

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

new knowledge and information and the skills to apply it in a new context. This can help successors to identify and take advantage of new opportunities to improve the development of their family companies. Brockhaus (2004) reports that many advisors recommend that successors must work outside the family business for at least three to five years. Experience outside the family business helps successors not only to improve business competencies but also to give them a sense of identity, confidence and credibility. External work experience not only helps successors to improve their technical skills and leadership, but can also develop the perspectives and beliefs needed to lead advanced family businesses (Ward, 1987). Furthermore, success and success experience obtained before joining a family business can be very important in building credibility in the family business system (Chirico, 2008). Ward (1987).

The characteristics of family businesses can directly influence the process of transferring business management from one generation to another (Barach et al., 1988). From the perspective of a business owner, Wanda, he suggests that future successors must be educated and get some work experience before they can get a position in the family business. Davis (1987) emphasizes that there are three main objectives in the succession plan: 1) *distribute property efficiently and fairly from the previous generation to the next generation.* 2) *submit business leadership to the successor.* 3) *maintain and maintain family harmony.* Pham et al. (2018). Father's role strongly supports the process of developing men's business knowledge in the family business in Vietnam.

METHOD

This research is a case study, which aims to describe the state of the problem. According to Yin (2004: 18), in Yin (2017), case studies are the right strategy to be implemented in research when research wants to answer "How" or "Why" of a problem and research problem is directed to a series of processes. Research participants are directors and successors to the second generation of family businesses working in water sport in Indonesia. The type of data used in this study is qualitative data. According to Kuncoro (2009: 145), qualitative data is a set of data that cannot be measured on a numerical scale. Data is obtained from primary and secondary sources. According to Lofland (1984: 47) in Moleong (2014: 157), primary data includes words and actions from real-life conditions, while the rest act as supporting data, such as documents and others. This research uses purposive sampling method, data is only given by members of the population according to certain considerations (Sugiyono, 2014: 122).

According to Miles and Huberman in Sugiyono (2014: 404), analyzing qualitative data needs to be carried out interactively and continues; in the results, the data is saturated. Data to be analyzed include: 1) Reducing data, summarizing, selecting main points, focusing on important things, and looking for themes and patterns. 2) Presentation of data, in the form of brief descriptions, charts, relationships between categories, flowcharts, and the like. 3) Verification of conclusions based on results. The research subject is a background of research which is used as a source of information needed in the collection and research, which is very important position in the research. Research subjects must be arranged before the researcher is ready to collect data. Research subjects can be objects, things or people (Moleong, 2014: 132). Subjects as informants in this study were the speakers at Water Sport.

The object of research according to Sugiyono (2014: 68) is something that is the target of research. The objects used in this study are all matters that are related either directly or indirectly with water sports. According to Sugiyono (2013: 224), the method used by researchers to collect primary data is by conducting interviews with several informants, observations, literature reviews. The interview itself is interpreted as a face-to-face meeting between the researcher and the resource person by using verbal communication such as a conversation that aims to be able to understand information about life perspectives, experiences, situations as the resource person conveys with their words (Nasution, 2011: 113).

Observation according to Nasution (2011: 106) is a tool as a data collection tool that is carried out systematically rather than accidental observation, in this observation it is endeavored to observe the actual and actual circumstances without deliberate efforts to influence, regulate, or manipulate the situation. While Literature Review according to Nasution (2011: 145) is a source needed by researchers sourced from libraries, including books, magazines, pamphlets, other documentaries. The type of interview used in this study is to use the semi-structured interview method. According to Sugiyono (2014: 197) the types of unstructured interviews are included in the interview category, in which the implementation is more free when compared to structured interviews. In this study, using the validity and reliability test with the triangulation method. In the qualitative research methodology there are 4 types

of triangulation, namely inter-researcher triangulation, data sources, methods or techniques, and theory (Sugiyono, 2014: 423). The triangulation chosen in this research is to use triangulation of data sources and triangulation of research methods. This method is done by comparing the degree of trustworthiness of information obtained (data sources), and the degree of trust in research methods (interviews, literature review, and observation).

RESULTS AND DISCUSSION

Analysis was carried out based on the results of evaluation of interviews with sources, comparing the results of interviews from resource persons, as well as the results of observations and study of literature.

Table 1. Interviews with the main subject, discuss the role of father in the family business.

Interview	Interview with the main subject	Analysis
	1. " I have been since I was a child because I have often joined you and been involved in his management." 2. " Before I got married I had helped in this Water Sport, but in the operational section. My brother is in the management section." 3. "Future plans must be managed by one of my children." 4. " The six brothers, the biggest girl, the two girls, the three guys who manage the restaurant and spa, the four guys who are so big here besides managing the restaurant too, my five and the six guys working here are also with me in the water sport."	-father's role in preparing children to engage in business since childhood influences the key to the success of business continuation in the next generation

Source: Interview transcript data with resource persons were processed.

Pham, et al., 2018. Most Vietnamese family businesses still operate under the control of the first generation, and as a result, research on the succession process in Vietnam can help provide valuable insights. In addition, this research concerns the role of the predecessor in the whole process from childhood to successor to the end of the succession process.

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

Previous researchers recognized the important role of the previous generation in supporting the process of developing successor business competencies (Bracci and Vagnoni, 2011; Cabrera- Suárez et al., 2001; Letonja and Duh, 2015). Two proposition in this research as follows:

P1: Fathers play different roles at different stages of the process of developing men's business knowledge. This finding is in line with research by Pham, et al., 2018.

P2: The previous generation has a role in supporting the process of developing business successors. (Bracci and Vagnoni, 2011; Cabrera-Suárez et al., 2001; Letonja and Duh, 2015).

CONCLUSION

The most important findings from this study are:

The first proposition shows that Father played different roles at different stages of the process of developing men's business knowledge. The second proposition shows that Generations previously played a role in supporting the process of developing the success of business competencies.

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