

# Career Attitude of Young Labor-Market Entrants Towards Family Business in Slovakia

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*Abstract: Several factors influence the carrier motivation of young labor-market entrants. It is a fact, proven by various researchers, that learning, and especially family socialization, has a strong effect on carrier motivation. The other relevant field of socialization in case of young labor-market entrants is their first employment, which shapes their conviction, beliefs and attitude towards work along with their work morale. For young people within family enterprises these two areas of socialization are connected and often intermingled. The young are raised into the family.*

*In the beginning of 2014 148 Slovakian young adolescents participated in a research on attitudes towards family businesses, their role within their family's business venture, their motivation to learn, and their convictions and opinions on their perceived opportunity of taking over the management of the company. According to the results of the research, the perceived opportunity of taking over the family enterprise, and the attitude towards learning and the content of their tertiary education studies shows correlation. On the other hand, those who do not have a meticulous vision of their future, or do not have it at all, are uncertain about the usefulness and applicability of what they are taught at the university.*

*Keywords: career, education, family business, labor-market entrants, succession*

## 1 Introduction

The unemployment rate in Slovakia is one of the highest in the European Union. [1] In the last quarter of 2013, the average Slovakian unemployment rate was 13.6%, compared to the 10.8% of the EU-27 average. [2] Within this number, 51% had been unemployed for a longer period of time (more than 12 months). Although the proportion of the unemployed young people between 15 and 24 has been reduced since the 2012 data of 34%, this figure was 31.3% in January 2014, which is still very high. [3] According to a survey made by Trendence among more than 11500 university students, most of the respondents (59.2%) worry about their future career. [4]

The proportion of family businesses within the Slovakian economy is about 60-80%. [5] Slovakian family businesses produce 49% of all VAT, while they

employ 71% of the workforce. At the same time, they are also responsible for 35% of the export. [6]

In Slovakia, 66% of all family businesses employ only family members in management positions. [7] Slovakia has a unique economic environment as there is no inheritance or gift tax, and the 2005 law of illegal employment says that the pursuit of one family member in a family business is allowed [6]. Strážovská and Strážovská examined 128 family businesses and found that 31% of the responding businesses employed one while 63% and 6% of the firms employed two and three generations together respectively. [8]

Regarding the economic structure as well as its role in the employment of family businesses, the aim of this essay is to reveal whether the family business appears in the future career plans of young people in Slovakia.

## 2 Career – Planning, Motivation and Learning

“Career is the complete list of all work experience which a person accumulates during their life as well as the subjective interpretation of these events in the form of individual aspirations, needs and feelings”. [9]

Career plans and decisions follow employees through their entire life, but the emphasis lies on different individual motivations and skills at different ages. The qualifications necessary on the labor market are usually acquired between the age of 16 and 25; by this time, we also form a picture of what kind of an employee we would be. [10] [11] Naturally, being a good entrant on the labor market means a different thing for everybody. Career choice is important because regarding employment, it marks an entire life path. Csirszka claims that if people can choose a career according to their personal traits, they will lead a harmonic life. [12]

Career stages	Psychological tasks that characterize each stage
Trial	To identify interests, capabilities, fit between self and work, and professional self-image
Establishment	To increase commitments to career, career advancement, and growth, To develop a stable work and personal life
Maintenance	To hold onto accomplishment earlier achieved To maintain self-concept
Decline	To develop a new self-image that is independent of career success

Table 1  
 Super’s Career Development Model [13]

The various stages of our life are less divided nowadays than they used to be [14]. Young people may start working while studying, although this is not a typical trend in Slovakia according to the 2012 data (less than 5%).

Holland believes that the individual career attitude is influenced by several factors: satisfaction and the importance of the work we do, the need to improve our skills, the importance of power, career fear, discrimination in inter-personal relationships, the degree of double burden (work and family), the ability to take risk and the geographical barriers. [15]

The labor market expects several types of knowledge, skills and competences from employees. Various researches were conducted in the topic of labor-market demand, the skills and competencies of fresh graduates and expectations of the employers or the differences between them. [16] [17] [18] [19] The expected knowledge and practice can be obtained and developed in the school system, at the workplace from the employer and during socialization. 39.4% of the students believe that their studies enable them to make a career in the labor market. [4]

Sarwar-Azmat's research in Pakistan found that "the impact of family on the personality traits, like commitment towards career goals and status consciousness of an individual, are clear" and in vocational choices, there are always false cultural barriers. [20]

Bright and his colleagues used a research conducted among 651 university students to examine the factors which influence career choices and the social environment. [21] They found that the family and friend as well as the media and internet information significantly influence individual career decisions. The current "course enrollment and career intentions were significantly more likely to be in interest categories congruent with their father's job." Regarding family businesses, Zellweger et al. found that "transitive likelihood of career intent depends on the degree of entrepreneurial self-efficacy and independent motivation." [22] According to their results, the responding students were pessimistic about being in control in a career of their own family business.

Dashew makes the following suggestions to assist career-oriented decisions in the family business:

- define importance and individual purpose,
- co-evolution of the family, business and individual,
- separating the circles (clarifying boundaries between family role and business role),
- family employment policy,
- being a role model and resource for thinking about purpose and direction,
- space time and support for career exploration. [23]

Based on the above literature, the aim of this essay is to examine the young Slovakian entrants and reveal the career goals and their motivational factors concerning family businesses.

Research Questions:

- Is the decision to join the family business and the future vision within that business influenced by whether the individual has worked at the company previously (and if so, how)?
- Is the decision to join the family business influenced by childhood experience in relation to the business (and if so, how)?
- When choosing studies, is the decision influenced by the career prospects within the family business?
- Are the respondents planning to build their career on the knowledge gained during their studies?

To answer the questions, the following hypotheses were made:

H1 Family socialization considerably influences the career prospects concerning family businesses.

H2 The conscious continuation of one's studies is in positive correlation with the career prospects of the family business.

H3 Those young people who are going to be affected by the generation change of their family business study more consciously.

H4 Those respondents who had already worked in the family business before receiving their university degree also use the knowledge they gained during their studies in relation to the family business.

### **3 Research Methodology and Results**

#### **3.1 Methods**

The current paper uses the data collected during a research which was conducted among young Hungarian and Slovakian people in Slovakia in 2014. [24] The respondents were freshly graduated young entrants in the labour market who had either graduated or were seniors at J. Selye University, Faculty of Economic Studies as well as people with secondary degree, all of whom had experience in working in the family business. The topics of the research were questions regarding the beginning of working life, generational changes, women's roles in business, the general characteristics of the enterprise and the personal traits of the respondent.

The survey was done with an online questionnaire. There were altogether 148 participants in the database. This essay presents the career-motivation data concerning purposeful learning and family businesses as well as the connection between these factors.

The statistical analysis was done with the SPSS 20.0 statistical program. Examination based on the descriptive statistics necessary to present the results (arithmetical average, frequency). The analysis was carried out at a 5% empirical significance level (95% of reliability). To analyze correlations between two qualitative variables, we applied a cross-tabulation analysis to show the combined frequency distribution of variants of the criteria at issue and Pearson's  $\chi^2$  statistics was used to measure statistical significance of the correlation of two variables. The intensity of associative connections was measured with Cramer's V coefficient, which can be in the range [0-1]. Furthermore, I applied correlation analysis, which was measuring the strength of the relation between two factors or elements. Pearson's correlation can be in the range [0-1] values, it shows the level of relationship (when the value is closer to 1, it means the correlation is strong).

## 3.2 Results

### *Family Business Features*

There were altogether 148 enterprises in the research, 29.7% of which (44 enterprises) had been launched within the past 5 years, 41.2% (61 enterprises) had been operating for 6-10 years and 29.1% (43 enterprises) had been present in the economy for more than 10 years. The enterprises the enterprises operated the following areas:

- financial 17.6%, 26 enterprises,
- energy, gas, steam and water services 1.4%, 2 cases,
- building industry 10.1%, 15 cases,
- informatics 8.1%, 12 enterprises,
- industry, processing industry 31.1%, 46 enterprises,
- health care 2.0%, 3 enterprises,
- tourism, catering 9.5%, 14 enterprises,
- commercial services and other 20.3%, 30 enterprises.

In 39.9% of all the cases (59 cases in total), the leader of the business was a close relative, while a quarter of the businesses (26.4%, 39 cases) had distant relatives as leaders. 30.4% of the respondents claimed they also had outsiders (non-family members) as leaders, while 3.4% (5 cases) had exclusively outside management. The managers were typically men (84.5%, 125 cases), while only 15.5% (23 cases) had female managers. In 3.4% (5 cases) of the enterprises, the leader was young (aged 18-25). The managers were between 26 and 45 in 36.7% of the cases (54 enterprises). In almost half of all the cases (43.5%, 64 enterprises), the managers were between 45 and 55, while the managers were between 56 and 65 in 15.6% of the cases (23 enterprises). There was only 1 enterprise (0.7%) where the leader was over 65 years old.

### *Characteristics of the Respondents*

35.1% (53 people) of the respondents were men and 64.9% (98 people) were women. Almost half of the respondents (46.6%, 69 people) were between 18 and 24, a third of them (34.5%, 51 people) were between 25 and 30 and 18.9% (28 people) were between 31 and 36. The majority of them (70.9%, 105 people) were single.

Two-thirds of the respondents had graduated from college (21.6%, 32 people) or university (43.2%, 54 people). A third of the respondents had secondary degree (33.5%, 51 people).

66.2% of the respondents (98 people) were working at the moment. Their job was partially (50.5%) or fully (32%) connected to their qualifications, while in 17.5% of the cases, their work was not connected to their qualifications at all.

Age		Does not work	Works	Altogether
Age of 18-24	People	32	37	69
	Rate, %	46.4%	53.6%	100%
Age of 25-30	People	15	36	51
	Rate, %	29.4%	70.6%	100%
Age of 31-36	People	3	25	28
	Rate, %	10.7%	89.3%	100%
Altogether	People	50	98	148
	Rate, %	33.8%	66.2%	100%

\*  $\chi^2$  sign.  $p=0.002$ ; Cramer's V = 0.285

Table 2  
 Distribution of Working and Non-Working Respondents According to Age Groups, %  
 own construction

*Examining H1: Socialization within the family greatly influence the career prospects within the family.*

37.8% of the respondents (56 people) would have liked to work “at home” within the family business from their childhood, and 6.1% (9 people) were claiming they were fulfilling the expectations of their parents that way. 12.8% (19 people) would have launched their own business, while 11.5% (17 people) would have worked for a multinational company. 29.1% (43 people) would have liked to work abroad to achieve better living conditions.

Whether the work done in the family business (or the plans to work outside the organization) is internal or external motivation is in correlation with the opinion formed about the utilization of the knowledge accumulated during one’s studies. Typically, the belief that certain knowledge is useful is connected to the desires towards working within or outside the family. Those who had been imagining their future within the family business from their childhood typically knew what

kind of positions they would eventually fill in there (even if this was only the will of their parents), and based on their studies, they also knew where and what to change within the business to make it more effective. They were interested how they could utilize the knowledge gained during their studies to their own benefit – and, indirectly, to the benefit of the business as well.

An interesting group within the sample was those people who were planning to work abroad. Typically, these people were indifferent to, or disappointed with, either their studies or the family business. They did not know how to use their knowledge to contribute to the necessary changes or they do not want to induce any kind of change at all. In some cases, it is the founder who disallows any kind of change (*see the table 3*).

Utilizing Knowledge / Plans	Correlation	Would like to work in the business from childhood	Fulfills the will of the parents in FB	Would like to launch his own enterprise	Would like to work abroad
Knows what position he will have at the company	signif. Pearson	0.006 0.226	0.002 0.254	-	-
Knows what should be changed to develop the business	signif. Pearson	0.000 <b>0.369</b>	-	-	0.000 -0.295
Is not interested in utilizing knowledge	signif. Pearson	0.007 -0.221	-	0.015 0.199	0.000 -0.300
Would not like to interfere with the established routine of the business	signif. Pearson	-	-	-	0.000 <b>0.486</b>
The founder does not allow forming independent opinion.	signif. Pearson	-	-	-	0.026 0.183

Table 3

Correlation between intents of connect to Family Business and the Utilization of Knowledge own construction

*Examination of H2: The conscious continuation of one's studies (and, consequently, the utilization of knowledge) is in positive correlation with the career prospects of the family business.*

A quarter of the respondents (25.7%, 38 people) were planning to take over the family business, while 21.6% (32 people) wanted to work there as a full-time employee. Approximately one out of three young people (29.1%, 43 people) had no specific plans about the family business, while 10.1% (15 people) would have

started their own business. 13.5% (20 people) were certain they would not have liked to work in the family business at all.

Those people who were planning to take over the business usually also felt they were ready to do so. The people who would have worked in the business as employees also usually thought that they would be able to utilize their knowledge in their future position.

Those people who were not planning to interfere in the operation of the family business were also uncertain about their participation in the business. At the same time, they were also unsure what had to be changed in the business to improve it.

The underlying reason for refusing to work in the family business was either the refusal of the founder or the lack of inner motivation from the part of the respondent (see Table 4).

Utilizing Knowledge / Plans	Correlation	Taking over leadership	Works as employee	Uncertain	Does not want to work in FB
Knows what position he will have at the company	signif. Pearson	-	0.001 0.275	-	0.026 -0.182
Knows what should be changed to develop the business	signif. Pearson	0.000 <b>0.330</b>	-	0.005 -0.228	-
Is not interested in utilizing knowledge	signif. Pearson	-	-		0.021 0.189
Would not like to interfere with the established routine of the business	signif. Pearson	0.008 -0.217	-	0.003 0.243	0.014 0.201
The founder does not allow to form independent opinion	signif. Pearson	-	-		

Table 4  
 Correlation between of working in Family Business and the Utilization of Knowledge own construction

*Examination of H3: those young people who are going to be affected by the generation change of their family business study more consciously.*

Half of the respondents (51.4%, 76 people) believed that they were not affected by succession issues. 4.1% (6 people) had actually experienced a generational change in the past 5 years. 7 people (4.7%) were going to succeed in the family business shortly and 59 people (39.9%) were going to succeed within the next 5 years. The people in the latter group had typically worked in the family business (sign. 0.000, Pearson-correlation 0.418). Age and the generation change also positively



correlate: 64.3% of those respondents over 30 would be involved in a succession within 5 years (sign. 0.003, Pearson-correlation 0.280; *See Figure 1*).

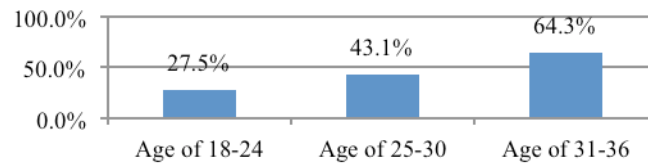


Figure 1  
Distribution of People over 30 to Be Involved in Succession within Five Years, %  
own construction

Those respondents who had been involved in a succession – or would be involved in one in the next 5 years – clearly thought that they could utilize the knowledge gained during their studies to the benefit of the company. They were interested in how they would use this knowledge and what kind of active role they could play in the life of the company.

As a contrast, those people who would not be involved in a generational change did not want to be involved in the operation of the family business either, and they were also less interested in utilizing the things they had learned at school.

Utilizing Knowledge / Plans	Correlation	Is not Involved	in the past 5 Years	Nowadays	In the next 5 Years
Would like to do in the future what he studied for	signif. Pearson	-	-	0.044 0.166	-
Knows what position he will take in the business	signif. Pearson	0.000 <b>-0.332</b>	0.033 0.175	-	0.001 0.277
Knows what has to be changed to develop the business	signif. Pearson	0.030 -0.178	-	-	0.011 0.209
Is not interested in utilizing any acquired knowledge	signif. Pearson	0.006 0.224	-	-	0.030 -0.178
Would not like to interfere in the usual operation of the business	signif. Pearson	0.011 0.208	-	-	0.038 -0.171

Table 5  
Correlations between the Utilization of Knowledge and the Involvement in the Succession of the Family Business  
own construction

*Examination of H4: Those respondents who had already worked in the family business before receiving their university degree also use the knowledge they gained during their studies in relation to the family business.*

Young people strive to acquire labor-market experience even before the end of their studies (see Figure...). The experience gained in the family business (or the lack thereof) clearly influenced the attitude of the respondents towards the business or their own plans for the future. Those people who had already worked at the family business before the end of their studies were convinced that the knowledge they had gained at school would enable them to find out what to change to develop the business. They were the ones who were interested in what they were learning and how they would be able to utilize it in the future.

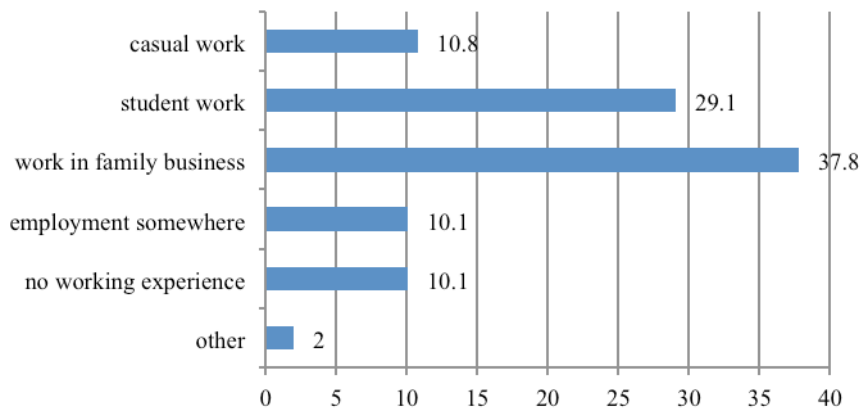


Figure 2  
Work Experience Prior to Acquiring Diploma, %  
own construction

Those people who had no working experience at all typically had no plans to initiate changes at the family business either, nor were they much interested in how they could utilize the knowledge gained during their studies. A possible situation for them was the refusal of the founder of the business to allow them to form their own opinion. (See Table 6)

Usefulness of Acquired Knowledge		Had worked in FB	Had not worked at all
Knew How to Utilize His Knowledge to Initiate Changes	Sign. Pearson	0.001 0.267	0.032 -0.176
Was Not Interested in Utilizing His Knowledge	Sign. Pearson	0.007 -0.221	0.003 0.246
The Founder Disallows the Formation of Independent Opinion	Sign. Pearson	-	0.000 0.349

Table 6  
Opinion of the Usefulness of Acquired Knowledge in Light of Whether the Respondent Had Worked in the Family Business or Had No Working Experience at All own construction

## Conclusions

The aim of the research was to reveal the willingness of young Slovakian entrants to join the family business. Due to the small quantity of the available sample, the research could not be considered representative, and so the received results are not completely reliable. Several factors influence the career motivations of young entrants: for example, more or less purposeful learning as well as the effect of the family as a direct socializing environment. The researches confirmed the hypotheses drawn at the beginning.

*Family socialization greatly influences the career prospects concerning the family business.* Most of the respondents grew up with the family business; one might say they were born into it. The early socialization was especially important for them as they usually imagined their future within the family business from their childhood. It was also confirmed that *the conscious continuation of one's studies is in positive correlation with the career prospects of the family business. Those young people who are going to be affected by the generation change of their family business study more consciously.* These people judged the knowledge and experience they gained to be useful and they felt they had the right tools to handle the problems of the business and to supervise the necessary changes. *Those respondents who had already worked in the family business before receiving their university degree also use the knowledge they gained during their studies in relation to the family business.* This way, the knowledge gained in the formal educational system was complemented by the knowledge and experience gained in the family business.

It has been confirmed that career motivation is influenced by the role played by the family running the organization as the system and operation of the family and the family business cannot be separated from each other. Based on the received results, there is a well-defined circle of people who specifically imagined their

future and their career within the family business, and their decision was correlated with their study choices as well as their childhood and young adult socialization. On the other hand, those people who either had other career plans or had no future plan for their career at all also tended to be uncertain about the value of their knowledge gained during their studies.

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