

Identify the Success Factors of Sustainability Business: Family Business in Indonesia

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ABSTRACT

This research was conducted with the aim of identifying important factors for the sustainability of family businesses in Indonesia. This research was conducted at three family companies in Indonesia which are engaged in processing business permits, souvenir shops and selling containers. The method used is qualitative based on semi-structured interviews. The research findings, namely the division of tasks, involvement of family members according to their interests, early involvement in the family business, and the existence of business partners according to the needs of the family business are the keys to the success of the family business sustainability. The unique finding in this study is that the involvement of future generations according to their interests actually determines the sustainability of the family business. This is a lesson for other family businesses to succeed in their business sustainability by applying the keys to success.

Keywords: Business Sustainability, Family Business, Keys to Success, Indonesia.

1. INTRODUCTION

Succession management with professional behavior will improve company performance (Dewi, et al., 2019). The existence of market domination with innovation, maintaining competitive advantage, leadership and team management, fostering good cooperation with the surrounding community, and developing and implementing a viable successor plan, are key success factors for business sustainability (Chirapanda, 2019). The successor who is motivated to continue the family company depends on the personal characteristics of the successor and the organizational characteristics of the family business (Porfírio, et al., 2019). Other research in the United Arab Emirates shows succession planning, strategy on all fronts, corporate governance, leadership, family business values, use of capital and transfer of information are factors that determine the sustainability of a family business (Oudah, et al., 2018) .

There are other researchers' opinions that family business owners have two options, namely hiring a professional or employing a family as an effort to maintain succession in the family. If the choice of hiring a professional can be developed to sell some of the company's shares to outside shareholders (Burkart, et al., 2003).