CHAPTER I
INTRODUCTION

1.1 Background

Entrepreneurship has become the main point of the world economy which has been proven to be able to attract many transnational companies to grow and develop, shifting from economic systems of well planned to recruit many experts and managed with good leadership as well, to the economic system of entrepreneurs. This situation also has an impact on small and medium-sized companies that currently have an important role in the world economy, not only in developed countries, but also in developing countries in all parts of the world.

![Figure 1.1 Small Business Leaders Wear Gobs of Hats](Source: Salesforce (2018))

The change in the economic paradigm has presented new opportunities for family companies, which are generally smaller companies compared to non-family companies. A huge difference can be seen from the side of leadership, where the majority (60%) of family companies in various parts of the world are led by the head of the family, that are also the main controllers of family
companies. Amazingly, many leaders of this company are not only able to manage the operations of the company, but are also able to manage company finances, sales, marketing, managing company resources, creating customer service systems, and developing products (Shown in Figure 1.1).

Family businesses are dominating in listed firms’ ownership, especially in Indonesia, consisted of approximately 51% of listed companies and contributed at least 25% GDP (Damayanti et al., 2018). Another interesting fact is that 60% of family businesses in Indonesia are planning to pass the management to the next generation and over half of which planning to do the same thing but decided to bring professional management in (Shown in Figure 1.2).

![Figure 1.2 Indonesian Family Business Future Plan](image)

Source: Price Waterhouse Coopers (2014)

As family businesses were formed as small medium enterprise (SMEs), family businesses are usually born without planned structure which is built as time passes, and in some cases, decision making was based on empirical knowledge (Hernandez and Enriquez, 2017). Therefore, there are commonly found some
possible disruptions that may be caused by changes in family circumstances, including wrong job placement that may cause conflict in personal career goals and desire, incapability and lack of interest in engaging with the family and the family business (Worrell et al., 2015).

Rajawali Mas is a family business that was established in Surabaya in the 1990. With more than 25 years of experience in plastic recycling, Rajawali Mas has served a lot of companies and individuals domestically in completing most of the needs in plastic based products. In both short-term and long-term recycling company, Rajawali Mas takes pride in giving its customers the freedom to choose from the wide variety of high-quality products, ranging from plastic mills, pellets, and several types of buckets as end products. Rajawali Mas is committed to give customers the highest standard of professional products with customized flexibilities to suit the needs of customers.

Rajawali Mas is owned by the first generation of the family. Then, the second generation joins the company as an operational manager and accounting. There are four members of Rajawali Mas family members who joined the company. The first generation is the CEO (father) and the Manager (mother), and
the second generation, becomes the Accountant (1st daughter) and the Operational Manager (3rd daughter). All members of the family are very active in the company. Although each members have their own job, each members are also used to do some works other than their work-related position to help other family members when the others are too busy doing their job, including to crosschecked Rajawali Mas production report that caused an overlapping in the next production.

According to Miner (1996), entrepreneur is categorized into several personalities, including the personal-achiever, the real-manager, or super-salesperson, or even become a great expert on generating ideas to the family companies. Based on Miner's typology, the personal achiever constitute with personality, which have a tremendous energy for the company. This kind of entrepreneur is also known as a true entrepreneur who is able to dedicate himself/herself in doing business longer than others, including the desire to get feedback from others related to his/her performance. The real-manager, or what is called as the man of control, usually have good ability in managing the company, so he/she is very appropriate to be the company leader. Their personality is very competitive and is able to make good and right decisions, even though his/her style is sometimes very snobby. Miner further, explains that super-salesperson, as the spearhead of marketing activities, is a type of entrepreneur who tends to have high social skills. His ability is not only used to attract consumers, but also to help others around him in various ways. Other type of entrepreneur is the expert idea generator, who have a love for inventing new things or developing something that are considered better than the old ways used in the company's operations.
Since Katharine Cook Briggs and her daughter, Isabel Briggs Myers published their phenomenal questionnaire in 1943, there is such tremendous use of the questionnaire, known as MBTI or “Myers-Briggs Type Indicator”. Researchers and practitioners use the questionnaire to predict the motivation of family members in a family business, which is also proven to be able to identify the reason behind individual performance of each family member. This questionnaire model is also able to describe the individual characteristic, such as the extrovert or the introvert identity of a person, the sensing or the intuition of a person, the thinking or the feeling of a person, and the judging or the perceiving of a person. Hence, the combination among the 8 personalities will deliver to other 16 type of personal characteristics, which depends on the character, and the nature of the person. As Blackford (2017) also noted that the personal characteristics captured by MBTI includes: the systematic, sympathetic, insightful, visionary, pragmatic, considerate, idealistic, logical, action-orientated, friendly, enthusiastic, innovative, decisive, helpful, appreciative and enterprising person.

The ability to recognize each individual characteristic of family members will greatly help the family business to enhance each family member who join in the business especially to increase the company’s internal strength in facing the future business challenges (Ljungquist, 2014). Thus, it drives the researcher to conduct a research based on a title of: “Job Allocation of Rajawali Mas Family Members Based on Miner’s Entrepreneurial Personalities and Myers-Briggs Type Indicator (MBTI)”. 
1.2 Problem Formulation

This research was conducted to answer the following problems:

Job allocation at Rajawali Mas family members using Miner’s Entrepreneurial Personalities and Myers-Briggs Type Indicator (MBTI).

1.3 Aim of the Research

This research is conducted to allocate Rajawali Mas family members into a fit job position based on Miner’s Entrepreneurial Personalities and Myers-Briggs Type Indicator (MBTI).

1.4 Benefits of the Research

1.4.1 Theoretical Benefit

Theoretically, the result of the research can be used as references for readers regarding the use of Miner’s Entrepreneurial Personalities and Myers-Briggs Type Indicator (MBTI) to identify company’s individual characteristic, especially in family firms.

1.4.2 Practical Benefit

This research is expected to provide a new perspective on the importance of understanding individual characteristics in the context of family business in order to place family members in appropriate positions. Therefore, Rajawali Mas family members can find out and solve problems in the business regarding to their job position from the result of the research.
1.5 Limitation of the Research

The current study will focus on the use of Miner’s Entrepreneurial Personalities and Myers-Briggs Type Indicator (MBTI) in order to find the fit job position for Rajawali Mas family members based on abilities and passion.