

ONCE AN ENTREPRENEUR – ALWAYS AN ENTREPRENEUR? POST-EXIT INTERESTS OF RETIRED ENTREPRENEURS

Mirela Alpeza, Ph.D.

Josip Juraj Strossmayer University of Osijek, Faculty of Economics in Osijek

E-mail: mirela.alpeza@efos.hr

Abstract

In recent decades, the elderly have an increasing share in the population's age structure, and the implications of population aging are visible in all aspects of society. A higher proportion of the elderly population is accompanied by an increase in the number of people who spend a more extended period of their lives as retirees, which affects the social re- definition of the concept of retirement. Retirement of entrepreneurs is an essential topic since entrepreneurial retirement reflects its sustainability, which has a broader social role. The biggest challenges related to the retirement of entrepreneurs are those of psy- chological nature whose causes are found in their almost exclusive focus on the business aspect of life and the lack of development of other interests and contacts outside the business community during the active working period. After retirement, entrepreneurs strive for activities that enable retention of existing patterns of behavior and continuity in developing relationships within the same social groups. The paper presents an exam- ple of an association of retired entrepreneurs in the Netherlands, which accomplishes two important goals through its mentoring program, i.e., it enables social inclusion of retired entrepreneurs and enables younger entrepreneurs to successfully overcome busi- ness challenges with the mentoring support of retired entrepreneurs. Modeled on the example of good practice from the Netherlands, in early 2020, an association of retired entrepreneurs was launched in Croatia. The topic of the retirement of entrepreneurs and sustainability of their business ventures is crucial to Croatia because of the enormous wave of expected retiree entrepreneurs who founded companies in the 1990s after Croa- tia transitioned to a market economy. This paper presents qualitative research conducted among retired entrepreneurs in Croatia interested in volunteering as mentors to young- er entrepreneurs. The concluding part of the paper points out the need to support the development of programs that enable social inclusion of retired entrepreneurs, applying their knowledge and experience in encouraging the development of entrepreneurship.

Keywords: retired entrepreneurs, exit strategy, psychological barriers, business trans- fer, mentorship

I. INTRODUCTION

The population’s age structure in most countries of the world has undergone significant changes in recent decades. In 2017, there were 962 million people over the age of 60 globally, which is more than twice the number compared to 1980, when there were 382 million people of that age. Between 2017 and 2050, the number of people over 80 is expected to triple from 137 million in 2017 to the expected 425 million in 2050. Although population aging was associated with highly developed countries in previous decades, increasing the share of the elderly population is most pronounced in developing countries. Two-thirds of the elderly population live in developed countries, and further growth is expected in 2050, and 8 out of 10 older people will come from those countries (UN, 2017).

Changes in the population’s age structure are predominantly the result of decreasing birth rates and increased life expectancy because of technological and social changes. In some countries, the changes are the result of depopulation trends, such as the case is in Central and Eastern Europe, where after 2008 and accession to the European Union, young people from these countries migrate to developed Western European countries, resulting in the inclusion of three countries from the region among countries with the largest share of the elderly population in the total population of the world in 2017 (Bulgaria 27.7%; Croatia 26.8%; Slovenia 26.3%, Table 1).

Table 1. Ten countries or areas with the largest share of persons aged 60 years or over*, in 1980, 2017 and 2050

Rank	1980		2017		2050	
	Country or area	Percentage aged 60 years or over	Country or area	Percentage aged 60 years or over	Country or area	Percentage aged 60 years or over
1	Sweden	22	Japan	33.4	Japan	42.4
2	Norway	20.2	Italy	29.4	Spain	41.9
3	Channel Islands	20.1	Germany	28	Portugal	41.7
4	United Kingdom	20	Portugal	27.9	Greece	41.6
5	Denmark	19.5	Finland	27.8	Republic of Korea	41.6
6	Germany	19.3	Bulgaria	27.7	China, Taiwan Province of China	41.3

7	Austria	19	Croatia	26.8	China, Hong Kong SAR	40.6
8	Belgium	18.4	Greece	26.5	Italy	40.3
9	Switzerland	18.2	Slovenia	26.3	Singapore	40.1
10	Luxembourg	17.8	Latvia	26.2	Poland	39.5

Source: United Nations, 2017

* Of 201 countries or areas with at least 90,000 inhabitants in 2017.

The implications of population aging are visible in almost all aspects of society – from the labor market, the financial sector to the demand for products and services intended for the elderly. Some governments intervene through adjustments in policies that address the needs and interests of the elderly population by, for example, removing barriers and increasing opportunities for (longer) activity of older people in the labor market, and adapting the health system to promote „healthy aging” and increase the availability of institutional and non-institutional forms of care for the elderly (UN, 2017).

A higher proportion of the elderly population is accompanied by an increase in the number of people who spend more and more of their lives as retirees, which affects the social redefinition of the concept of retirement. In most modern societies, the retirement period is considered an integral part of the life cycle. Individuals continue to make an essential contribution to society in different spheres of life through active, productive aging (Ranzijn, 2002).

Entrepreneurs are an essential group of society whose aging and retirement call into question the sustainability of their entrepreneurial ventures. This paper aims to present the specific challenges that entrepreneurs face when deciding to retire and their interest in social engagement after retirement. The paper explicitly describes entrepreneurs’ interest in participating in a mentoring support program for younger entrepreneurs, enabling productive aging and continued contact with entrepreneurs as a social group. Entrepreneurs dominantly communicate during their entrepreneurial careers. The concluding part of the paper points out the need to support the development of programs that enable social inclusion of retired entrepreneurs, applying their knowledge and experience to benefit entrepreneurship development.

2. AGING AND RETIREMENT

Retirement is *...a process and life period in which a person may be forced, based on legal norms formalized through the institution of retirement, with social expect-*

tations related to age, or of their desire, to leave the work role, regardless of whether it involved permanent, occasional employment or volunteering (...), which includes a series of adjustment processes through which an individual redefines previous roles in life (Bara & Podgorelec, 2015: 63). Different definitions of retirement use different criteria, from a complete abandonment of the labor market, dependence on state pensions, reaching a certain chronological age, work that does not include full, permanent employment, to the criteria of self-identification with the retiree role (Bauer-Maglin & Radosh, 2003: 4).

Retirement was formalized as a process in the late 19th and early 20th century in industrialized countries, and its development took place during the 20th century. Initially, retirement was an efficient way to address the issue of mass unemployment in society, and only after the Second World War the social norm of perception of retirement as an individual's earned social right during a long working life was developed (Phillipson, 1998, as cited in Bara & Podgorelec, 2015: 62).

Retirement, as one of the central transition periods in later life, affects the change of everyday activities, social contacts, economic resources, requires reorganization of activities (and leisure), and adaptation to new life circumstances of retirees and members of their families (Bara & Podgorelec, 2015: 62).

The traditional notion of people in retirement is based on a series of prejudices towards the elderly as unproductive, sickly, depressed people of more deficient cognitive functions, who mostly live in the past and are prone to complaining (Erber, 2013). In 1969, Robert N. Butler, director of the *National Institute on Aging*, was the first to use *ageism* to describe age discrimination, a set of ideas and beliefs associated with discriminatory attitudes towards specific age groups. These beliefs, i.e., society's expectations from specific social groups, result from cultural factors and generate informal sanctions or recognition of society depending on the (un)assumed patterns of the individual's expected behavior.

The presence of age discrimination in society is a factor that negatively reflects on the individual experience of retirement and the process of adapting to new circumstances. Retirement itself is a stressful period in life due to the loss or redefinition of society's roles related to social status, identity, power, and resources. Hence, a transitional period may represent a crisis period in an individual's life (Alavinia & Burdorf, 2008). According to continuity theory, individuals tend to age in ways consistent with patterns of feelings and behaviors during earlier periods in life. They want to maintain existing patterns despite changes in the personal environment (Atcheley, 1989). The ability to adapt to new roles in life depends on the individual's orientation to different aspects of life in the

phase of life that precedes retirement. Accordingly, it is assumed that people focused exclusively on the business aspect of life will find it more challenging to adjust to retirement because they will be left with few alternative sources of satisfaction (O’Rand, 2003).

Stereotypes that include attitudes on how older workers possess less new knowledge, information, skills, strength, and endurance than younger people provide arguments for setting the age limit of 65 years for mandatory retirement, which pension systems and corporations worldwide have accepted. Changes in life expectancy and the development of information technology encourage rethinking the myths about (non)productivity and (in)activity of the elderly. In some industries, which require experience and high expertise (for example, highly educated experts in the sector of professional, scientific, and technical activities), employers demonstrate flexibility to retain older employees.

In 1982, Butler promoted *productive aging* in the context of the importance of mobilizing the potential of the elderly population in society and challenging dominant thinking about old age as a period of dependence and burden for society. According to the UN World Population Ageing Report from 2017, there is a trend of increasing older people’s independence and autonomy in recent decades. Their dependence and the share of those living in households with younger family members varies significantly and is influenced by cultural and social factors (according to data from 143 countries, the share of people living alone or with a partner varies, from the Netherlands, where this share is 93.4% to Afghanistan, where it is 2.3%).

In addition to the term *productive aging*, the World Health Organization and the United Nations promote concepts such as *active aging*, *healthy aging*, or *successful aging*, where *healthy* and *successful* aging are associated with physiological functions. In contrast, *active* and *productive* aging refers to the social engagement of the elderly, regardless of the nature of these activities.

Various studies indicate a positive impact of *productive* aging on the health and well-being of the elderly in terms of avoiding illness and disability and maintaining high physical and cognitive functions (Rowe & Kahn, 1997: 439). Explaining the concept of *productive* aging, Butler states that it refers not only to activities that result in material or financial gain but also to unpaid activities, such as volunteer work in the community, taking care of the family, and other activities that enrich the quality of life (Bass & Caro, 2001: 37). Active life promotes self-esteem, life satisfaction, independence, social interaction, the abili-

ty to adapt to new situations, and integration into the community (Phillipson, 1998, as cited in Bara & Podgorelec, 2015: 67).

3. RETIREMENT OF ENTREPRENEURS AS A RESEARCH TOPIC

The retirement of entrepreneurs is an important topic since the decision to retire implies changes in the retired entrepreneur's company, which has its role in the market, the local community, and society. An entrepreneur's retirement may affect the financial performance, organizational culture, the ability to retain employees, relations among stakeholders, and other aspects of the company whose owner is retiring (Wennberg et al., 2010). Despite the economic and social importance, many aspects of entrepreneurs' retirement are still insufficiently researched (Chevalier et al., 2018; Chevalier et al., 2013; Soleimanof et al., 2014).

Retirement of entrepreneurs is a decision *to decrease mental, emotional, and behavioral involvement in their work in order to exit from their entrepreneurial career* (Morris et al., 2020: 1090). Terms closely related to the retirement of entrepreneurs are entrepreneurial exit, which DeTienne defines as *the process by which the founders of privately held firms leave the firm they helped to create; thereby removing themselves, in varying degree, from the primary ownership and decision-making structure of the firm* (DeTienne, 2010: 203), and exit strategy, which is defined as *the mode through which the entrepreneur intends to exit the firm* (DeTienne et al., 2015: 255).

Research points to three categories of entrepreneurs' exit strategies (DeTienne et al., 2015; Ryan & Powers, 2012): *exit strategies focused on securing financial resources for the entrepreneur* (e.g., an IPO or sale of the company); *exit strategies focused on delegating management* through which the entrepreneur retains influence over sustainability and future of the company (e.g., transfer of management to family members or employees) and *exit strategies that cease the company's operations* (e.g., closure and liquidation of the company). The financial aspect is an essential criterion for entrepreneurs when choosing an exit strategy (Wang et al., 2011). Financial-based exit strategies provide the highest economic return for the entrepreneur while delegating management (while retaining ownership) ensures control and long-term involvement in its business. Research conducted by Morris et al. (2020) indicates that entrepreneurs with a lower intention for retirement will choose to delegate management, while entrepreneurs with a higher intention for retirement will be particularly motivated to maximize financial resources when exiting the company.

The uniqueness of retirement of entrepreneurs compared to other people is that entrepreneurs usually have a high level of control over the decision on when to retire (except in cases of illness or some other sudden circumstances), therefore it is essential to understand the circumstances that encourage entrepreneurs to make retirement decisions, which include the situation at work, life circumstances, and the expected benefits of retirement (Kim & Shultz, 2010, as cited in Morris et al., 2020: 1092). Factors affecting the retirement of entrepreneurs can be divided into those that are related to the business activity, and those that are not; those that are related to the entrepreneur as a person, and those of contextual nature; those that “force” entrepreneurs to retire, and those that make the idea of retirement attractive to entrepreneurs (Shultz et al., 1998, as cited in Morris et al., 2020: 1092).

Despite the high level of autonomy that entrepreneurs have when deciding on retirement and the high levels of stress that accompany entrepreneurial careers, entrepreneurs are reluctant to opt for retirement (Quick & Moen, 1998; Wang, 2007). Some authors explain the reluctance of entrepreneurs to retire with a high level of emotional connection with their entrepreneurial venture, the desire to leave the company “in safe hands”, and characteristics of the entrepreneurial role in which they find personal fulfillment and satisfaction (Beehr et al., 2000; De Vries, 2003).

Morris et al. (2020) state that, in the case of a voluntary decision on retirement, entrepreneurs are prone to partial retirement in later years of life compared to years in which other people decide to retire voluntarily.

For many, retirement is a challenge in psychological, financial, and social terms, regardless of whether it is voluntary or (legally) imposed retirement. Some authors particularly emphasize the psychological aspects of the retirement of entrepreneurs and leaders in general. Psychological barriers related to business transfer have been predominantly researched in family entrepreneurship and generational transfer (e.g., Lansberg, 1988; Davis & Harveston, 1998; Handler, 1994). In his doctoral dissertation, Weesie (2017) explored psychological barriers associated with a business transfer, i.e., exit from the venture. He considered different exit modes from the venture, not focusing exclusively on business transfer to family members. Weesie identified the following as critical psychological barriers for entrepreneurs: *letting go of firm engagement, distrusting the successor and the underestimation of the transfer process, handing over leadership and stepping down, choosing between children and fear of future emptiness.*

In his article “*The Retirement Syndrome: The Psychology of Letting Go*”, Kets de Vries talks about the retirement of people in leadership positions, which, according to him, has a devastating effect on some people and quotes Michael Forbes who said that “...retirement kills more people than hard work ever did” (Kets de Vries, 2003: 9). Kets de Vries uses the term *retirement syndrome* to describe a situation in which leaders remain in a position of power even though they are aware that they have achieved everything they could, are no longer satisfied with their performance, do not find a challenge in running a business, nor do they have a clear vision of their further activities. According to Kets de Vries, the critical psychological barriers associated with retirement are *the experience of nothingness* perceived by many in the absence of work, due to lack of personal interests and relationships developed outside their business life; *the talion principle*, meaning the fear of retaliation after the shift in power from the individuals who were negatively affected by their decisions; and the *edifice complex*, meaning they wish to leave a legacy as a mean of defeating death as a consequence of fear of mortality (Kets de Vries, 2003: 6).

Entrepreneurs often do not develop additional interests or relationships with people outside the company, making it especially challenging for them to find an alternative to thinking and engaging in company activities, which is why they often delay their retirement decision. All-day working hours and an almost complete focus on work do not leave enough time and energy to develop other interests and relationships with people outside the business circle that they could rely on. One additional challenge is the loss of power, often associated with public recognition resulting from an essential role in the company. The feeling of deprivation in retirement can also be a consequence of the impossibility of further identification with the company’s successes, lack of influence on the allocation of financial resources, people, policies, local community, and lack of continuous reaffirmation of their importance in these circles. In small and medium-sized, mostly family businesses, entrepreneurs believe that their authority in the family stems from their crucial role in the company’s ownership and management and the influence on the distribution of profits generated by the company. Entrepreneurs see an additional challenge in rediscovering connections with their partner, whose personal interests, due to a long-standing focus on the company, are diverging from those of the entrepreneur. These factors indicate a challenge of finding interests that will enable entrepreneurs to have a high quality of life in retirement. This confirms the research results by Morris et al. (2020) about the preferred model of exit from the venture based on delegating management to prolong the company’s involvement and impact in the days after retirement.

4. RETIREMENT OF ENTREPRENEURS IN CROATIA AS A RESEARCH TOPIC

The topic of the retirement of entrepreneurs is of particular importance for Croatia, as well as for other transition economies in which many companies was created in the early 1990s, after the transformation to a market economy and the intensification of entrepreneurial activity (e.g., Todorov & Kereziev, 2013; Surdej & Wach, 2012; Alpeza et al., 2018). After 30 years of operation, a large wave of withdrawals from the business by entrepreneurs who founded companies in the 1990s is expected. The decision to implement an exit strategy affects their companies' sustainability and employees' jobs working in them. Nevertheless, the topic of entrepreneurs' retirement is not sufficiently researched, and many unknowns require deeper study of this phenomenon.

Two studies cover entrepreneurs' retirement in Croatia – Global Entrepreneurship Monitor and Business Transfer Barometer Croatia.

The Global Entrepreneurship Monitor is an international study that also monitors the causes of the cessation of entrepreneurial activity. Croatia's research is conducted on a general population sample of 2,000 people aged between 18 and 64 years. In 2018 and 2019, a relatively small number of respondents cited retirement as the cause of entrepreneurial activity cessation (from 9.1% in 2018 to 5% in 2019; Table 2). When defining the cause of exit from entrepreneurial activity in GEM research, it is possible to combine some of the causes. An opportunity for sale could have immediately preceded retirement, or the planned exit could have also prompted retirement, so it is possible that the circumstances in which respondents find themselves represent a combination of several reasons for exiting the venture.

Table 2. Causes of cessation of business activity in Croatia in 2018 - 2019 (%)

Causes of cessation of business activity	2018	2019
Opportunity for sale	0.6	6.4
The company is not profitable	19.7	24.5
Problems with access to finance	7.4	11.9
Other job or business opportunity	18.5	16.3
The exit was planned	1.9	2.8
Retirement	9.1	5
Personal or family reasons	16.5	11.3
Incident situations	7.1	0
Tax policy/Administration	19.2	21.8

Source: Singer et al., 2021-forthcoming

The Business Transfer Barometer Croatia survey was conducted in 2015. The research aimed to determine how entrepreneurs plan to implement business transfer upon retirement, the number of companies that belong to a risk group concerning their owners' attitude towards business transfer, and the support that entrepreneurs need in this process. The study consisted of an analysis of secondary data and a primary survey conducted on a sample of 200 entrepreneurs aged 55 years and over. The average age of entrepreneurs who participated in the survey was 62 years.

Based on secondary research, it was established that 16,590 limited liability companies owned by entrepreneurs aged 55 years or more in Croatia, which employ almost 180,000 employees, represent a 16.1% share of the total number of people employed in limited liability companies. They generate revenue of EUR 15.2 billion (18.9% of the total revenue generated by all limited liability companies in Croatia). The share of enterprises whose owners belong to the 55+ generation amounts to 31% of Croatia's total number. Among the entrepreneurs in the sample, 76% of enterprises were founded in the 1990s. In 88% of cases, entrepreneurs still participate in the ownership and management of the company. According to the Barometer results, 24% of entrepreneurs do not consider changing their company's role in the future. Only 8% of entrepreneurs have developed an awareness of the change of their role in over ten years. Only 6% of entrepreneurs consider selling the company as an exit strategy, 17% believe that the company will close after their retirement, and 65% believe that the company will continue to operate, among which 61% believe that the leadership role will be filled by a family member, and 19% that it will be assumed by one of the current employees.

In this paper's context, the most important results of the Business Transfer Barometer survey talk about the entrepreneur's planned role in the company's business after retirement and the transfer of the management role. Only 23% of entrepreneurs plan to withdraw entirely from the company's operations. In comparison, 68% of entrepreneurs want to remain involved in the company's operations, working either full-time (5%), part-time (19%), or remaining in an advisory capacity (44%). The survey also revealed entrepreneurs' thinking about sources of funding in retirement. 72% of them expressed the need for additional income in retirement, and the most important sources of additional income were rental of real estate and tourism activities (30%), company profits (24%), and savings (7%). Besides, an essential finding of this survey is the expressed need for support to entrepreneurs who are about to retire to define the company's exit strategy. As the most critical approach to informing about this topic, entrepreneurs cited the exchange of information with other entrepreneurs,

which they have already used (50%), or plan to use (41%), and rated this source of information with the highest grade (3.5 on a scale of 1 to 5).

Based on the results of previous research, it is possible to draw the following conclusions:

- Psychological challenges of entrepreneurs' retirement are caused by entrepreneurs' almost exclusive commitment to the business aspect of their lives during their active working period and the absence of other interests outside the company that would facilitate finding alternative roles in life.
- Preference of transition to family members gives the entrepreneur the possibility of delegating management while retaining its ownership role. They remain in the role of entrepreneur, making it easier to face retirement.
- Entrepreneurs prefer productive aging after retirement, i.e., engagement that will enable replicating roles, patterns of behavior, and relationships developed during the operational phase of life.
- A significant proportion of entrepreneurs in Croatia postpone thinking about retirement and the company's future after their withdrawal and prefer an exit strategy that allows retaining the role of an entrepreneur through delegating management but retaining ownership of the company.
- When deciding on an exit strategy, entrepreneurs in Croatia prefer entrepreneurs' advice with business transfer experience.

The following chapter describes the Dutch association of retired entrepreneurs Soundboard, an example of good practice in the European Union, where retired entrepreneurs act as mentors to younger entrepreneurs facing business challenges. The Soundboard case study was prepared based on a semi-structured interview conducted with the Soundboard organization director in February 2020.

5. EXAMPLE OF EU GOOD PRACTICE IN THE FIELD OF ENGAGEMENT OF RETIRED ENTREPRENEURS

The Dutch association Soundboard was founded in 1980. The initiative to form the association was encouraged by the Dutch Chamber of Commerce in collaboration with several large Dutch corporations, including Shell and Rabobank. The association was formed during the recession in response to the failure of many small businesses in the Netherlands, which represent an essential source of innovation and large companies' competitiveness. In the first 20 years

of Soundboard operation, large companies' retired employees, mostly from management, have provided, voluntarily, mentoring support to small business owners in solving business challenges. In the second 20 years of operation, retired entrepreneurs provide mentoring support, whose experience and knowledge are more tailored to other entrepreneurs' needs.

Soundboard operates throughout the Netherlands. The association has 300 members, primarily retired entrepreneurs, with an average age of 67 years, divided into 17 teams. They provide mentoring support in four business areas: company bankruptcy prevention, start-up, business growth challenges, and business transfer. Soundboard annually provides support for over 2,000 entrepreneurs.

Soundboard association pays special attention to building relationships between members of the association – retired entrepreneurs. Once a year, an informal gathering is organized for all members, with lectures by exciting speakers. Half-day workshops are organized for members of the association to advance their knowledge in various fields, such as marketing, modern funding sources, etc.

The Soundboard Association activities are financed through entrepreneurs' participation in the cost of mentoring, sponsorship of the Dutch Ministry of Economic Affairs and Climate Policy, banks, the Dutch Employers' Association, and local and regional self-government units.

In 7 out of 17 Dutch regional offices, Soundboard has established cooperation with local governments.

In 2016, cooperation between Soundboard, the City of Rotterdam, and the Rotterdam University of Applied Sciences named Rotterdam Business Case with the slogan "Young + Old = Gold" won the European Enterprise Promotion Award *Responsible and Inclusive Entrepreneurship* category. The innovative approach achieved concrete results, and proven potential for expanding this concept in the Netherlands and other European countries was specially recognized. The Rotterdam Business Case has been operating as a project since 2012. In the past period, support has been provided to more than 1,400 entrepreneurs in difficulty, and more than 50% of them were saved from certain bankruptcy.

Beneficiaries of this project, funded by the City of Rotterdam, are owners of small businesses, primarily self-employed persons, who experience severe difficulties in operations, have been in business for more than 1.5 years, earn a monthly income at the level of the minimum wage in the Netherlands (1,200 euro) and cannot afford to pay professional consultancy support. The Regional Office for the Self-employed in Rotterdam and the City of Rotterdam supports small businesses

in difficulty securing funding sources with favorable loan terms. A prerequisite for obtaining a loan is demonstrating the entrepreneurial project's economic viability, based on the analysis of annual financial statements for the last three years and a developed business recovery plan. To develop and implement a recovery plan, entrepreneurs are instructed to contact Soundboard and arrange mentoring support.

In addition to retired entrepreneurs as mentors, students of the Rotterdam Business School of Rotterdam University of Applied Sciences also participate in these mentoring projects, thus realizing practical teaching, learning, but also supplementing the knowledge and experience of mentors with current knowledge from, for example, digital marketing or modern sources of funding, such as crowdfunding.

6. EMPIRICAL RESEARCH – INTERESTS OF RETIRED ENTREPRENEURS IN CROATIA

Following the example of the Dutch Soundboard association, CEPOR – SMEs and Entrepreneurship Policy Center from Zagreb launched the Senior Entrepreneurs Club – SENTOR in Croatia in 2020. The idea to start the program was based on the need of older generation entrepreneurs planning to retire for support and advice from entrepreneurs who have already implemented business transfer, which was identified by the Business Transfer Barometer survey. The second trigger for launching the mentoring program was the identified entrepreneurs' need for advice in adapting the business model in the crisis caused by the COVID-19 pandemic and the lack of advisory support from entrepreneurial support institutions for entrepreneurs in crisis (Delić & Alpeza, 2021 - forthcoming).

The Senior Entrepreneurs Club launch – SENTOR was preceded by a survey among retired entrepreneurs, who expressed initial interest in volunteering as mentors. The survey included eight retired entrepreneurs who participated in the workshop on mentoring in April 2020, which described the Dutch Soundboard association's model and explained mentors' expectations. Interested entrepreneurs applied for the program by completing an online questionnaire. A semi-structured 45-minute interview was conducted to explore entrepreneurs' motivation and capacity further to participate in the mentoring program. The average age of retired entrepreneurs who participated in the survey is 66 years. Among the eight surveyed entrepreneurs, there are three women and five men. Table 3 shows survey participants' characteristics and describes their motivation to participate in the mentoring program.

Table 3. Characteristics and interests of retired entrepreneurs, survey participants

Retired entrepreneur	Age	Relation to company	Interests / expectations
IN1-M	65	Sold the company altogether.	He was interested in socially beneficial work like to contact young entrepreneurs and transfer his experience and knowledge.
IN2-M	66	Still holding the majority owner of the company. Transferred management role to family members.	Interested in the mentor role, he wants to be active and see what different companies look like “from the inside”.
IN3-M	70	Still holding the majority ownership of the company, together with his wife. Transferred management role to family members.	Likes to be surrounded by entrepreneurs and hear their experiences and problems; this is how he acquired knowledge while being an active entrepreneur. Wants to pass on his experiences to younger people.
IN4-F	66	Still holding the minority ownership of the company. Transferred part of ownership and management role to family members.	She believes that she has gained rich experience in her long entrepreneurial career that can be useful to others. She has free time and wants to dedicate herself to working with young people.
IN5-F	62	Transferred ownership and management to a family member. Not involved in the company.	Thanks to the complete transfer of business, he has much free time. He has many interests, so he wants to choose what to spend his free time on strategically. Priority – to make up for the lost time to his family.
IN6-M	72	Still holding the minority ownership of the company. Transferred part of ownership and management role to employees.	At the beginning of his career, he was a faculty lecturer and is attracted by the prospect of transferring knowledge to younger people again. He expects that after the “running in” of the mentoring program, there will be opportunities for financial compensation for retired entrepreneurs’ engagement.
IN7-F	68	Still holding the majority ownership in the company. Transferred management role to family members.	She is interested in an engagement that will provide her with additional income sources and a pension.
IN8-M	60	Still holding the majority ownership in the company. Transferred part of ownership and management role to employees.	Interested in socially valuable activities. Likes to communicate with other entrepreneurs and transfer his knowledge. He is ready to work with entrepreneurs at all stages of the venture.

Source: Data collected through empirical research, processing, and analysis by the author of the chapter

Entrepreneurs who participated in the survey see retirement as an opportunity to change the quality of life and lifestyle and an opportunity to find and develop new interests. In the mentoring program, they recognize the possibility of developing activities based on roles, patterns of behavior, and contact with social groups. They were oriented in the pre-retirement phase of life, which confirms previous research (IN1-M, IN2-M, IN3-M, IN4-F, IN8-M).

“On this journey that has been going on for about 30 years, some of the most beautiful moments were conversations with fellow entrepreneurs... These were very important and useful conversations for me, and regardless of the fact that these were often difficult topics, I was happy to look for opportunities to talk to other fellow entrepreneurs. So, that is why I am very happy to help young entrepreneurs with my experience. With great pleasure!” (IN3-M)

“Personally, I like to hang out with entrepreneurs and exchange ideas and opinions and look for optimal solutions to entrepreneurial problems. It is a pleasure to work with people who enjoy their work, and real entrepreneurs are like that, they enjoy their work.” (IN8-M)

Engagement within the mentoring program is essential for respondents because it reduces the negative aspects of retirement, such as a decline in self-esteem due to the loss of work role and reduced social contacts, and the identified positive aspects of retirement based on previous research (fewer obligations, free distribution of working hours, no dependence on a specific location, etc., IN4-F, IN5-F).

“I will be happy if today, when I have left the firm to my sons after a quarter of a century of running it, who continue to run it successfully, I can still be of use to a young male or female entrepreneur. I can listen to their thoughts and maybe help with advice.” (IN4-F)

“I think that, for us former successful entrepreneurs, being a mentor is all about the good feeling that we can still help someone and that we are useful to the community we live in. It certainly fills me with a good feeling and satisfaction. The benefit for me is a new engagement and new acquaintances, which fills my life.” (IN2-M)

Several entrepreneurs who initially expressed interest in participating in the mentoring program subsequently withdrew from the program. As the reason, they cited the necessity to find other paid engagement, due to the reduction of income after retirement (IN7-F) and the decision on productive engagement, but within the family through assistance in caring for grandchildren (IN4-F). Both reasons confirm that retired entrepreneurs' life circumstances coincide with

those who have not developed an entrepreneurial career. Some retired entrepreneurs are also faced with the challenges of (in)sufficiency of income sources in retirement, limiting the possibility of developing additional interests and roles after retiring. Other entrepreneurs (especially women entrepreneurs), through caring for grandchildren, try to compensate for the lack of time for caring for children during the active working period of a life dedicated to the development of the entrepreneurial venture.

In her book “Retirement by Design”, which the Wall Street Journal listed among the six most essential books on the topic of retirement in 2020, Ida Abbott talks about the importance of the planned approach to retirement as a phase of life in order to, within the framework determined by specific health, financial and other factors, develop a plan that will enable personal fulfillment and quality life in retirement. It is essential to identify the factors affecting the framework for defining the roles in retirement, as did the retired entrepreneurs in this survey and decided on personal engagement in retirement based on their priorities and capabilities.

These findings on the quality of life of retired entrepreneurs, their financial (in)security and sources of income, and differences in the choice of life roles and activities between retired women and men entrepreneurs, are an essential research topic for future research in this area.

7. CONCLUSION

In recent decades, retirement is becoming an essential topic in society. Various factors have influenced the increase of social, economic, and political importance of retirement. The following factors can be highlighted as the most important: advances in medicine and institutional and non-institutional forms of care for the elderly, overall technological and social changes that have resulted in lower birth rates and extended life expectancy, increased health care costs, and development of the market of services and products for the elderly.

Retirement as a transitional phase in a person’s life requires a change in daily activities and contacts and reorganization of time. Unlike the traditional perception of the elderly as unproductive and inactive people, the modern understanding promotes retirement as a critical phase in life with many opportunities for active and productive activity.

Especially important for explaining retired people’s interests is the continuity theory, which indicates the tendency of aging to apply behavioral patterns

similar to those in previous phases of life. Simultaneously, the ability to adapt to new roles depends on the dispersion of interests to different aspects of life in the period preceding retirement.

It is imperative to understand the challenges that entrepreneurs face when deciding to retire. Research indicates that most challenges are psychologically caused by entrepreneurs' almost exclusive commitment to the business aspect of life and the absence of other interests outside the company that would allow them to find alternative roles in life after retirement. After retirement, entrepreneurs prefer productive aging, i.e., engagement that will replicate roles, patterns of behavior, and relationships developed during the active work phase in life.

The paper describes the example of a Dutch organization that brings together retired entrepreneurs and engages them voluntarily as mentors who provide support to young entrepreneurs that are facing business difficulties. A similar association began its activities in Croatia, and entrepreneurs have expressed their interest in participating in the program. As the main argument for their interest, entrepreneurs state a desire to transfer knowledge and experience to younger entrepreneurs, which, following the continuity theory, confirms their desire to participate in activities that enable maintaining contacts within the same social group as in the period preceding retirement. Despite the prejudices about entrepreneurs' financial security, some of them face the challenges of finding good funding sources in retirement and show unwillingness for additional engagement without compensation. Therefore, to define the optimal approach to productive aging of individuals, it is essential to identify the factors (financial, health, family, interest) that influence possible options and roles and decide on personal engagement in retirement based on one's priorities and capabilities.

From the policy aspect, it is therefore essential to encourage programs that enable productive aging of retired entrepreneurs to avoid marginalization of a social group whose contribution to the development of society during their active working period was significant but can also play an essential role in the later phase of life through participation in programs that support entrepreneurial activity.

8. REFERENCES

1. Abbott, I. (2020). *Retirement by design*. Ulysses Press.
2. Alavinia, S. M. & Burdorf, A. (2008). Unemployment and Retirement and Ill Health. A Cross-sectional Analysis across European Countries. *International Archives of Occupational and Environmental Health*, 82 (1), pp. 39-45.

3. Alpeza, M., Grubišić N. & Mikrut, M. (2015). *Business Transfer Barometer Hrvatska*. CEPOR - SMEs & Entrepreneurship Policy Centre, Zagreb.
4. Atchley, R. (1989). A Continuity Theory of Normal Aging. *The Gerontologist*, 29 (2), pp. 183-190.
5. Bara, M. & Podgorelec, S. (2015). Društvene teorije umirovljenja i produktivnog starenja. *Etnološka tribina* 38(45), pp. 58-71.
6. Bass, S. & Caro, F. (2001). *Productive Aging. A Conceptual Framework*. In Morrow-Howell, N., Hinterlong, J. & Sherraden, M. (Eds.) *Productive Aging. Concepts and Challenges*. The Johns Hopkins University Press, Baltimore, London, pp. 37-78.
7. Bauer-Maglin, N. & Radosh, A. (2003). *Women Confronting Retirement. A Nontraditional Guide*. New Brunseick, NJ: Rutgers University Press.
8. Beehr, T. A., Glazer, S., Nielson, N. L. & Farmer, S. J. (2000). Work and nonwork predictors of employees' retirement ages. *Journal of Vocational Behaviour*, 57(2), pp. 206-225.
9. Chevalier, S., Fouquereau, E., Gillet, N. & Bosselut, G. (2018). Unraveling the perceived reasons underlying entrepreneurs' retirement decisions: A person-centered perspective. *Journal of Small Business Management*, 56(3), p. 513-528.
10. Chevalier, S., Fouquereau, E., Gillet, N. & Demulier, V. (2013). Development of the reasons for entrepreneurs' retirement decision inventory and preliminary evidence of its psychometric properties in a French sample. *Journal of Career Assessment*, 21(3), pp. 1-15.
11. Davis, P. S. & Harveston, P. D. (1998). The Influence of Family on the Family Business Succession Process: A Multi-Generational Perspective. *Entrepreneurship Theory and Practice*. 22(3), pp. 31-53.
12. Delić, A. & Alpeza, M. (2021- forthcoming). Advisory services to small and medium-sized enterprises during the Covid-19 virus pandemic, *RED – Region, Entrepreneurship, Development – 10th International Scientific Symposium*, Faculty of Economics in Osijek.
13. DeTienne, D. (2010). Entrepreneurial exit as a critical component of the entrepreneurial process: Theoretical development. *Journal of Business Venturing*, 25(2), pp. 203-215.
14. DeTienne, D., McKelvie, A. & Chandler, G. N. (2015). Making sense of entrepreneurial exit strategies: A typology and test. *Journal of Business Venturing*, 30(2), pp. 255-272.
15. Erber, J. (2013). *Aging and Older Adulthood*. Chichester: Wiley-Blackwell.
16. Handler, W. C. (1994). Succession in Family Business: A Review of the Research. *Family Business Review*, 7(2), pp. 133-157.
17. Kets de Vries, M. (2003). *The Retirement Syndrome: The Psychology of Letting Go*. Working Paper Series, INSEAD, 2003/37/ENT.
18. Lansberg, I. (1988). The succession conspiracy. *Family Business Review*, 1(2), pp. 119-143.
19. Morris, M.H., Soleimanof, S. & White, R. J. (2020). Retirement of entrepreneurs: Implications for entrepreneurial exit. *Journal of Small Business Management*, 58 (6), pp. 1089-1120.
20. O'Rand, A. (2003). *The Future of the Life Course. Late Modernity and Life Course Risks*. In Mortimer, J. & Shanahan, M. (Eds.). *Handbook of the Life Course*. Kluwer Academic, Plenum Publishers, New York, pp. 693-701.
21. Quick, H. E & Moen, P. (1998). Gender, employment and retirement quality: A life course approach to the differential experiences of men and women. *Journal of Occupational Health Psychology*, 3(1), pp. 44-64.

22. Ranzijn, R. (2002). The Potential of Older Adults to Enhance Community Quality of Life. Links Between Positive Psychology and Productive Aging. *Ageing International*, 27 (2), pp. 30-55.
23. Rowe, J. & Kahn, R. (1997). Successful Aging. *The Gerontologist*. 37 (4), pp. 433-440.
24. Ryan, G. & Powers, B. (2012). Small business transfer decisions: What really matters? Evidence from Ireland and Scotland. *Iranian Journal of Management*, 31(2), pp. 99-125.
25. Singer, S., Šarlija, N., Pfeifer, S., Oberman Peterka, S. (2021-forthcoming). *What makes Croatia (un)entrepreneurial country? GEM Croatia 2019-2020*. CEPOR - SMEs & Entrepreneurship Policy Centre, Zagreb.
26. Soleimanof, S., Morris, M. & Syed, I. (2014). The role of retirement intention in entrepreneurial exit. In DeTienne, D. & Wennberg, K. (Eds). *Handbook on entrepreneurial exit*. Cheltenham, U.K.: Edward Elgar.
27. Surdej A. & Wach, K. (2012) The dynamics of succession in family businesses in Poland - Empirical results. *Economia Marche Journal of Applied Economics*, 31(2), pp. 109-128.
28. Todorov, K., Kerezhev, I. (2013). Leadership Transfer and the Successors Preparation in Bulgarian Family Enterprises. *Economic Alternatives*, 2, pp. 5-20.
29. UN – World Population Ageing [available at: https://www.un.org/en/development/desa/population/publications/pdf/ageing/WPA2017_Highlights.pdf, accessed on January 20, 2021]
30. United Nations (2017). *World Population Prospects: The 2017 Revision*.
31. Wang, M. (2007). Profiling retirees in the retirement transition and adjustment process: Examining the longitudinal change patterns of retirees' psychological well-being. *Journal of Applied Psychology*, 92(2), p. 455.
32. Wang, M., Henkens, K. & Van Solinge, H. (2011). Retirement adjustment. *American Psychologist*, 66(3), pp. 204-213.
33. Weesie, E. (2017). *Psychological Barriers in Business Transfers – How to Cope with Transfer of SME Ownership*. Doctoral Dissertation. HU University of Applied Sciences Utrecht.
34. Wennberg, K., Wiklund, J., DeTienne, D. & Cardon, M. (2010). Reconceptualizing exit: Divergent exit routes and drivers. *Journal of Business Venturing*, 25(4), pp. 361-375.