Spotlight
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Should you take over the family business or build something new?

A configurational study reveals six distinct profiles of next-generation entrepreneurs

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The conventional narrative about family business succession presents a binary choice: join the family firm or pursue your own career. But real career paths are more varied than that. Some family members take over the business. Others start entirely new ventures. Some do both. And many build careers that weave in and out of the family enterprise at different life stages.

This study examines the career trajectories of **111 offspring from enterprising families** in Sweden, using longitudinal interview data combined with career history analysis. The authors identify six distinct career profiles that capture how next-generation family members navigate the relationship between the family business and their own professional identity. The profiles range from full immersion in the family firm to complete independence—with several hybrid paths in between.

WHAT WE STUDIED

The data comes from the **STEP Project** (Successful Transgenerational Entrepreneurship Practices), a global research initiative focused on how enterprising families sustain entrepreneurial capacity across generations. The Swedish sample includes 111 offspring from business-owning families, interviewed about their career choices, motivations, and relationship to the family enterprise. Career histories were coded and clustered into profiles based on the degree and nature of involvement with the family business over time.

The theoretical framework draws on **career theory** and **identity theory**, treating career choice as an identity negotiation process. The central argument is that offspring careers are not simply determined by the family business's needs or the founder's wishes. They are shaped by the interplay between individual identity, family expectations, available opportunities, and the structural characteristics of the family enterprise itself.

KEY INSIGHTS

Six career profiles capture the full range of next-generation trajectories

The study identifies six distinct career profiles among family business offspring. **Successors** take over the family firm and make it their primary career. **Intrapreneurs** remain within the family business but create new ventures, divisions, or strategic directions from inside. **Entrepreneurs** leave the family firm to start their own ventures, often in related industries. **Hybrids** combine roles—working in the family business while simultaneously running their own ventures or pursuing external careers. **Employees** build conventional careers outside the family business, sometimes returning later. **Disengaged** offspring have minimal involvement with the family enterprise and build entirely independent professional lives.

Career paths are not fixed—they shift over time

The longitudinal data reveals that many offspring move between profiles across their careers. An employee may become a successor after a decade in a different industry. An entrepreneur may return to the family firm as an intrapreneur. A hybrid may gradually shift toward full engagement or full independence. Career paths in enterprising families are dynamic, and treating any single point-in-time observation as definitive misses the pattern. The practical implication is that families should plan for career flexibility, not just succession readiness.

Identity negotiation drives career choice more than economic calculation

The strongest predictor of which profile an offspring follows is not financial incentive or family pressure. It is the degree to which their professional identity aligns with the family business's identity. Offspring who see themselves as builders and creators gravitate toward entrepreneurship or intrapreneurship. Those who value stability and expertise pursue employee careers. Those who feel a strong sense of stewardship become successors. The decision is fundamentally about identity fit, not economic optimization.

Enterprising families produce more than successors

The most important practical finding may be the simplest: enterprising families generate entrepreneurial capacity in multiple forms, not just through succession. Offspring who start their own ventures, build external careers, or become intrapreneurs within the family firm are all contributing to the family's entrepreneurial legacy—even if they never formally take over the business. Families that define success narrowly as "who takes over" miss the broader value their members create.

TAKEAWAYS

Expand the definition of successful next-generation engagement

Not every offspring needs to become the successor. Families that recognize and support multiple career profiles—intrapreneurs, entrepreneurs, hybrids—capture more of the value their next generation creates and reduce the pressure that drives talented members away.

Design career development pathways, not just succession plans

Traditional succession planning focuses on identifying and preparing one or two candidates for the top role. This study suggests that families should instead create structured pathways that allow offspring to explore different forms of engagement—including periods outside the family business—before committing to a specific role.

Respect identity-driven career choices

Pressuring offspring into roles that conflict with their professional identity produces disengagement, not commitment. Families that support identity-aligned career choices—even when those choices lead away from the family firm—build stronger long-term relationships and often find that the offspring's greatest contributions come through new ventures that extend the family's reach.

IMPACT

This study reframes the next-generation question in family business research. Instead of asking "who will succeed?" it asks "what range of careers does the family enterprise enable?" The six-profile typology provides a practical tool for families, advisors, and researchers to map and discuss career diversity within enterprising families. The longitudinal perspective adds a critical dynamic dimension: career profiles are not fixed labels but evolving trajectories shaped by identity, opportunity, and family context.

RECOMMENDATIONS

1. **Map the next generation's career profiles.** Use the six-profile framework to understand where each family member currently stands and where their trajectory is heading.
2. **Create re-entry pathways.** Offspring who leave the family business may return later with valuable external experience. Keep the door open and make re-engagement easy.
3. **Celebrate diverse contributions.** Recognize that intrapreneurs, entrepreneurs, and even disengaged members can contribute to the family's legacy in ways that traditional succession metrics do not capture.
4. **Support identity exploration.** Give next-generation members opportunities to test different roles—inside and outside the family business—before expecting a commitment. The best contributions come through new ventures that extend the family's reach.

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