

THE MOTIVATION AND READINESS OF INSTRUMENTATION IN CULTIVATING INTEREST OF FAMILY BUSINESS SUCCESSOR

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Abstract: Family business importantly contributes to the economy; however, family business also has several problems. One of the problems that often befall family business is succession planning. Not every successor or succeeding generation are interested in continuing the family business. The aim of this study is to identify the effect of the motivation and readiness of the instrumentation on the interest of the successor in continuing the family business. The methods used in this study is regression analysis with a sample of 152 respondents. The results show that motivation and the readiness of instrumentation significantly affects the successor's interest to continue the family business.

Keywords: motivation, instrumentation readiness, interest, family business, succession

BACKGROUND

Family business is a business owned and operated by a family and has an important contribution to a country's economy (Septiani & Mustamu, 2014). According to Pricewaterhouse Coopers (PwC; 2014), a business is considered a family business when at least one family member is part of the business management team and has a minimum of 25% ownership of the business. Approximately 60% of public companies in East Asia comprises of family business. A survey done by PwC (2014) showed that more than 95% of businesses in Indonesia is family owned. The important contribution of family businesses in Indonesia can be observed from the level of contribution as high as 25% to GDP (PwC, 2014). Based on this survey, it can be said that if family business experience problems, it will impact Indonesia's economy.

Ciputra University is one of the universities that pays attention to family businesses. This is evident from the presence of the Family Business Community in Ciputra University, which is a community that consists of university students who has the interest and mentored to continue their family business. One of the main problems in family business is the business's succession planning, as mentioned by Michael and Kammerlander (2015) who stated that family business has its own unique issue in succession planning. This is also supported by the PwC (2014) survey that indicates approximately 60% of family business has a successor who wants to continue the business. This condition also happens to family businesses that is part of the Family Business Community of Ciputra University. Therefore, the successor's interest to continue the family business should be a priority that is attended to in the family business management. The continuation of the fam-

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