

THE COMPETENCE OF THE SUCCESSOR IN RUNNING THE BUSINESS AT CV. TMS

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ABSTRACT

This study aims to describe the competence (knowledge, skills, and attitude) of a business successor at running CV. TMS. This study employed the descriptive qualitative method, which yields written or oral descriptive data from people and attempts to understand the observable behavior of individuals and groups. Data that has been collected are analyzed inductively, using a paradigm that is based on special facts that are then examined, analyzed, and concluded so that the solving of the problem may be applied generally. Data collection involved interviewing three informants: the wife of the founder of CV. TMS, an employee of CV. TMS, and an expert; in addition, a direct interview with the successor of CV. TMS was also conducted. Findings conclude that the successor's competence in terms of knowledge, skills, and attitude has allowed CV. TMS to continue operating well.

Keywords: successor, knowledge, skill, and attitude

INTRODUCTION

A business is inseparable from activities geared towards building competencies in continuous work. Particularly due to globalization, increasingly fierce competition pushes family corporations to adjust to various current developments.

Poza (2010) wrote that family businesses have a tremendous and special role in global and national economies. As a developing country, Indonesia has numerous family businesses, with a variety of unique characteristics owing to being built, managed, and owned by different families. Big companies in Indonesia tend to start as small family businesses that are professionally managed and finally sprout and proliferate. Family businesses can be managed by first generation owners, the second generation, etc., or by a cooperation between the family and professionals.

Succession in family business affect many involved parties, including family members in the business, family members outside the business, non-family staff, business owners, customers, suppliers, etc. If the successor comes from the family, sons or firstborns are not always selected to succeed. A daughter or youngest child are progressively becoming common successors. This is due to the fact that business responsibility has become more important than gender or birth order (Dhewanto et al., 2012).

CV. TMS is a national private company dealing in the production of technical tools, hardware, and industrial tools that was established on May 3, 2005. In the years that the company has been in business, it has been able to thrive due to its industry market being comparatively specialized. An industry market is where the parties purchasing the goods and services utilize the purchased items to produce other goods and services. The market for this sort of business remains promising, as factories work continuously and orders keep coming in, so that demand is automatic. Demographic segmentation include companies that produce bogies for locomotives, steamrollers, mill rollers for sugar factories, castings, and construction. Legally, the company was founded by two individuals: Mr. A. Yusa (AY) as the director and Ms. Yuliani (YU) as a commanditaire/silent partner of AY. On November 2,

2017, CV. TMS underwent structural changes. By mutual agreement, AY's second child Asti T.U. (ATU) was appointed director and AY's first child I.K. Yumitasari (IKY) was appointed commanditaire.

Looking at the structure, since the change of deed by the notary, CV. TMS has fully become a family business.

The successor, as the director of CV. TMS, has a Bachelor of Sharia Economics from UIN Sunan Ampel Surabaya that she completed within 7 semesters in 2015. She is currently undertaking a Master's in Sharia Economics at UIN Sunan Ampel Surabaya. At the beginning of her leadership, ATU has to face a difficult challenge, as the founder of CV. TMS, AY, who was both her mentor and sharing partner, passed away on August 18, 2018 at the age of 58. However, after his passing, his wife Mrs. U. Thohiroh (UT) began to help supervise the running of the company.

LITERATURE REVIEW

The Successor's Competence

A person's competence determines his/her productivity, while an organization's competence determines its success in facing changes. In addition to competence, there are three important roles that a businessperson takes on: the role of founding a business, the managerial role in running a business so that it is able to continue to operate, and the technical role (Bendary and Minyawati, 2015). The managerial role, in the form of knowledge, skills, and attitude, become personality competences that lead to the successor's success in leading a family business.

Knowledge, Skills, and Attitude

According to Spencer and Spencer (1993), competences are frequently used in the key function of the human resource in organizing; therefore, competences have to be measurable, characteristics of competences: knowledge, skills, self concept, traits, and motives.

Spencer also wrote another definition in Hutapea and Thoha (2008), explaining that competences are the basic characteristics of a person, consisting of knowledge, skills, and attitudes that have a cause-effect relationship with outstanding workmanship or effectivity. Hutapea and Thoha (2008) went on to contend that an individual's competence is formed on his/her knowledge, skills, and attitude.

A successor's competence, in terms of knowledge, skills, and attitudes, in a family business is prerequisite in starting a business, while his/her managerial competence is prerequisite in developing the business into a field. Therefore, it is clear that the survival of a business in a family company also has to follow the development of the skilled and capable successor's competence in leading the company. Furthermore, he/she has to have the knowledge, skills, and attitude in managing the business, as this is also a supporting factor in the development of other competences in the process of developing businesses and partnerships that the family company needs.

1. Knowledge

a. Definition

Drucker in Tobing (2007) defined knowledge as information that transforms someone or something. This change takes place when the information becomes the basis for someone's actions, or when the information enables an individual or institution to take a different or a more effective course of action than one that was previously taken.

b. The Role of Knowledge in Running a Business

Nickels et al (in Sule and Saefullah, 2005) explicated the steps of doing business, in this case, as a successor has to take:

the deciding of strategies and tactics that are suitable to be applied in order to realize the targets and objectives of an organization. An example for today's business context might be "how to design a business in the digital era".

1) *Planning*: processes related to attempts in anticipating future tendencies as well as

2) *Organizing*: processes related to how preformulated strategies and tactics are designed in a tough and accurate organization structure, conducive organization systems and environment, and are able to ensure that all parties in the organization can work effectively and efficiently in order to reach the goals of the organization. An example of this is determining the appropriate tasks and procedures for employees based on the planned SOP.

- 3) *Directing*: the implementation process of the program so that it can be run by all parties in the organization as well as the motivation process so that all parties will be able to carry out their responsibilities with full awareness and productivity. This can be done, for example, by giving explanations, directions, guidance, and motivation as related to their jobs.
- 4) *Controlling*: processes undertaken to ensure that all activities that have been planned, organized, and implemented are able to run according to expected targets despite many changes in the business world. For example, evaluating and clarifying deviations, if found, by giving alternative solutions.

2. Skills

a. Definition

In the English Dictionary, the word “skill” is defined as a prowess, intelligence, or proficiency (Setiarso et al, 2009). According to Echols and Shadily (2005), a skill is an ability possessed by an individual to do an activity or a task.

b. The Role of Skills in Business

In order to implement a business activity in accordance with the function of each of the involved parties, certain skills are needed based on one’s role and tasks in every department level in a company. According to Nickels et al (in Sule and Saefullah, 2005), for top management, the following skills are principal:

- 1) *Conceptual skills* are skills in abstract and systematic thinking, including diagnosing and analyzing various problems in different situations, even skills related to predicting future probabilities.
- 2) *Human relation skills* are skills in understanding and interacting with various people in the community.
- 3) *Decision making skills* are skills in making decisions as well as offering various alternative solutions for challenges faced.

3. Attitude

a. Definition

Howard and Kendler expressed that attitude is an individual’s tendency to respond to stimuli in the social environment in a certain way. Attitude is a tendency to approach or to dodge, to respond positively or negatively in various social situations within institutions, individuals, situations, ideas, concepts, etc.

b. The Role of Attitude of Business

Attitude in business development is the behavior or conduct of an individual in interacting with his/her fellow human beings or certain objects. According to Kreitner (1992, as cited in Sule and Saefullah, 2005), a successor needs to be honest and responsible in his/her attitude. In terms of business, and honestly during his/her leadership, this will be reflected in his/her attitude.

- 1) Honesty is the most important thing in building trust. If a leader behaves rightly honesty is something that directors, managers, and employees have to possess.
- 2) Responsibility means bearing every task and guilt. Therefore, being responsible means taking on the obligation of being accountable towards everything.

RESEARCH METHODS

Based on the background of the study and the problem in the company, accordingly, the statement of the problem that arises and is discussed in this study is: how is the condition of the competence (knowledge, skills, and attitude) of the successor in conducting business at CV. TMS? The objective of this study is to describe the condition of the competence (knowledge, skills, and attitude) of the successor in conducting business at CV. TMS.

This is a descriptive qualitative study, which is a type of research that is based on the philosophy of positivism that is used to conduct inquiries within certain populations or samples (Sugiyono, 2012). In this study, the research subject is CV. TMS, a family company that deals in general trading in Surabaya with the object of the study being the successor of CV. TMS. Interviewees are selected purposively, which is to say, they were selected with careful deliberation and with the objectives in mind; in other words, not just anyone could be selected as an interviewee. Several considerations

were in place to select appropriate interviewees (Sugiyono, 2014), namely: selected interviewees has to be able to provide the data needed in the study. The data used in this study came from primary and secondary sources. Primary data were obtained through interviews with predetermined interviewees, while secondary data are in the form of organization structure, the visions and missions of the company, sales data, and so on, as obtained from the company. This study uses semi- structured interviews, done by preparing interview questions based on an interview guide. prepared interview guide to respond to the interviewees' answers during the interviews.

Data analysis consisted of three steps: reducing the data, presenting the data, and drawing conclusions. In checking the validity of the data, the data was triangulated between different sources by comparing interview results among interviewees, then describing this comparison in order to be able to draw conclusions from the study. Data can be considered valid if the interviewees produce similar conclusions. By using triangulation, interviews were conducted with three interviewees: the wife of the founder of CV. TMS (interviewee 1), an employee at CV. TMS (interviewee 2), and an expert (interviewee 3). Responses from each interviewee were compared to test whether the data was credible, so that it was clear whether the data from different interviewees were compatible with one another.

RESULTS

Based on the analysis of research findings, the following conclusions were reached:

1. In running the company business, the successor of CV. TMS's knowledge is able to support the business and is suitable to what is expected, in terms of *planning*, *organizing*, and *directing*. On the other hand, the *controlling* side of the knowledge competence receives less attention, because the successor does not have the courage to act assertively yet.
2. The skill competence of the successor of CV. TMS, in running the company business, especially in terms of *human relation skills* and *decision making skills* could be maximized. Meanwhile, his *conceptual skills* does not seem to be effective yet, as the successor still requires time to truly understand the company that she now leads.
business, in terms of both honesty and responsibility. This is due to the good attitude and faith that has been shown by the successor in leading the company, so that she is able to be an example to her employees in carrying out the tasks delegated by the company.

DISCUSSION

The researcher hopes that this study can inspire the optimization of the successor's role in implementing the knowledge, skills, and attitude competences in running the business of CV. TMS so that it will be able to run more optimally. Therefore, the researcher recommends the following suggestions for the company:

1. To make plans that are more detailed, both for the short term and the long term, by specifying a time schedule.
2. To bring in experts or people who are considered experts in certain fields that are related to the visions and missions of the company more often.
3. To attend training sessions such as workshops, seminars, and short courses that are related to business in the fields of management, investment, taxation, and finance.
4. To motivate employees by planning periodic rewards or incentives for outstanding employees, for example once a year or on every major national or religious holiday.
5. To schedule coaching sessions and comparative studies for employees to increase their work-related knowledge and skills.
6. To execute controlling processes assertively and thoroughly towards all plans that have been carried out.
7. To be more open in communicating between family members involved in the business, between the management and the employees, as well as between the management and business partners. build camaraderie within the company.
9. To increase the number of customers and to develop digital business networks.

10. To choose superior products in order to broaden the market of the company in terms of both local and imported goods.

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