0.378	0.396	0.430	1	0.346
check and assess the options for horizontal, vertical and lateral cooperation	0.210	0.378	0.383	0.316	0.307	0.346	1

Source: authors, based on statistical analysis

The strongest links - signalled by Pearson correlation indices with high values – identified for the **Organizational competences**’ sub-dimensions are between: understanding the business model of the acquired company and managing and controlling the business development of the company (0.585), managing and controlling the business development of the company and defining and verifying quality standards (0.527), understanding the business model of the acquired company and defining and verifying quality standards (0.489) (Table no. 2).

Table 2: Organizational competences - correlation matrix

Organizational competences	understand the business model of the acquired company	manage and control the business development of the company	develop and communicate strategic choices	running the company correctly	define and verify quality standards	strike a balance between tradition and innovation	using ICT, internet and social media as tools for information, interaction and decision making
understand the business model of the acquired company	1	0.585	0.341	0.399	0.489	0.275	0.296
manage and control the business development of the company	0.585	1	0.411	0.382	0.527	0.181	0.275
develop and communicate strategic choices	0.341	0.411	1	0.431	0.399	0.365	0.303
running the company correctly	0.399	0.382	0.431	1	0.317	0.193	0.289
define and verify quality standards	0.489	0.527	0.399	0.317	1	0.383	0.353
strike a balance between tradition and innovation	0.275	0.181	0.365	0.193	0.383	1	0.304
using ICT, internet and social media as tools for information, interaction and decision making	0.296	0.275	0.303	0.289	0.353	0.304	1

Source: authors, based on statistical analysis

The strongest links - signalled by Pearson correlation indices with high values – identified for the **Leadership competences'** sub-dimensions are between: implementing the necessary changes and being open minded to new ideas and know how to assess risks (0.580), implementing the necessary changes and checking compliance of colleagues with professional, social and quality oriented standards (0.497), giving feedback and supporting personal development and implementing the necessary changes (0.491) (Table no. 3).

Table 3: Leadership competences - correlation matrix

Leadership competences	set an exemplary standard to co-workers and give directions both professionally and personally	implement the necessary changes	are open minded to new ideas and know how to assess risks	check compliance of colleagues with professional, social and quality oriented standards	give feedback and support personal development	resolve conflict with and between co-workers
set an exemplary standard to co-workers and give directions both professionally and personally	1	0.456	0.431	0.488	0.300	0.430
implement the necessary changes	0.456	1	0.580	0.497	0.491	0.419
are open minded to new ideas and know how to assess risks	0.431	0.580	1	0.471	0.482	0.388
check compliance of colleagues with professional, social and quality oriented standards	0.488	0.497	0.471	1	0.389	0.425
give feedback and support personal development	0.300	0.491	0.482	0.389	1	0.463
resolve conflict with and between co-workers	0.430	0.419	0.388	0.425	0.463	1

Source: authors, based on statistical analysis

2.4. Country profiles

Demographic data on the entrepreneurs and characteristics of the sample by each country is summarizing in the next table.

Table 4: Characteristics of the sample by each country

Country	EN	SLO	DE & AT	NL	RO	BG
Age						
18-29 years	5	9	7*	17	5	4
30-45 years	13	7	32*	9	16	14
46-60 years	20	10	29*	6	4	15
>60 years	3	4	14*	-	-	-
Gender						
male	22	11	69	15	12	19
female	19	16	32	17	13	14
Education level						
High school degree	4	7	12	11	-	-
Vocational education	13	-	32	1	-	7
Bachelor's degree	11	17	33	7	17	13
Master's degree	13	3	24	13	8	13
Managerial position						
Owner	13	21	44	17	11	13
Middle management	19	3	36	11	12	10
Senior management	9	3	21	4	2	10
Length of leadership period						
< 5 years	12	8	30	18	6	4
5-15 years	10	8	30	10	13	19
>15 years	19	11	41	4	6	10
Company size						
0-9 employees	10	17	40	24	8	18
10-49 employees	17	8	30	8	7	14
50-249 employees	14	2	31		10	1
Total respondents	41	27	101*	32	25	33

Source: authors, based on survey results

Note: * 19 respondents didn't reveal age



2.4.1. England

The sample for England consisted in 41 respondents: 22 male (53.7% of the sample) and 19 female (46.3% of the sample). 68.3% of the sample studied, which means 28 respondents, have British nationality, 9 respondents Romanian nationality, 3 Austrian nationality, respectively one Belgian nationality.

From the sample of 41 respondents, 34 respondents were considered to give valid answers regarding the dimension **Market competences**, which means 82.9% of the sample investigated from England. The findings for the **Market competences** sub-dimensions are as follows:

- 19 of respondents (55.9% of valid answers) consider that *Management successors must understand the market characteristics* is “completely important”, whereas for 14 respondents (41.2% of valid answers) this is “more important”. In order to understand the market characteristics, management successors should pay more importance on knowing the industry and the company’s market position (23 respondents considering this being completely important) and knowing the tendencies in their specific market (22 respondents considering this being completely important).
- 21 of respondents (51.2% of valid answers) consider that *Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests* is “completely important” and 12 respondents (35.3% of valid answers) assess it as “more important”. Identifying the needs and expectations of their key external stakeholders is an attribute that reached the highest mean: 3.56.
- In order to *mutually agree transitional arrangements with stakeholders* (a sub-dimension considered to be more important for 18 respondents – 52.9% of valid answers), management successors should associate more importance to have effective communication skills with donors (family and non-family);
- *Exploring the market opportunities* is completely important for 19 respondents (55.9% of valid answers). Being able to identify new market segments is an attribute that reached the highest mean: 3.68;



- 58.8% of valid answers (20 respondents) offer a highly importance to the sub-dimension *Management successors can deal with customers of different nationalities*. The statements for this sub-dimension fluctuated on the scale of assessment from completely unimportant to completely important, having a good understanding of customs and traditions of other cultures is the most important (mean: 3.32);
- *Management successors recognize customs and tradition of their own country*, is considered to be as “completely important” (55.9% of valid answers). The highest level of importance associated to the attribute of this sub-dimension *was assigned to being open minded about multiculturalism* (mean 3.32)
- The sub-dimension *Management successors check and assess the options for horizontal, vertical and lateral cooperation* is considered to be completely important for 44.1% of the valid sample and more important for another 41.2%. Concerning this sub-dimension, a highly importance is given to developing networks/networking (mean 3.53).

The most important sub-dimensions for management successors in relation to **Market competences** are: being able to identify new market segments (mean: 3.68), knowing the industry and the company’s market position (mean: 3.59) and also know the tendencies in their specific market, identify the needs and expectations of their key external stakeholders, Know how to design and price services in relation to competitors (each of them with a mean of 3.56).

In relation to the **Organizational competences** dimension, 34 respondents were considered to have given valid answers, which mean 82.9% of the sample investigated. The findings for the **Organizational competences** sub-dimensions are as follows:

- 58.8% of valid answers (20 respondents) are for granting a highly importance to the sub-dimension *Management successors must understand the business model of the acquired company*. A high importance is given to abilities related to understanding and analysing the revenue/expenditure of the company and the ability to predict the sustainability and prospects of the company;
- The sub-dimension *Management successors successfully manage and control the business development of the company* is considered to be completely important for 52.9% of the validated sample. Concerning this sub-dimension, a highly importance is given to understanding the company’s management system and working towards achieving profit;



- *The ability to develop and communicate strategic choices* is completely important for 15 respondents (44.1% of valid answers) and more important for 16 respondents (47.1% of valid answers). Most of respondents estimates a highly importance for having knowledge of different and effective organisational structures (16 completely important, 15 more important);
- In order to *run the company correctly* (a sub-dimension considered to be completely important for 19 respondents – 55.9% of valid answers), management successors should have basic knowledge about tax laws;
- *The defining and verification of the quality standards* is a sub-dimension with a high importance for 55.9% of the validated sample (19 respondents) and management successors should have permanently design, implement and assess quality systems and tools for their own company, as this is the attribute appreciated to be completely important by 55.9 of the validated sample.
- Regarding the sub-dimension *Management successors strike a balance between tradition and innovation*, the opinions are currently split between a more importance allocation (41.2% of valid answers) and a completely importance allocation (44.1% of valid answers), the attribute related to being innovative with a “g-local” (think global, act local) orientation gaining the highest importance (mean: 3.26).
- *Management successors are using ICT, internet and social media as tools for information, interaction and decision making* is a sub-dimension reviewed as highly important by 20 respondents (58.8% of valid answers). In order to achieve this, providing options for written customer feedback is completely important for 16 respondents and more important for 14 respondents.

The most important sub-dimensions for management successors in relation to **Organizational competences** are: working towards achieving profit (mean: 3.59), having basic knowledge about tax laws that are important for running the company (mean: 3.53) and also being capable of understanding and analysing the revenue/expenditure of the company and having the ability to predict the sustainability and prospects of the company (each of them with a mean of 3.47).



In relation to the **Leadership competences** dimension, 33 respondents (80.5% of the sample investigated) has given valid answers. The findings are as follows:

- 17 of respondents (51.5% of valid answers) consider that *Management successors set an exemplary standard to co-workers and give directions both professionally and personally* is “completely important”. In order to achieve that, very important for management successors is having problem solving abilities, but also professional and social skills, respectively planning and organisational skills;
- 17 of respondents (51.5% of valid answers) consider that *Management successor implement the necessary changes* sub-dimension is “more important”, 15 respondents (45.5% of valid answers) assess it as “completely important”. In order to achieve better this sub-dimension management successors should know how to compromise (19 respondents consider that as completely important);
- Concerning the sub-dimension *Management successors are open minded to new ideas and know how to assess risks*, the opinions for a more importance allocation represent 24.4 % of the valid answers and 53.7 % of the valid answers are for a completely importance allocation. The attribute related to being motivate the human resources to be creative and participative is completely important for 20 respondents (60.6% of valid answers);
- *Management successors check compliance of colleagues with professional, social and quality oriented standards* is a sub-dimension reviewed as completely important by 20 respondents (60.6% of the valid answers). For the attribute “have team leading skills the opinions” assigned the highest importance.
- For *Management successors are giving feedback and support personal development* sub-dimension 60.6% of valid answers were in favour of completely importance, and for the attribute of investing in development of his employees was assigned the higher importance by 26 respondents (78.8% of valid answers);
- *The ability of management successors to resolve conflict with and between co-workers* is a sub-dimension with a high importance for 20 respondents (60.6% of the valid answers) and for this sub-dimension to be reached the management successors should have conflict resolution abilities as this attribute is appreciated to be completely important by 66.7% of the validated sample (22 respondents);



The most important sub-dimensions for management successors in relation to **Leadership competences** are: investing in development of his employees (mean: 3.73), having problem solving abilities (mean: 3.70), having professional and social skills (mean: 3.67) and also having planning and organisational skills (mean: 3.67)

2.4.2. Slovenia

The sample for Slovenia consisted of 27 respondents: 11 male (40.7% of the sample) and 16 female (59.3% of the sample). All sample studied have Slovenian nationality.

From the sample of 32 respondents only 15 respondents were considered to give valid answers regarding the dimension **Market competences** which means 55.6% of the sample investigated. The findings for the **Market competences** sub-dimensions are as follows:

- 12 of respondents (80.0% of valid answers) consider that *Management successors must understand the market characteristic is “completely important”* and 3 respondents (20.0% of valid answers) this is *“more important”*. In order to understand the market characteristics, management successors should pay more importance on knowing the tendencies in their specific market (risks and opportunities in the tourism market): 11 respondents considering this being completely important and (73.3% of valid answers).
- 10 of respondents (66.7% of valid answers) consider that *Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests is “completely important”*. Identifying the needs and expectations of their key external stakeholders is an attribute that reached the highest mean: 3.67.
- In order to *mutually agree transitional arrangements with stakeholders* (a sub-dimension considered to be more important for 7 respondents – 46.7% of valid answers), management successors should have the ability to negotiate with important stakeholders (investors, customers, suppliers)
- *Exploring the market opportunities* is completely important for 12 respondents (80.0% of valid answers). In order to achieve this 60% of respondents consider as completely important all three attributes.



- 53.3% of valid answers (8 respondents) consider completely important the sub-dimension *Management successors can deal with customers of different nationalities*. The most important about this is having knowledge of foreign languages (mean: 3.73)
- *Management successors recognize customs and tradition of their own country*, is considered to be as “completely important” (60.0% of valid answers) or “more important” (40.0%). The highest level of importance associated to the attribute of this sub-dimension *was assigned to being open minded about multiculturalism*.
- The sub-dimension *Management successors check and assess the options for horizontal, vertical and lateral cooperation* is considered to be more important for 60% of the validated sample. Concerning this sub-dimension, a highly importance is given to developing networks/networking (53.3% of valid answers).

The most important sub-dimensions for management successors in relation to **Market competences** are: knowing the tendencies in their specific market and having knowledge of foreign languages (both with mean: 3.73), but also identifying the needs and expectations of their key external stakeholders and being open minded about multiculturalism (both with mean: 3.67).

In relation to the **Organizational competences** dimension, only 12 respondents given valid answers, which means 44.4% of the sample investigated:

- 50% of valid answers (6 respondents) are for granting a highly importance to the sub-dimension *Management successors must understand the business model of the acquired company*. A high importance is given to abilities related to understanding the strategic and operational issues of the business model, respectively understanding and analysing the revenue/expenditure of the company;
- The sub-dimension *Management successors successfully manage and control the business development of the company* is considered to be completely important for 66.7% of the validated sample. Concerning this sub-dimension, highly importance is given almost all attributes associated;
- *The ability to develop and communicate strategic choices* is completely important for 6 respondents (50% of valid answers) and more important for 6 respondents. To achieve this, the most important attribute is having knowledge of different and effective organisational structures;



- In order *to run the company correctly* (a sub-dimension considered to be completely important by all respondents), management successors should have basic knowledge about tax laws that are important for running the company;
- *The defining and verification of the quality standards* is a sub-dimension with a high importance for 58,3% of the validated sample and management successors should know how to adapt international quality standards to the national requirements and local culture, as this is the attribute appreciated to be completely important by 66.7 of the validated sample (8 respondents);
- Regarding the sub-dimension *Management successors strike a balance between tradition and innovation*, 8 respondents consider that as more important and 4 completely important. In order to achieve this, it's equally important being aware of tradition and local roots and being innovative with a "glocal";
- *Management successors are using ICT, internet and social media as tools for information, interaction and decision making* is a sub-dimension reviewed as more important by 8 respondents (66.7% of the valid answers). The most important aspect about this is, according to results, providing options for written customer feedback (questionnaire/homepage);

The most important sub-dimensions for management successors in relation to **Organizational competences** are: knowing how to adapt international quality standards to the national requirements and local culture, understanding the company's management system, knowing how to control the liquidity of the company, knowing how to identify and deal with internal and external risk factors of the company, working towards achieving profit, each of them having a mean of 3.67.

In relation to the **Leadership competences** dimension, 66.7% of the sample investigated has given valid answers (12 respondents):

- 8 of respondents (66.7% of valid answers) consider that *Management successors set an exemplary standard to co-workers and give directions both professionally and personally* is "completely important". In order to achieve this, acting as a role model is the attribute with the highest importance.
- 7 of respondents (58.3% of valid answers) consider that *Management successor implement the necessary changes* sub-dimension is "completely important", 5 respondents (41.7% of



valid answers) assess it as “more important”. In order to achieve better this sub-dimension, management successors should be able to create and implement a vision and knowing how to compromise.

- Concerning the sub-dimension *Management successors are open minded to new ideas and know how to assess risks*, the opinions for a more importance allocation represent 25% of the valid answers and 75% of the valid answers are for a completely importance allocation. The attribute related to being able to motivate the human resources to be creative and participative has the highest importance.
- *Management successors check compliance of colleagues with professional, social and quality oriented standards* is a sub-dimension reviewed as more important by 9 respondents (75% of the valid answers). For the attribute “have team leading skills” the opinions assigned the highest importance.
- For *Management successors are giving feedback and support personal development* sub-dimension 75% of valid answers were in favour of completely importance and for the attribute “be able to provide both formal and informal feedback for work done” was assigned the higher importance by 9 respondents (75% of valid answers);
- *The ability of management successors to resolve conflict with and between co-workers* is a sub-dimension with a high importance for 75 % of the validated sample (9 respondents) and for this sub-dimension to be reached the management successors should have conflict resolution abilities as this attribute is appreciated to be completely important by 9 respondents.

The most important sub-dimensions for management successors in relation to **Leadership competences** are: acting as a role model (mean: 3.92) and being able to motivate the human resources to be creative and participative (mean: 3.92).

2.4.3. Germany and Austria

The sample for Germany and Austria consisted of 101 respondents from which: 69 male (68.3% of the sample) and 32 female (31.7% of the sample). 71.3% of the sample studied, which means 72 respondents, have German nationality; 2 respondents have British nationality, 26 respondents are Austrians and 1 respondents has Turkish nationality.



From the entire sample, 89 respondents were considered to give valid answers regarding the dimension **Market competences** which means 88.1% of the sample investigated. In relation to the **Market competences** sub-dimensions, the following results were obtained:

- 63 of respondents (70.8% of valid answers) consider that *Management successors must understand the market characteristics* is “completely important”, whereas 25.8% of valid answers were for a “more important” assessment. In order to understand the market characteristics, management successors should pay attention on knowing the industry and the company’s market position (63 respondents considering this being completely important) and on knowing the tendencies in their specific market (56 respondents considering this being completely important).
- 47 of respondents (52.8% of valid answers) consider that *Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests* is “more important” and 40 respondents (44.9% of valid answers) assess it as “completely important”. For 54 respondents understanding the value chain of their business is completely important while identifying the key stakeholders is completely important only for 37 respondents (41.6% of valid answers).
- In order to *mutually agree transitional arrangements with stakeholders* (a sub-dimension considered to be completely important for 22 respondents, management successors should be master of negotiation with important stakeholders (investors, customers, suppliers) (45 respondents considering this being completely important) but also should have effective communication skills with donors (44 respondents considering this being completely important).
- *Exploring the market opportunities* is completely important for 39 respondents (43.8% of valid answers) and less unimportant for 4 respondents. Management successors should be able to identify new market segments (61.8% of valid answers are in relation to assigning a completely important grade) and 42 respondents (47.2% of valid answers) are in favour of skills in relation to design and price services given those of the competitors.
- 50.6% of valid answers (45 respondents) are for granting a more importance to the sub-dimension *Management successors can deal with customers of different nationalities*, 29.2% of valid answers (26 respondents) are for a highly importance. A high relevance is given to abilities related to knowing foreign languages and then to abilities in relation to establish a good connectivity in multicultural environment.



- According to *Management successors recognize customs and tradition of their own country's* questionnaire results, 17 respondents (19.1% of valid answers) consider this as “completely important”, 47 respondents (45.8% of valid answers) consider this as “more important” and 23 respondents assess it as less unimportant. The level of importance associated to the attribute is given a higher credit to being open minded about multiculturalism.
- The sub-dimension *Management successors check and assess the options for horizontal, vertical and lateral cooperation* is considered to be more important for 59.6% of the validated sample. Concerning this sub-dimension, a highly importance is given to developing networks/networking by 45 of respondents (50.6% of valid answers), followed by leading communication with suppliers (33.7% of valid answers -30 respondents).

The distribution of answers for **Market competences** dimension is reflected in mean for each sub-dimension. So, according to the this, in relation to **Market competences** the most important sub-dimensions for management successors are: understanding the market characteristics (mean: 3.65), understanding the (external) stakeholders interest (mean:3.42) and exploring market opportunities (mean: 3.39)

In relation to the **Organizational competences** dimension, 89 respondents were considered to give valid answers which means 88.1% of the sample investigated. The following results were obtained:

- 74.2% of valid answers (66 respondents) are for granting a highly importance to the sub-dimension *Management successors must understand the business model of the acquired company*, 23.6% of valid answers (21 respondents) are for a more importance and 2.2% of valid answers (2 respondents) is for a less unimportance. A high importance is given to abilities related to understanding and analysing the revenue/expenditure of the company, and understanding the strategic and operational issues of the business model.
- The sub-dimension *Management successors successfully manage and control the business development of the company* is considered to be completely important for 76.4% of the validated sample. Concerning this sub-dimension, a highly importance is given to knowing how to control the liquidity of the company, knowing how to identify and deal with internal and external risk factors of the company and to working towards achieving profit.



- *The ability to develop and communicate strategic choices* is completely important for 41 respondents (46.1% of valid answers). Management successors should be able to know and apply business strategic tools (34.8% of valid answers are in relation to assigning a completely important grade).
- In order *to run the company correctly* (a sub-dimension considered to be completely important for 63 respondents – 70.8% of valid answers), management successors should have knowledge about specific local laws, acts and regulations (such as: company law, general food law regulation) and about tourism law and social legislation.
- *The defining and verification of the quality standards* is a sub-dimension with a high importance for 51.7% of the validated sample (46 respondents) and for this sub-dimension to be reached the management successors should permanently design, implement and assess quality systems and tools for their own company and have knowledge about quality management systems in tourism and gastronomy, as these are the attribute appreciated to be most important by more than 35% of the validated sample.
- Regarding the sub-dimension *Management successors strike a balance between tradition and innovation*, the more opinions are in favour of a more importance allocation (50.6 % of the valid answers). The attribute related to being innovative with a “g-local” (think global, act local) orientation gaining the highest importance, followed by being aware of globalization process.
- *Management successors are using ICT, internet and social media as tools for information, interaction and decision making* is a sub-dimension reviewed as highly important by 47 respondents (52.8% of the valid answers). The most opinions are granted for a highly importance to providing options for written customer feedback (questionnaire/homepage) and having knowledge of EDP.

The most important sub-dimensions for management successors in relation to **Organizational competences** are: managing and controlling the business development of the company (mean: 3.75,) understanding the business model of the acquired company (mean: 3.72) and running the company correctly (mean: 3.70).



In relation to the **Leadership competences** dimension, 88 respondents from a sample of 101 respondents were considered to give valid answers which means 87.1% of the sample investigated. The following results were obtained:

- 45 of respondents (51.1% of valid answers) consider that *Management successors set an exemplary standard to co-workers and give directions both professionally and personally* is “completely important”, whereas for 66 respondents (40.9% of valid answers) this is “more important”. In order to achieve this sub-dimension, respondents considered that a highly importance should be granted to having problem solving abilities (70.5% of the valid answers) having professional and social skills, planning and organisational skills (60.2% of the valid answers).
- 57 of respondents (64.8% of valid answers) consider that *Management successors implement the necessary changes* sub-dimension is “completely important”. Among the responses being able to lead difficult conversation with all involved and being able to create and implement a vision are abilities that should grant a higher attention.
- Concerning the sub-dimension *Management successors are open minded to new ideas and know how to assess risks*, the opinions are split between a more importance allocation (30.7 of the valid answers) and a completely importance allocation (68.2 % of the valid answers), the attribute related to motivate the human resources to be creative granting the highest importance (62.5 % of the validated sample).
- *Management successors check compliance of colleagues with professional, social and quality oriented standards* is a sub-dimension reviewed as highly important by 35 respondents (39.8% of the valid answers). For attribute such as: practice management techniques “by walking around” and have mentoring skills have the opinions are ranging from less unimportant to completely important while for attribute: have team leading skills and promote team spirit the opinions are in favour of completely important.
- For *Management successors are giving feedback and support personal development* sub-dimension, 42% of valid answers were in favour of completely importance, and for the attribute of investing in development of his employees was assigned the higher importance by 41 respondents (46.6% of valid answers) also for the attribute being able to provide both formal and informal feedback for work done.



- *The ability of management successors to resolve conflict with and between co-workers* is a sub-dimension with a high importance for 52.3 % of the validated sample (46 respondents) and for this sub-dimension to be reached the management successors should have conflict resolution abilities as this attribute is appreciated to be most important by 54.5 of the validated sample (48 respondents) but also should have skills in persuasion (considered to be the most important by 52 respondents).

The most important sub-dimensions for management successors in relation to **Leadership competences** are: being open minded to new ideas and knowing how to assess risks (mean: 3.67) and having ability to implement the necessary changes (mean: 3.64).

2.4.4. Netherlands

The sample for Netherlands consisted of 32 respondents: 15 male (46.9% of the sample) and 17 female (53.1% of the sample). 90.6% of the sample studied, which means 29 respondents have Belgium nationality; and the German nationality, British nationality and Netherland nationality is represented by an individual.

From the sample of 32 respondents only 21 respondents were considered to give valid answers regarding the dimension **Market competences** which means 65.6% of the sample investigated. The findings for the **Market competences** sub-dimensions are as follows:

- 9 of respondents (42.9% of valid answers) consider that *Management successors must understand the market characteristics* is “completely important”, whereas for 12 respondents (57.1% of valid answers) this is “more important”. In order to understand the market characteristics, management successors should pay more importance on knowing supporting financial institutions or funding programs but also on knowing the industry and the company’s market position (8 respondents considering this being completely important and 13 respondents considering this being more important).
- 12 of respondents (57.1% of valid answers) consider that *Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests* is “more important” and 6 respondents (27.8% of valid answers) assess it as “completely important”. Identifying the needs and expectations of their key external stakeholders is a attribute that reached the highest mean: 3.19.



- In order to *mutually agree transitional arrangements with stakeholders* (a sub-dimension considered to be more important for 11 respondents – 52.4% of valid answers), management successors should associate a less importance to know about specific inheritance and tax law implications.
- *Exploring the market opportunities* is more important for 11 respondents (52.4% of valid answers). The majority of respondents are in favour of skills related to identify new market segments.
- 52.4% of valid answers (11 respondents) offer a highly importance to the sub-dimension *Management successors can deal with customers of different nationalities*. The statements for this sub-dimension fluctuated on the scale of assessment from completely unimportant to completely important, being able to establish good connectivity in a multicultural environment was granted as the most important.
- *Management successors recognize customs and tradition of their own country*, is considered to be as “more important” (47.6% of valid answers). The highest level of importance associated to the attribute of this sub-dimension *was assigned to* being open minded about multiculturalism.
- The sub-dimension *Management successors check and assess the options for horizontal, vertical and lateral cooperation* is considered to be more important for 81% of the validated sample. Concerning this sub-dimension, a highly importance is given to developing networks/networking (52.4% of valid answers).

The most important sub-dimensions for management successors in relation to **Market competences** are: understanding the market characteristics (mean: 3.43), exploring market opportunities and dealing with customers of different nationalities (each of them with a mean of 3.29).

In relation to the **Organizational competences** dimension, only 18 respondents given valid answers, which means 56.25% of the sample investigated:

- 38.9% of valid answers (7 respondents) are for granting a highly importance to the sub-dimension *Management successors must understand the business model of the acquired company*. A high importance is given to abilities related to understanding and analysing the revenue/expenditure of the company.



- The sub-dimension *Management successors successfully manage and control the business development of the company* is considered to be more important for 50% of the validated sample. Concerning this sub-dimension, a highly importance is given to knowing how to identify and deal with internal and external risk factors of the company and understanding the company's management system.
- *The ability to develop and communicate strategic choices* is completely important for 8 respondents (44.4% of valid answers), more important for 8 respondents and less unimportant for 2 respondents. Most of respondents estimates a highly importance for knowing and applying business strategic tools.
- In order to *run the company correctly* (a sub-dimension considered to be completely important for 10 respondents – 55.6% of valid answers), management successors should not disregard the knowledge associated to tax laws and specific local laws, acts and regulations.
- *The defining and verification of the quality standards* is a sub-dimension with a high importance for 50 % of the validated sample and management successors should have knowledge about quality management systems in tourism and gastronomy, as this is the attribute appreciated to be most important by 44.4 of the validated sample (8 respondents).
- Regarding the sub-dimension *Management successors strike a balance between tradition and innovation*, the opinions are currently split between a more importance allocation and a completely importance allocation, the criterion related to being innovative with a “g-local” (think global, act local) orientation gaining the highest importance (50 % of the validated sample).
- *Management successors are using ICT, internet and social media as tools for information, interaction and decision making* is a sub-dimension reviewed as highly important by 10 respondents (55.6% of the valid answers). The most opinions are granted for a highly importance to use extensively Internet and social media (like Facebook, Twitter) to interact and communicate with customers and co-workers (55.6% of the valid answers).

The most important sub-dimensions for management successors in relation to **Organizational competences** are: using ICT, internet and social media as tools for information, interaction and decision making and striking a balance between tradition and innovation, each of them having a mean of 3,56.



In relation to the **Leadership competences** dimension, 50% of the sample investigated has given valid answers:

- 10 of respondents (62.5% of valid answers) consider that *Management successors set an exemplary standard to co-workers and give directions both professionally and personally* is “more important”. Having professional and social skills, planning and organisational skills and acting as a role model are those attribute with the highest importance.
- 10 of respondents (62.5% of valid answers) consider that *Management successor implement the necessary changes* sub-dimension is “more important”, 5 respondents (31.3% of valid answers) assess it as “completely important” and one respondent looks at it as less unimportant. In order to achieve better this sub-dimension management successors should know how to compromise.
- Concerning the sub-dimension *Management successors are open minded to new ideas and know how to assess risks*, the opinions for a more importance allocation represent 37.5 % of the valid answers and 56.3 % of the valid answers are for a completely importance allocation. The attribute related to being able to collect and evaluate information from the employees has the highest importance.
- *Management successors check compliance of colleagues with professional, social and quality oriented standards* is a sub-dimension reviewed as more important by 9 respondents (56,3% of the valid answers). For the attribute “have team leading skills” the opinions assigned the highest importance.
- For *Management successors are giving feedback and support personal development* sub-dimension 37.5% of valid answers were in favour of completely importance, and for the attribute of investing in development of his employees was assigned the higher importance by 7 respondents (43.8% of valid answers).
- *The ability of management successors to resolve conflict with and between co-workers* is a sub-dimension with a high importance for 50 % of the validated sample (8 respondents) and for this sub-dimension to be reached the management successors should have conflict resolution abilities as this attribute is appreciated to be most important by 37.5% of the validated sample.



The most important sub-dimensions for management successors in relation to **Leadership competences** are: being open minded to new ideas and knowing how to assess risks (mean: 3.75) and having the ability to resolve conflict with and between co-workers, each of them recorded a mean of 3.50.

2.4.5. Romania

The sample for Romania includes 25 respondents: 12 male (48% of the sample) and 13 female (52% of the sample). 96% of the sample studied, which means 24 respondents have Romanian nationality; only one respondent is of another nationality.

From the sample of 25 respondents for Romania only 18 respondents were considered to give valid answers regarding the dimension **Market competences** which means 72% of the sample investigated.

In relation to the **Market competences** sub-dimensions, the following results were obtained:

- 15 of respondents (83.3% of valid answers) consider that *Management successors must understand the market characteristics* is “completely important”, whereas for 3 respondents (16.7% of valid answers) this is “more important”. In order to understand the market characteristics, management successors should put an emphasis on knowing the tendencies in their specific market (risks and opportunities in the tourism market) (16 respondents considering this being completely important). Knowing supporting financial institutions or funding programs is less important for 3 respondents, more important for 8 respondents and completely important for 7 respondents.
- 13 of respondents (72.2% of valid answers) consider that *Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests* is “completely important” and 5 respondents (27.8% of valid answers) assess it as “more important”. For 14 respondents understanding the value chain of their business and identifying the needs and expectations of their key external stakeholders is completely important while identifying the key stakeholders is completely important only for 12 respondents (66.7% of valid answers). 4



- In order to *mutually agree transitional arrangements with stakeholders* (a sub-dimension considered to be completely important for 11 respondents - 61.1% of valid answers), management successors should be master of negotiation with important stakeholders (investors, customers, suppliers) (15 respondents considering this being completely important) but also should have effective communication skills with donors (family and non- family) (13 respondents considering this being completely important and 4 respondents considering this being more important).
- *Exploring the market opportunities* is completely important for 15 respondents (83.3% of valid answers), more important for 2 respondents (11.1% of valid answers) and less unimportant only for one respondent. Management successors should be able to identify new market segments (94.4% of valid answers are in relation to assigning a completely important grade) and 13 respondents (72.2% of valid answers) are in favour of skills of recognizing and assessing products/services and prices of competitors.
- 55.6% of valid answers (10 respondents) are for granting a highly importance to the sub-dimension *Management successors can deal with customers of different nationalities*, 38.9% of valid answers (7 respondents) are for a more importance and 5.6% of valid answers (1 respondent) is for a less unimportance. A high importance is given to abilities related to knowing foreign languages, establishing a good connectivity in multicultural environment, taking the initiative in communication with customers from different cultures by 12 respondents (66.7% of valid answers).
- Among the 18 valid responses on *Management successors recognize customs and tradition of their own country*, 12 respondents (66,7% of valid answers) consider this as “completely important”, 5 respondents (27, 8% of valid answers) consider this as “more important” and for one respondent this sub-dimension is less unimportant. The level of importance associated to the attribute of sub-dimension *Management successors recognize customs and tradition of their own country* is very fluctuating from completely unimportant for having a good historical knowledge (1 respondent) to “more important” for having knowledge of historical connections to other countries (11 respondents).



- The sub-dimension *Management successors check and assess the options for horizontal, vertical and lateral cooperation* is considered to be more important for 50% of the validated sample, the other 50% reviewing it as "completely important". Concerning this sub-dimension, a highly importance is given to developing networks/networking by 15 of respondents (83.3% of valid answers).

The distribution of answers for **Market competences** dimension is reflected in mean for each sub-dimension. So, according to this, in relation to **Market competences** the most important sub-dimensions for management successors are: understanding the market characteristics (mean: 3.83), exploring market opportunities (mean: 3.78) and understanding the (external) stakeholders interest (mean: 3.72).

In relation to the **Organizational competences** dimension, only 17 respondents give valid answers, which means 68% of the sample investigated:

- 82,4% of valid answers (14 respondents) are for granting a highly importance to the sub-dimension *Management successors must understand the business model of the acquired company*, 11,8% of valid answers (2 respondents) are for a more importance and 5.9% of valid answers (1 respondent) is for a less unimportance. A high importance is given to abilities related to understanding and analysing the revenue/expenditure of the company, predicting the sustainability and prospects of the company (13 respondents).
- The sub-dimension *Management successors successfully manage and control the business development of the company* is considered to be more important for 29.4% of the validated sample, 64,7% (11 respondents) reviewing it as "completely important" and one respondent appreciated it as "less unimportant". Concerning this sub-dimension, a highly importance is given to working towards achieving profit by 13 of respondents (76.5% of valid answers).
- *The ability to develop and communicate strategic choices* is completely important for 11 respondents (64.7% of valid answers), more important for 4 respondents (23.5% of valid answers) and less unimportant for 2 respondents. Management successors should be able to apply scenario techniques for different commercial and financial situations (76.5% of valid answers are in relation to assigning a completely important grade).



- In order *to run the company correctly* (a sub-dimension considered to be completely important for 13 respondents – 76.5% of valid answers), management successors should have basic knowledge about tourism law and social legislation but also should not disregard the knowledge associated to tax laws and specific local laws, acts and regulations (such as: company law, general food law regulation...) which are highly important for 76.5% of the validated sample.
- *The defining and verification of the quality standards* is a sub-dimension with a high importance for 64.7 % of the validated sample (11 respondents).
- Regarding the sub-dimension *Management successors strike a balance between tradition and innovation*, the opinions are currently split between a more importance allocation (47,1 % of the valid answers) and a completely importance allocation (52,9 % of the valid answers), the attribute related to being innovative with a “g-local” (think global, act local) orientation gaining the highest importance (70,6 % of the validated sample).
- *Management successors are using ICT, internet and social media as tools for information, interaction and decision making* is a sub-dimension reviewed as highly important by 11 respondents (64.7% of the valid answers).

The most important sub-dimensions for management successors in relation to **Organizational competences** are: understanding the business model of the acquired company and running the company correctly, each of them having a mean of 3.76.

In relation to the **Leadership competences** dimension, 16 respondents from a sample of 25 respondents were considered to give valid answers which mean 64% of the sample investigated:

- 9 of respondents (56.3% of valid answers) consider that *Management successors set an exemplary standard to co-workers and give directions both professionally and personally* is “completely important”, whereas for 6 respondents (37.5% of valid answers) this is “more important” and for one respondent is “less unimportant”. In order to achieve this sub-dimension, respondents considered that a highly importance should be granted to having problem solving abilities (81.3% of the valid answers).



- 12 of respondents (75% of valid answers) consider that *Management successors implement the necessary changes* sub-dimension is “completely important”, 3 respondents (18.8% of valid answers) assess it as “more important” and one respondent looks at it as less unimportant. For 14 respondents being able to lead difficult conversation with all involved is completely important while being able to create and implement a vision, being able to lead difficult conversation with all involved and having knowledge in change-management is completely important only for 13 respondents (81,3% of valid answers).
- Concerning the sub-dimension *Management successors are open minded to new ideas and know how to assess risks*, the opinions are split between a more importance allocation (25 % of the valid answers) and a completely importance allocation (75 % of the valid answers), the attribute related to demonstrating calculated risk taking granting the highest importance (87,5 % of the validated sample).
- *Management successors check compliance of colleagues with professional, social and quality oriented standards* is a sub-dimension reviewed as highly important by 9 respondents (56.3% of the valid answers). For attribute such as: practice management techniques “by walking around” and have mentoring skills have the opinions are ranging from less unimportant to completely important.
- For *Management successors are giving feedback and support personal development* sub-dimension 68.8% of valid answers were in favour of completely importance, and for the attribute of investing in development of his employees was assigned the higher importance by 12 respondents (75% of valid answers). The statements for being able to systematically carry out evaluation meetings fluctuated on the scale of assessment from completely unimportant (1 respondent – 6.3% of valid answers) to completely important.
- *The ability of management successors to resolve conflict with and between co-workers* is a sub-dimension with a high importance for 68,8 % of the validated sample (11 respondents) and for this sub-dimension to be reached the management successors should have conflict resolution abilities as this attribute is appreciated to be most important by 81,3 of the validated sample (13 respondents).

The most important sub-dimensions for management successors in relation to **Leadership competences** are: being open minded to new ideas and knowing how to assess risks (mean: 3.75) and having ability to implement the necessary changes (mean: 3.69).



2.4.6. Bulgaria

The sample for Bulgaria consists of 33 respondents from which 19 male (57.6% of the sample) and 14 female (42.4% of the sample). 100% of the sample studied has Bulgarian nationality. The entire sample was considered to give valid answers regarding each dimension investigated.

In relation to the **Market competences** sub-dimensions, the following results were obtained:

- 25 of respondents (75.8% of sample) consider that *Management successors must understand the market characteristics* is “more important”, whereas for 8 respondents (24.2% of sample) this is “completely important”. In order to understand the market characteristics, management successors should rely more on knowing the industry and the company’s market position (8 respondents considering this being completely important and 25 respondents considering this being more important).
- 28 of respondents (84.8% of sample) consider that *Management successors must understand the (external) stakeholders (Eg: customers, suppliers, competitors, public administration etc.) interests* is “more important” and 5 respondents (15.2% of sample) assess it as “completely important”. Identifying the key stakeholders is completely important for 5 respondents (15.2% of sample) and more important for 28 respondents.
- In order to *mutually agree transitional arrangements with stakeholders* (a sub-dimension considered to be more important for 28 respondents), management successors should be master of negotiation with important stakeholders (investors, customers, suppliers) (15 respondents considering this being completely important) but also should have effective communication skills with donors (family and non- family).
- *Exploring the market opportunities* is more important for 26 respondents (78.8% of sample), completely important for 5 respondents (15.2% of sample) and less unimportant only for 2 respondents. Management successors should be able to recognize and assess products/services and prices of competitors and design and price services in relation to competitors, these attributes being granted with a highly importance.
- 78.8% of sample (26 respondents) are for granting a moderate importance to the sub-dimension *Management successors can deal with customers of different nationalities*. The highest importance is given to abilities related to knowing foreign languages and a less importance is given to a good understanding of customs and traditions of other cultures.



- Among the 18 valid responses on *Management successors recognize customs and tradition of their own country*, 12 respondents (66,7% of valid answers) consider this as “completely important”, 5 respondents (and for one respondent this sub-dimension is less unimportant).
- The level of importance associated to the sub-dimension *Management successors recognize customs and tradition of their own country* is very fluctuating from completely unimportant (1respondent) to completely important (2 respondents). 84.8% of sample considers this as “more important”. Among the responses be open minded about multiculturalism is the attribute with the highest impact.
- The sub-dimension *Management successors check and assess the options for horizontal, vertical and lateral cooperation* is considered to be more important for 93.9% of sample. Concerning this sub-dimension, a higher importance is given to leading communication with suppliers.

The distribution of answers for **Market competences** dimension is reflected in mean and the most important sub-dimensions for management successors are: understanding the market characteristics (mean: 3.24) and understanding the (external) stakeholders interests (mean: 3.15).

In relation to the **Organizational competences** sub-dimensions, the following results were obtained:

- 87.9% of sample (29 respondents) is for granting a moderate importance to the sub-dimension *Management successors must understand the business model of the acquired company*. A high importance is given to abilities related to understanding and analysing the revenue/expenditure of the company, as the mean for this attribute was 3.18.
- The sub-dimension *Management successors successfully manage and control the business development of the company* is considered to be more important for 97% of the validated sample, 3% (1 respondent) reviewing it as “completely important”. Concerning this sub-dimension, a highly importance is given to working towards achieving profit by 17 of respondents.
- *The ability to develop and communicate strategic choices* is more important for 28 respondents (84.8% of sample). Respondents estimate a higher importance for knowing and applying business strategic tools.



- In order to *run the company correctly* (a sub-dimension considered to be more important for 29 respondents – 87.9% of sample), management successors should have basic knowledge about tax laws that are important for running the company.
- *The defining and verification of the quality standards* is a sub-dimension with a moderate importance for 87.9 % of sample (29 respondents) and for this sub-dimension to be reached the management successors should permanently design, implement and assess quality systems and tools for their own company as these are the attribute appreciated to be more important by 27 respondents.
- Regarding the sub-dimension *Management successors strike a balance between tradition and innovation*, the opinions are: 87.9% of sample for a more importance and each 6.1% of sample for completely importance respectively less unimportance. The attribute related to being innovative with a “g-local” (think global, act local) orientation gains the highest importance.
- *Management successors are using ICT, internet and social media as tools for information, interaction and decision making* is a sub-dimension reviewed as more important by 30 respondents (90.9% of sample). The attribute “use extensively Internet and social media (like Facebook, Twitter) to interact and communicate with customers and co-workers” has granted the highest mean.

The most important sub-dimensions for management successors in relation to **Organizational competences** are: understanding the business model of the acquired company and running the company correctly, each of them having a mean of 3.12.

In relation to the **Leadership competences** dimension, 16 respondents from a sample of 25 respondents give valid answers, which mean 64% of the sample investigated.

- 27 of respondents (81.8% of sample) consider that *Management successors set an exemplary standard to co-workers and give directions both professionally and personally* is “more important”, whereas for the other respondents the opinions are ranging from completely unimportant to completely important. In order to achieve this sub-dimension, respondents considered that a highly importance should be granted to having problem solving abilities (45.5% of sample), acting as a role model (42.4% of sample).



- 29 of respondents (87.9% of sample) consider that *Management successors implement the necessary changes* sub-dimension is “more important”, 4 respondents (12.1% of sample) assess it as “completely important”. Knowing how to compromise and having knowledge in change-management are attributes which have recorded the highest mean in terms of answers.
- Concerning the sub-dimension *Management successors are open minded to new ideas and know how to assess risks*, the opinions are split between a more importance allocation (75.8 % of sample), a completely importance allocation (21.2 % of sample) and a less unimportance allocation (3% of sample). The attribute related to being able to motivate the human resources, being creative and participative has been chosen as important by most respondents.
- *Management successors check compliance of colleagues with professional, social and quality oriented standards* is a sub-dimension reviewed as highly important by 4 respondents (12.1% of sample) and as more important by 29 respondents. Most respondents evaluate the attribute “have team leading skills, mentoring skills and team spirit” as more important.
- For *Management successors are giving feedback and support personal development* sub-dimension, 69.7% of sample were in favour of moderate importance, and for the attribute of investing in development of his employees was assigned the higher importance by 22 respondents (66.7% of sample).
- *The ability of management successors to resolve conflict with and between co-workers* is a sub-dimension with a high importance for 30.3 % of the validated sample (10 respondents) and for this sub-dimension to be reached the management successors should have conflict resolution abilities as this attribute is appreciated to be most important by 45.5% of the validated sample (15 respondents). Having skills in persuasion is considered to be more important by 21 respondents.

The most important sub-dimensions for management successors in relation to **Leadership competences** are: giving feedback and support personal development and resolve conflict with and between co-workers each of them having a mean of 3.30.

Conclusions

This research emphasises the importance of business succession for the companies operating in the tourism sector, but also the challenges that are associated to this process. When we talk about business succession it is very clear that we approach the business in a strategic manner, paying attention to the sustainable development of a company.

At this moment we go beyond the operational routine and we think more for the future, creating a real partnership between a company and its business partners. This partnership requires a global strategy that pays attention to the requirements of company's stakeholders, in order to meet their needs in a long term vision.

The impact of effective business succession is very high in tourism industry as we know that most of the companies are SME's and their resources pretty much limited, especially the human resources. This fact raises major challenges for the owners in terms of assuring an appropriate transition of the companies to the new generations of owners/managers.

Market competences

According to the mean values for each of the seven key characteristics who define the Market Competences, we see that the most important are: *understanding the market characteristics, understanding external stakeholders and exploring market opportunities.*

1. There is strong association between management successors and their competency in understanding the market characteristics.

Globalization becomes a fact that affect in wide range of ways the functionality and results of any organization, regardless of its size or field of activity. The tourism sector is a powerful engine for fostering the globalization process to advance to a higher pace. Acting in a more connected world the owners and managers from the tourism industry must be able to design and implement those strategies and tactics that are going to bring the most added value to their companies.

Under these circumstances the management successors must demonstrate that they are able to have a clear picture of their business environment and they will have such a capital deployment that will allow them not only to survive, but to have a steady development in medium and long term.



There is an important challenge as even the smallest tourism entities face the requirements of different customers coming from different places, exposing cultural differences or similarities, but all of them being able to contribute to the companies' welfare.

2. The research emphasizes that the success of management successors is also attributed to their ability to negotiate with the key stakeholders.

It is vital for the management successors to be able to have a realistic view on the complexity of both internal and external environment in order to be able to make appropriate decisions that are designed to meet the needs of the companies' stakeholders.

Only thorough analysis will allow to tourism companies to focus their operations in those market segments that prove to be profitable in short, medium and long term. By developing the negotiations competencies the management successors will be able to involve the external key stakeholders in stronger partnerships under different forms including the collaborative networks.

The strategic objectives of the collaborative networks in the regional and local context are established for medium and long time horizons and can target economic growth, competitiveness, and the potential organizational discovering, developing innovative potential, developing the tourism sector, attracting foreign direct investment and support to tourism SMEs and also bringing social development.

3. In order to assure the stable development of the company the management successors must be able to explore the market opportunities.

The tourism companies can survive and develop as long as they are able to identify and take advantage of the market opportunities that are provided. We can easily notice that there is an increasing rate of changes in customers' demands, a tougher competition, a shorter life cycle for services and products and a tremendous exposure to information technology.

A management successor should be able to create mechanisms that are able to be strongly connected to market evolution and to be able to anticipate the dynamics of different factors in order to be able to explore the different windows of opportunities that appear and disappear pretty fast.



The management successors are economic and social driven but their objectives are mainly related to the profits levels and this issue place a lot of pressure on them and their teams, regardless of the fact that they address especially to domestic or international market.

Organizational competences

According to the mean values for each of the seven key characteristics who define the Organizational competences, we see that the most important are: *running the company correctly, understanding the business model, managing and control the business development.*

4. The management successors must be able to running the company correctly.

The management successors must pay attention to the collaborative approaches in order to be able to answer the policy-making constraints and to assure that all the stakeholders' expectations are met to a high level.

They are achieving a steady development of tourism companies if they succeed to develop strong bridges among key stakeholders, taking advantage of the opportunities offered by juridical, fiscal, economic frameworks.

Proceeding in this way the management successors will offer a healthy environment for the company's employees and collaborators to increase coordination and find innovative answers to market pressures, leading to better economic and social indicators.

5. The management successors must be able to understanding the business model.

Every company has its own architecture encompassed in a business model that has designed by its founders and top managers in order to assure the best fit between market characteristics and company's capabilities.

A quality management structure will direct all the activities and energies towards competitiveness and performance, based on meeting the company's stakeholder's needs. There is no need to say that all the tourism companies are looking for offering customized products and services for their clients in order to have higher levels of satisfaction.



So, the tourism companies seem that they are developing their own business model but they ask from the management successors to be able not only to replicate it, but to develop it, by expanding the existing strategy and networking with a higher participation in the domestic and international market and exploring more profitable segments. In this manner they should take advantage of their core competencies that developed during the time and assure a competitive advantage in the specific market.

It is clear that the ways in which the tourism organizations behave in the close future rely deeply on the management successors capabilities to implement their original business model, but also their own vision in a different market conditions.

6. The management successors must be able to managing and control the business development.

Creating a new start is what is expecting for many times from the management successors in tourism business. However, it proves to be important not only the new impetus that can be provided by passing the authority to new generation, but the way in which the transition is made.

That's why the distinctive and complementary competencies of a business successor must associate with those that allow to the new owner or manager to keep a safe climate in company by managing and controlling in a smoothly manner the organization's activities and people.

Of course that the managerial approaches are very much influenced by organizational and market pressures, but the person aspiring to become a management successor will be able to harmonize the demands of this dynamic economic sector that is tourism with the capabilities and resources of his own company.

Leadership competences

According to the mean values for each of the six key characteristics who define the Leadership competences, we see that the most important are: being open minded to new ideas and knowing how to assess risks, implementing the necessary changes, managing and resolving conflict with and between co-workers.



7. The management successors must be able to being open minded to new ideas and knowing how to assess risks.

The leader of a company should be able to rely on every employee at any time in order to be able to succeed in a highly competitive environment. Acquiring, sharing and exchanging knowledge and information becomes a critical factor for survival and development of the tourism companies, having in mind their particularities.

The management successors in tourism industry are expected to develop a culture of knowledge sharing for fostering the competitive advantage of organizations. A main challenge for them is to extract and formalize the implicit knowledge and to transform it in explicit knowledge that will be available to all or to the most part of the company's employees.

A decentralized decision-making system with a flexible structure will be able only if we have free access and sharing of information that will build up a strong trust climate among the organization's members.

This is a way in which management successors can motivate and reward the employee's initiatives, fostering the innovation to take place throughout the whole organization. In fact, this is the way that the organization can survive and develop, by continuous innovation, but also by assessing in a realistic manner the risks that are associated to different decisions and initiatives, especially associated with the process of change.

8. The management successors must be able to implementing the necessary changes.

The tourism business faces a turbulent environment that places high pressures for the companies operating in this sector for preparing and implementing changes. If we take into consideration that any process of change needs time and asks for support from all members of the organization we can imagine the complexity that the company must overpass.

Under these circumstances, the management successors are asked to reveal that they are able to identify and deal with the opportunities and threats created by a fast changing environment and lead the company to a good and comfortable position in its specific market.

Of course that all these changes should be based on a clear vision of the desired future and the management successors should develop those levers that are able to stimulate the employees commitment to organization's changes and performances.



9. The management successors must be able to managing and resolving conflict with and between co-workers.

Managing and resolving conflict with and between co-workers represent not easy tasks for any experienced managers due to the multitude of factors that are usually involved. In the respondents opinions we could notice that there is the perception of a growing need for competencies related to the capacity of a leader for harmonizing the different visions and expectations from inside and outside of organization, but in a very peaceful way, able to direct the organization to meet its competitive objectives.

Conflict management becomes a more attractive topic for tourism business as the leaders from industry must bring together people with different backgrounds, needs, values and behaviours.

Creating collaborative networks inside and outside tourism companies is not an easy task and the fight for different resources as also the need for cooperation requires high capacity of negotiations from the organization's leaders.

In this environment the management successors should be able to avoid corporate scandals, fights between different factions from organization, long term tensions or conflicts. They are asked to represent real business models for their co-workers and the other stakeholders and to promote and act with strong principles provided by the business ethics.

Partnership of Best Boss



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