FATHER'S ACTIVE ROLE AS A DETERMINANT OF SUCCESSFUL FAMILY BUSINESS IN THE NEXT GENERATION (CASE STUDY IN WATER SPORT FAMILY BUSINESS INDONESIA)

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ABSTRACT

This study aims to determine whether father's role is the key to the success of business continuation in the next generation. The type of research used in this research is qualitative descriptive research. The method used by reviewing case studies. Data was collected through interviews, observations, and literature reviews. The study participants included the director and successor to the third generation of the water sport company in Indonesia. The selection of objects is based on the purposive sampling method. The results of this study indicate that the role of fathers who actively influence the key to successful business continuation in the next generation.

Keywords: Business Continuation, Family Business, Father, Indonesia, Son.

INTRODUCTION

Although the failure of this succession has many root causes, failed planning for next generation succession is one of the most significant reasons that have an impact on the sustainability of family business (Breton-Miller et al., 2004; Eddleston et al., 2013; Joshi and Srivastava, 2014; Lu and Wang, 2011). In addition to the issue of ownership transfer, failure to train successors to become leaders is the main influence on the success of succession plans in the family business (Breton-Miller et al., 2004; Joshi et al., 2013; Ward, 2016). There are many related factors that influence the success of the succession process, including successors' motivation to play a role in the family business (Dawson et al., 2015; Handler, 1994; Sharma and Irving, 2005); successor formal education (Morris et al., 1997); successor work experience (Brockhaus, 2004; Sardeshmukh and Corbett, 2011); or the quality of relationships between founders and successors (Bracci and Vagnoni, 2011; Cabrera-Suárez et al., 2001).

Previous researchers acknowledged the important role of the previous generation in supporting the process of developing business competencies (Bracci and Vagnoni, 2011; Cabrera-Suárez et al., 2001; Letonja and Duh, 2015). But in previous research the entire process from the successor childhood to the end of the succession process was ambiguous and needed further research to clarify this gap. This is the focus of this research. Another difference with previous research lies in the different cultures in Indonesia, examples of father's culture as the head of the family so researchers want to know how the role of fathers in the business family in Indonesia is on the success of the business family by the next generation.

Literature Review

In the study of Pham, et al., 2018, the results of the study showed that fathers played different roles at different stages of the process of developing men's business knowledge. In particular, fathers act as examples during the childhood of boys; a supporter to encourage sons to get more business knowledge from formal education and work experience outside the family business; a problem-mentor and shooter after his son joined the family business as a full-time employee; and as an advisor after the son became the leader of the company.

Successful work experience outside of the family business has a significant impact on the process of developing the success of business knowledge (Brockhaus, 2004; Duh and Letonja, 2013; Jaskiewicz et al., 2015). Duh and Letonja (2013) concluded that external work experience provides the successor to