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THE IMPACT OF FAMILY BUSINESS BACKGROUND ON THE ENTREPRENEURIAL INTENTIONS OF THE NEXT GENERATION

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Abstract: *The aim of this study is to examine whether there is a statistically significant relationship between the existence of a family business and the entrepreneurial attitudes of the next generation. The hypothesis tested states that the family entrepreneurial environment (the presence of one or both parents being self-employed or business owners) exerts a positive and substantial influence on the entrepreneurial intentions of the next generation. To test this assumption, data were collected from a survey of 422 students enrolled at the Tsenov Academy of Economics, Svishtov, Bulgaria. Data analysis was conducted using the SPSS statistical software package, applying Mann-Whitney, Chi-Square, and Phi value tests. The results indicate that the presence of a family business does not significantly influence students' entrepreneurial intentions. At the same time, students whose parents own a business demonstrate a significantly higher and statistically meaningful likelihood of also owning a business, compared to those whose parents are not engaged in entrepreneurial activity. These findings reveal a complex picture of the differences between entrepreneurial attitudes and actual entrepreneurial behaviour.*

Keywords: *Entrepreneurship, Family Business, Entrepreneurial Intention, Students, Higher Education*

JEL Codes: *L26, M13, J24, I23*

INTRODUCTION

The factors shaping the entrepreneurial attitudes and intentions of young people have been of interest to researchers for many years. Since the beginning of the 21st century, interest in them has grown significantly. One of the important aspects under study is the influence of the family context – and more specifically, whether and how the presence of a family business developed by parents has an impact on the entrepreneurial attitudes and intentions of their children during the period of acquiring their education. According to Ajzen (1991), entrepreneurial intentions are formed under the influence of attitudes, subjective norms and perceived behavioural controllability, and the family environment can play an important role in shaping the specificity of all these components. Some studies show that young people who grew up in entrepreneurial families are more likely to develop an interest in their own business, thanks to role modelling and access to resources (Carr & Sequeira, 2007; Zapkau et al., 2015). At the same time, other authors emphasize that entrepreneurial intentions are not determined solely by family history, but depend on personal motivation, education and social context (Krueger et al., 2000). The contradictory results provoked a study aimed at verifying the facts within the framework of higher education in Bulgaria using the example of a specific university. The main objective of this report is to establish and analyse the relationship between the presence of a family business and the formation of entrepreneurial intentions among students. The report is based on the existing scientific literature and empirical data from a study of the entrepreneurial attitudes of economics students at the D. A. Tsenov University of Economics, conducted in June 2025.

EXPOSITION

Literature Review

Understanding entrepreneurial intentions and behaviours among college students, especially in the context of family businesses, is based on several key, most commonly used theoretical frameworks. Ajzen's theory of planned behaviour (1991) explains entrepreneurial intentions through three components: behavioural attitudes, subjective norms, and perceived behavioural controllability. Studies such as those by Krueger, Reilly and Carsrud (2000) highlight its application in the entrepreneurial context. Fishbein and Ajzen (2010) extend the original theory with additional dimensions of behavioural change, and Liñán and Chen (2009) link the application of the theory to an entrepreneurial context among college students from different cultures. Bandura's (1977) social learning theory emphasizes the role of observation and modelling – college students who grow up in a family business environment often adopt entrepreneurial models from their parents, resulting in increased self-esteem and motivation. Schunk & Zimmerman (2007) extensively use this theory and bring its main premises to the field of entrepreneurship. Resource theory, related to the work of Penrose (1959) and later developed by Barney (1991) through the concept of the resource-based view of the firm, emphasizes the importance of access to resources (financial, human and social) that family businesses can provide to young entrepreneurs. All these theories together offer a multi-layered framework for analysing the motivation, attitudes, intentions and behaviour of students, with the common positive preliminary direction assuming the thesis that family businesses act as a catalyst for entrepreneurial activity through various social, cognitive and resource mechanisms. Wernerfelt (1984) made one of the first formal attempts to define the resource perspective, and at a later stage Aldrich and Cliff (2003) began to investigate the influence of the family context on access to resources and entrepreneurial intentions of the heirs.

In the field of scientific research, there are a number of publications presenting the results of empirical studies on the relationship between students' entrepreneurial intentions and the presence of an entrepreneurial business in their families. The data show different findings. Based on a systematic review and bibliometric analysis of 677 articles, of which forty-three are the most cited, Xanthopoulou and Sahinidis (2024) systematize several main categories of factors: contextual (economic, social and political environment), motivational (personal needs, personality traits and characteristics of individuals) and related to the personal background of individuals (family, education and peers). According to them, family business provides a favourable environment for achieving a more efficient and accessible use of resources (Xanthopoulou & Sahinidis, 2024, p. 16). López-Fernández et al. (2016) affirm the presence of a positive relationship between intentions to start a business and the business status of the father, i.e. If the father has an entrepreneurial status, the strength of the children's intention to start their own business after completing their education increases and success in the entrepreneurial business they start is significantly predicted.

Investigating the influence of some family aspects on students' entrepreneurial intentions, Meroka (2023) concludes that family entrepreneurial background, role modelling, birth order and financial literacy encourage entrepreneurial intentions. A study by Georgescu and Herman (2020) shows that students whose parents have their own businesses demonstrate a higher level of entrepreneurial intentions, which is due to the presence of certain role models, access to the necessary business knowledge and their higher confidence in their abilities. Thoti (March 2024) finds a strong correlation between students' entrepreneurial aspirations and business experience and encouragement from their families. According to him, parental modelling and financial literacy of young people can inspire their long-term entrepreneurial motivation. Sahinidis et al. (2018) also believe that entrepreneurial parents act as inspiration and role models, with the father having a particularly strong influence if he is an entrepreneur (López-Fernández et al. 2016). Aldrich and Cliff (2003) emphasize that the family environment shapes entrepreneurial attitudes and provides easier access to resources. Children of entrepreneurs observe business processes in a real environment from an early age, which contributes to the formation of greater confidence in them, forms a rich visual experience and knowledge and presupposes their higher self-esteem and motivation to start their own business. Data from an international study by Sieger, Fueglistaller and Zellweger (2016) also show that students with entrepreneurial parents have higher intentions to start a business. Sieger et al. (2024, GUESSS), based on empirical data from over 50 countries, make similar generalizations that students with entrepreneurial parents have significantly higher intentions to start a business, as the family business provides not only the appropriate role model, but also real support – networks, capital, mentoring. A study by Vassileva. (2025) reports a significant influence of family entrepreneurial culture on student intentions, and Vassileva and Yalamov (2025) argue that in the Bulgarian context, students with family businesses show higher entrepreneurial activity, with cultural continuity and expectations for the continuation of the family business playing a proactive role in shaping entrepreneurial intentions. Carr and Sequeira (2007), using the theory of planned behaviour, show how family businesses increase the likelihood of entrepreneurial choice.

There are also a number of studies, the results of which provide grounds for other, different interpretations and conclusions. Van Gelderen, Kautonen and Fink (2015) focus on personality factors (e.g. self-control and fear) instead of the family environment. Rauch and Hulsink (2015) emphasize that education has a greater influence on entrepreneurial intentions than the factor of the presence of a family business. According to them, acquiring the necessary practical knowledge and support already in the university environment compensates for the lack of a family business. Zapkau et al. (2015) found that previous contacts with entrepreneurship and entrepreneurial business (including family business) do not always lead to stronger entrepreneurial intentions, since the influence of family business is mediated by the impact of personality factors (e.g. whether and to what extent the student perceives his parent as a successful role model or as a source of stress). Panteleeva, Varamezov, Naydenov, & Nikolov, E. (2023) believe that in the Bulgarian context there is no significant difference between students with and without a family business in terms of intentions. Many students do not want to inherit the family business, but prefer to realize themselves in other areas. Some even perceive the presence of a family business on the part of their parents as a kind of limitation.

The presence of a family entrepreneurial business is often considered by researchers as a significant factor that can strengthen students' entrepreneurial intentions through role modelling, access to resources and cultural continuity. Empirical studies show that this influence is not universal and depends on the individual attitudes, context and personal motivation of young people, which is why for a large part of students the more important factors shaping their desire to start and develop an entrepreneurial business go beyond the framework or do not depend primarily or solely on the fact that their parents have a family business.

Empirical Research

The aim of this study is to determine whether there is a statistically significant relationship between the existence of a family business and the entrepreneurial attitudes of the next generation. Most studies suggest that having entrepreneurial parents is a strong predictor that children will also become entrepreneurs, either by taking over the family firm or by starting a new venture. A study on student entrepreneurship in Bulgaria makes a similar assumption, revealing that almost half of student entrepreneurs come from families where one or both parents are self-employed or business owners. (Vassileva & Yalamov, 2024). We did not, however, identify any study that confirms or rejects this assumption in the national context. This motivated us to formulate the following research question: Does the existence of a family business (defined as having one or both parents who are self-employed or business owners) influence the entrepreneurial intentions of the next generation - that is, the children of entrepreneurs - and if so, in what direction and with what strength? Based on the findings of existing research on this topic, we formulated the research hypothesis that the family entrepreneurial environment (the presence of one or both parents who are self-employed or business owners) has a positive and substantial impact on the entrepreneurial intentions of the next generation.

The testing of this hypothesis is based on data collected through a survey of students from all years of study (first, second, third, and fourth) and study modes (full-time, part-time, and distance learning) at the Tsenov Academy of Economics, Svishtov, Bulgaria. The survey was conducted during the period 20–28 June 2024 via an online questionnaire developed in Google Forms. It is important to note that the questionnaire is part of a broader study on students' entrepreneurial attitudes, but only a subset of the questions is used for the purposes of this paper. The distribution of the questionnaire took place during the summer examination session, prior to the beginning of each respective exam. Students accessed the questionnaire by scanning a QR code, with a restriction allowing only one submission per device. Participation was voluntary and entirely anonymous, with the questions designed in a way that prevents the identification of respondents. The dataset generated is stored on a secure medium, will be used exclusively for research purposes, and will not be shared with third parties.

Out of 3,855 enrolled students, 422 completed the questionnaire, representing approximately 11% of the student population of the Tsenov Academy of Economics at the time of the study. The required sample size, calculated using the Jetform online sample size calculator at a 95% confidence level and a 5% margin of error, was 349. This means that the minimum sample size requirement was met. Table 1 presents the profile of respondents.

Table 1. Profile of respondents

Characteristic		Frequency	Percentage
Gender	• Men	247	58.5%
	• Women	175	41.5%
Age (min = 19, max = 61 mean 32)	• From 19 to 30 years	196	46,6%
	• From 31 to 40 years	146	34,7%
	• From 41 to 50 years	71	16,9%
	• From 51 to 61 years	8	1,9%
Year of study	• First	108	25.6%
	• Second	139	32.9%
	• Third	37	8.8%
	• Fourth	138	32.7%
Education degree	• Bachelor	360	85,3%
	• Masters	62	14,7%
Family business	• Yes	79	18.0%
	• No	346	82.0%
Own business	• Yes	102	24.2%
	• No	320	75.8%

The presence of a family business was assessed through the survey question *"Do your parents own a business?"*, with possible answers *"Yes"* and *"No"*, i.e., a dichotomous nominal scale. Entrepreneurial intentions, on the other hand, were measured using the question *"Do you intend to become an entrepreneur?"*, with responses provided on a positive five-point Likert scale (1 – *"Definitely no"*, 2 – *"No"*, 3 – *"Neutral"*, 4 – *"Yes"*, and 5 – *"Definitely yes"*). Under these conditions, parametric statistical tests are not suitable since the variables are measured on "weak" scales and are not normally distributed. Therefore, the Mann–Whitney U test was employed to examine the research hypothesis, identifying the presence or absence of statistically significant differences between the two groups (with and without a family business) regarding their entrepreneurial intentions. The analysis was conducted using SPSS statistical software, with the results presented in Table 2.

Table 2. Mann-Whitney U test statistics

	Do you intend to be an entrepreneur?
Mann-Whitney U	11597.000
Wilcoxon W	71628.000
Z	-1.843
Asymp. Sig. (2-tailed)	0.065

Grouping Variable: Do your parents have their own business?

The results of the Mann-Whitney test indicate that the tested hypothesis is rejected, as there is no statistically significant difference in entrepreneurial attitudes between students whose parents own a business and those whose parents do not (Sig. = 0.065 > 0.05). Although the result is close to the critical significance level (α = 0.05), the calculated effect size (r = -0.09) suggests a very weak effect. The conclusion that can be drawn is that the existence of a family business has a minimal and statistically insignificant impact on students' intention to become entrepreneurs.

Additional analysis of the survey data shows that 24.2% of respondents are business owners. Among them, 36.3% have parents who also own a business. This raises the question of whether there may be a relationship between parental business ownership and students' business ownership. Since both variables are dichotomous and measured on a nominal scale, the most appropriate approach is to apply the χ^2 test, as well as Phi and Cramer's V, to assess the strength of the relationship in case one is identified. The test results are presented in Figure 3.

Table 3. Chi-Square test

	Do you have own business?	Do your parents have their own business?
Chi-Square	112.616[a]	172.749[a]
df	1	1
Asymp. Sig.	0.000	0.000

a. 0 cells (0,0%) have expected frequencies less than 5. The minimum expected cell frequency is 211,0.

In both cases, the χ^2 value is very high (χ^2 = 112.616 and χ^2 = 172.749), and the result is statistically significant (Sig. = 0.000 < 0.05). This indicates that there is a statistically significant relationship between the variables under consideration. The direction and strength of this relationship are assessed using the Phi value, presented in Table 4. The conclusion that can be drawn is that students whose parents own a business have a significantly higher likelihood of owning a business themselves (48.7%) compared to individuals whose parents do not own a business (18.8%). This difference is statistically significant (Sig. = 0.000 < 0.05), with a moderate strength of association (φ = 0.268).

Table 4. Phi value

		Value	Approximate Significance
Nominal by Nominal	Phi	-0.268	0.000
N of Valid Cases		422	

The comparison of the results from the Mann-Whitney U test and the Chi-Square test reveals a complex picture, illustrating the difference between entrepreneurial intentions (desires) and actual entrepreneurial behaviour. They indicate that the presence of a family business does not shape the desire for entrepreneurship in the next generation – this desire is evenly distributed across society and influenced by other factors such as education, personal interests, and worldview. However, when this desire exists, having a family business acts as a powerful catalyst, transforming entrepreneurial ideas into actual actions. Individuals from entrepreneurial families are not more ambitious from an entrepreneurial standpoint, but they are likely better prepared and supported to realize their ambitions. They possess critical resources – knowledge, networks, financial tools, and confidence – that help overcome the barriers between the desire for entrepreneurship and the actual steps taken to achieve it. In other words, a family business does not ignite the spark of the entrepreneurial idea, but it is crucial for lighting the fire.

CONCLUSION

The findings of this study reveal a nuanced relationship between family business ownership and the entrepreneurial paths of the next generation. The Mann–Whitney U test results show that the presence of a family business does not significantly influence students' entrepreneurial intentions. Entrepreneurial aspirations appear to be broadly and evenly distributed among young people, regardless of whether their parents are entrepreneurs. This suggests that factors such as education, personal interests, and individual values play a stronger role in shaping the desire to engage in entrepreneurship than family background alone.

At the same time, the Chi-Square analysis highlights that once the intention to become an entrepreneur is present, a family business environment substantially increases the likelihood of translating this intention into actual entrepreneurial activity. Students whose parents own a business are significantly more likely to operate businesses themselves, which reflects the transfer of resources, skills, and support across generations. This finding underscores the importance of the family business as a facilitator rather than a motivator – it does not create entrepreneurial ambition, but it equips individuals with the means to pursue it more effectively.

Overall, this study contributes to the understanding of intergenerational entrepreneurship in the Bulgarian context by clarifying that family businesses do not generate entrepreneurial desire in the next generation but play a critical role in transforming entrepreneurial ideas into reality. This dual role has important implications for both policy and education: while fostering entrepreneurial intentions may depend on broader social and institutional factors, family business traditions provide a crucial framework that supports the successful realization of entrepreneurial ventures.

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