



The Influence of Family Interpersonal Relationships on Succession at PT. Gra Herbalindo Utama

Imam Permana¹, Siva Sri Marwatun Nurfalah², Tasya Bella Amanda³, Azizah Fauziyah⁴, Mira Nurfitriya⁵
^{1,2,3,4,5}UPI Kampus Tasikmalaya, Universitas Pendidikan Indonesia, Indonesia



Affiliation:

UPI Kampus Tasikmalaya, Universitas Pendidikan Indonesia, Indonesia

***Correspondence:**

imampermana1@upi.edu

DOI:

10.30595/pssh.v1i.xx

Citation:

Office Address:

Jl. K.H. Ahmad Dahlan,
Dukuhwaluh, Kec. Kembaran,
Kabupaten Banyumas, Jawa
Tengah 53182

e-ISSN : 2807-8969

ABSTRACT

Family companies play an important role in Indonesia. Business continuity is very important for the founder; the success of offspring requires strong family relationships. However, disharmonious relations between families can be a serious threat to the continuity of the family business. The challenge for this family business is the lack of awareness regarding the importance of sustainability. Lack of communication between families and poor inter-family relations between founders and successors are problems in family business succession. The aim of this research is to determine the influence of family relationships on succession at PT. GRA Herbalindo Utama. This research method uses a quantitative method with a descriptive verification approach. The object of this research is the family PT. GRA Herbalindo Utama, with data collection techniques through questionnaires to family and company officials. The results of this research suggest that it is necessary to have good relationships between family members to ensure the continuation of a successful transition. The existence of interconnected interactions and the interdependence of family members is a top priority for family harmony and business prosperity.

Keywords: Family Interpersonal Relationships; Succession

INTRODUCTION

Some family companies in Indonesia have difficulty going through three generations¹. It is known that only 25% of all family-owned companies are able to survive the transition between generations to the second generation, while only 14% are able to survive to the third generation, and only 3% are able to grow to the fourth generation and beyond. About 25 percent of our GDP is contributed by family businesses. About 40 thousand people are family business owners.

One of the founders' efforts to maintain and develop their company is to create a succession plan. However, lack of adequate planning in family businesses often creates uncertainty in the future. Unfortunately, many families do not have a structured and clear succession plan. Situations like this can lead to information inconsistencies, internal conflicts, and problems in transferring company ownership and leadership to the next generation. Family businesses

often start out of a need for security and emotional bonding. Owners may feel safe running the business with their family members because they are confident that they will act honestly and will not interfere with the existing system. Family recognition can also be an important factor in the decision to involve family members in the business. There are several family companies that are involved in conflicts between family members due to power struggles. Family members should act as good controllers in the succession of ownership and management. Harmonious relationships between families can be a factor in successful succession. It cannot be ignored how important family relationships are in family succession. Understanding family dynamics in depth is critical to business survival and success. A deep understanding of family relationships helps form a solid foundation for passing on ownership and leadership of the company to the next generation, in addition to managing aspects of the business professionally. Family goals and principles must be combined with a broad management perspective, which includes business management and organizational structure.

Family business is a common phenomenon that occurs everywhere, as a response to the head of the family who wants to ensure a better quality of life for his family by opening a business unit. The reason for choosing the family sphere as the basis for starting a business is because business owners need a sense of security in running their business. A family business is a business where ownership and management decisions are influenced by family members (Holland & Oliver, 1992)². Still according to Lipman (2010), succession is the process of company founders transferring knowledge and intellectual capital to the next generation of family members which takes time to develop and needs to be managed to be successful³.

The purpose of this research is to find out how the leadership preparation of the director of PT GRA Herbalindo Utama influences the determination of potential successors to run the family company. The general objective of research on the influence of family relationships on succession at PT GRA Herbalindo Utama is to determine management's preparation in implementing succession planning.

"Null Hypothesis (H0): There is no significant influence between family relationships and succession on the Principal of GRA Herbalindo."

"Alternative Hypothesis (H1): There is a significant influence between family relationships and succession for GRA Herbalindo Principals."

In this context, this research can test whether the relationship between family members involved in leadership or succession in PT companies. GRA Herbalindo Utama has a significant influence on succession or leadership transition succession. This research may involve statistical analysis and case studies to assess whether family relationships have a positive or negative impact on corporate succession.

A business can be categorized as a family business if the owner aspires to make it a family company. In the context of business management, first, the company reduces the role or influence of family members and sets the requirement that each family member must gain experience outside the company before joining the family business. (Utami, Bernardus, & Sintha, 2017)⁴. The relationship between family members and business operations in a successful family company is very important to ensure the survival of the family company. (Bachkaniwala et al., 2001)⁵. An heir's level of preparation refers to how well the heir possesses essential business skills, skills in managing a company, knowledge

of business operations, and a positive attitude, all of which are necessary to ensure the smooth running of the business. (Mozhdeh Mokhber et al., 2017)⁶. In a family business, it is important to establish an open relationship between the parent and child generations because it is a necessity. Harmonious and open family relationships are built through regular meetings and eating together at the dinner table. This action aims to foster closeness within the family and promote openness, where every problem is discussed together.

Barriers to leadership succession include barriers to potential successors themselves and family relationships. Inhibiting factors for the successor themselves are the successor's lack of motivation to continue the company, death or disability of the successor, death of parents, and parents' divorce or parents remarrying. Factors inhibiting family relationships: for example, the younger generation wants to start the succession process, but the older generation does not want to start and wants to lead the company for the rest of their life, and the older generation behaves unfairly towards their sons and daughters, giving rise to feelings of envy. Understanding the dynamics of relationships between family members is important to reduce the possibility of conflict and improve coordination in decision making. This kind of perspective also helps foster open communication, which is an important part of good relationships and reaching consensus. In addition, a thorough understanding of the company's economic considerations and its impact on the family is required. This includes resource allocation, financial risk management, and business sustainability. The company's economic goals and the wishes of the family are the basis for designing a sustainable succession strategy.

Ary Abdala Ison (2021) with the title "The Influence of Succession Planning, Family Relationships, and Trust on Business Succession in the Ciputra University Family Business Community" concluded that Family Relationships have a significant influence on family business succession. , with the main priority being to create harmony in the family and success in the business world by advancing a system of interrelated and interdependent interactions between family members, this will help create a healthy family environment so that the relationship between family members and the business world remains strong. Advice for family business owners is also presented in this journal, and references include various studies showing that these factors influence family continuity in various countries⁷.

Wahyudi Henky Soeparto (2019), with the title "Achieving family company performance through successor readiness and relationships between family members and the business," stated that harmonization of relationships within the family is an aspect that deserves attention in the context of family companies. . Family and business are an interrelated unit and the two cannot be separated. The level of successor readiness and the relationship of family members with the business have a positive and significant influence on the performance of the family company. Therefore, family companies need to pay attention to preparing successors and maintaining good family relationships to maintain company performance. Recommendations for further research are to refine the variables used and conduct research on different populations.

Kenniya Desita Tjietradi (2019) with the title "The influence of communication and successor preparation on succession in the Ciputra University family business community" found that increasing company performance is ultimately positively influenced by thorough preparation of potential successors, because it will influence the

success of succession and, in ultimately, overall company performance. The results of this research are important for understanding the factors that influence succession in family businesses. Recommendations for further research include expanding the scope of research and developing research results models, taking into account research constraints including time limitations and difficulties in collecting primary data⁷.

Devina Marsella Siswoyo and Bambang Haryadi (2014), with the title "Factors and Efforts for the Family Business Leadership Succession Process at PT.TP" The family business leadership succession process at PT has supporting and inhibiting factors. Some supporting factors include good communication between successors and partners, training given to successors, and good relationships with family members and the company environment. However, there are several obstacles, including the founder's reluctance to resign and inconsistencies with leadership succession theory. Nevertheless, the succession process is still ongoing, goes well. Recommendations are given to companies and future researchers, and a bibliography is also included for further references. Trying to provide self-confidence, suppressing ego, and maintaining the integrity of family relationships concludes that in order to maintain good relationships between family members, efforts to provide self-confidence, suppress ego, and maintain unity are very important⁸.

Yonathan Popo Sudibyo (2014), entitled "Steps, Supporting Factors, and Inhibiting Factors for Third Generation Leadership Succession Planning in Family Companies, pt. Lubrical Suga Peace in Prosperity," The importance of positive family relationships and succession planning can be seen through the habit of gathering together every weekend, which helps build good communication between family members. This is an important basis for ensuring effective and harmonious succession. plans. This journal discusses third generation leadership succession planning in the family company PT. Lubrical Suga Sejahtera. Succession planning stages, supporting factors and obstacles are analyzed. The company has carried out the succession planning stage. However, it has not yet entered the transition process stage. Supporting factors include the current leader's willingness to step down, a successor who is willing to take over, positive family relationships, succession planning time, and preparation of potential successors. formalize successor criteria. Recommendations given include creating training guidelines for successors, determining the time and stages of the founder's exit, and providing career development for potential successors⁹.

RESEARCH METHOD

This research was conducted using quantitative methods with a descriptive verification approach, which combines collecting and analyzing data to gain a deeper understanding of this topic. Quantitative data was obtained through a survey in the form of a questionnaire distributed to family members involved in the family business. The object of research is PT GRA HERBALINDO UTAMA, where this PT operates in the Maklon product manufacturing services sector, and is a family business because most of the management of this company is managed by the family of the company owner. The diversity in family attitudes, leadership styles and business size makes them relevant and representative objects in describing various aspects of family companies.

Data collection techniques use questionnaires which are distributed to all family members who are involved and will be involved later in the leadership and management of the company. The questionnaire focuses on aspects of the leadership style applied and

evaluation of company performance. The data collected will be analyzed using descriptive statistical techniques to explain sample characteristics and data distribution. Next, regression analysis will be used to identify the relationship between behavioral attitudes in the family, leadership style and company performance, with the help of statistical software such as SPSS.

The main instrument used is a questionnaire specifically designed to measure independent and dependent variables. This questionnaire includes structured questions related to leadership style and performance indicators in family businesses.

The independent variable in this research is the family's attitude towards the succession process of the next generation, which includes aspects such as traits, habits, temperament, character and personality. The dependent variable is Family Business Performance, evaluated based on criteria such as quality, quantity, timeliness, effectiveness and independence.

RESULT AND DISCUSSIONS

Validity Test

Based on testing the validity of the data obtained, namely 32 data, from the results of filling out a questionnaire on the influence of family relationships on succession at PT GRA Herbalindo Utama. Based on data obtained from 32 respondents, various answers were obtained to all the questions included in the questionnaire. The questionnaire distributed consisted of 33 questions, 28 valid data and 5 invalid data. All these questions are given a choice of answers on a Likert scale of 1 to 5. With an R count ≥ 0.349 .

Reliability Test

Reliability tests are carried out on question items that are declared valid. A variable is said to be reliable or reliable if the answers to questions are always consistent.

The instrument reliability coefficient is intended to see the consistency of answers to the statements given by respondents. The analysis tool uses the split half method by correlating the total odd versus even scores, then the reliability is calculated using the "Cronbach's Alpha" formula. Calculations were carried out with the help of the SPSS computer program.

So the alpha value obtained was 0.933 which was obtained from 28 data that had been tested. The value of 0.933 is greater than the standard reliability test value, namely 0.06, which means that the reliability test on the influence of family relationships on succession at PT GRA Herbalindo Utama is declared reliable or meets the requirements.

Classic Assumption Test

Normality Test

Histogram Test : The Histogram graph makes a depression which means that the data is valid

Test Plot : All points follow the line on the plot graph which means that the data is valid
Kolmogorov-smirnov Sample Test : Based on the One-sample Kolmogorov-Smirnov Test, the results obtained are Sig. $0.168 \geq 0.05 = \text{normal}$

Multicollinearity Test

Based on the multicollinearity test, the results show that the VIF and Tolerance Values are 1, which means that there is no multicollinearity.

Heteroscedasticity Test

59 *After testing Heteroscedasticity, the results showed that all points were spread out and meant that the data was valid*

Regression Test

To evaluate the relationship between family relationship variables and succession variables, a regression test was carried out.

Table 1. ANOVA

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	591.190	1	591.190	53.699	.000 ^b
	Residual	330.279	30	11.009		
	Total	921.469	31			

From the output above it can be seen that the calculated F value = 53,699 with a significance level of $0.000 < 0.5$, so the regression model can be used to predict whether the family relationship variable (X) has an influence on succession (Y) at PT GRA Herbalindo Utama

Based on the results of statistical analysis, information was obtained that the calculated F value was 53,699 with a significance level of 0.000, which is lower than the generally used significance level (0.05). This shows that the regression model used has significant predictive power on the relationship between family relationship variables (X) and succession (Y) at PT GRA Herbalindo Utama.

High F values indicate that variability in family relationship data can explain a large amount of variability in succession data. Therefore, it can be concluded that there is a significant relationship between family dynamics and the level of succession success in the company context.

The results support the idea that family relationship variables can be used as reliable predictors to predict succession in companies. Therefore, this regression model can be used as an effective tool to predict and understand how factors related to family relationships can influence the succession process at PT GRA Herbalindo Utama. These conclusions can be a valuable guide for company leaders who want to know more about what to do.

Table 2. Uji T Hipotesis

Model	Coefficients ^a		Standardized Coefficients Beta	t	Sig.
	Unstandardized Coefficients B	Std. Error			
1 (Constant)	13.259	6.028		2.200	.036
Inter-Family Relations	.553	.075	.801	7.328	.000

Regression Equation obtained: $13.259 + 0.553X$

The constant value obtained is 13,259, which means that if the independent variable has a value of 0 (constant), then the dependent variable has a value of 13,259. With a constant value of 13,259 obtained from the analysis, it can be interpreted that in the condition when the independent variable reaches the value 0 (constant), the dependent variable has a fixed value of 13,259. Practically, this shows that even when there is no influence of the independent variable, the dependent variable still has a significant value. This interpretation provides further understanding of the baseline or starting point of the dependent variable when there is no contribution from the independent variable. Therefore, this constant value is a standard value or basic value which can be used as a reference when analyzing the impact of the independent variable on the dependent variable. Thus, this value reflects the intrinsic contribution of the dependent variable without the influence of the independent variable.

The regression coefficient value for the independent variable is 0.553, which shows a positive direction, indicating that there is a positive correlation between the independent variable and the dependent variable in the regression model. This means that when the value of the independent variable increases, it is likely that the value of the dependent variable will also increase.

Coefficient of Determination Test

The coefficient of determination test is used to measure the extent to which the regression model is able to explain variations in the data.

Table 3. Coefficient of Determination Test

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.801 ^a	.642	.630	3.31803

The effect means 64.2%

In the table, it is illustrated that the correlation or relationship (R) value between the independent variable and the dependent variable is 0.801. This output result also shows a coefficient of determination (R Square) of 0.642. This means that around 64.2% of the variation or change in the dependent variable (succession) can be explained by the influence of the independent variable (family relationships). This coefficient of determination reflects the extent to which variability in succession can be attributed to or explained by family relationship variables.

Descriptive Statistical Test

To summarize, describe and present basic information about a data set, descriptive statistical tests are carried out.

Table 4. Descriptive Statistical Test

	N	Minimum	Maximum	Mean	Std. Deviation
<i>Inter-Family Relations</i>	32	56.00	89.00	79.4688	7.89440
<i>Succession</i>	32	44.00	65.00	57.2188	5.45205
<i>Valid N (listwise)</i>	32				

Information from the descriptive statistics table is obtained:

Inter-Family Relationship Variable (X1), from this data it can be described that the minimum value is 56.00 while the maximum value is 89.00, the average value is 79.4688 and the standard deviation of the inter-family relationship variable is 7.89440

Succession Variable (Y1), from this data it can be described that the minimum value is 44.00 while the maximum value is 65.00, the average value is 57.2188 and the standard deviation of succession is 5.45205

DISCUSSION, CONCLUSION, AND RECOMMENDATION

Discussion

The results of data analysis using a Likert scale show that the family relationship variable (X) and the succession variable (Y) have a significant correlation with each other, based on the results of data analysis using a Likert scale. The results show that the level of family relationships in business succession cases can be measured and has a real impact on the succession process itself. High scores on family relationship variables tend to be positively correlated with succession success, while low scores may indicate that there are obstacles or problems that need to be considered when planning family succession. Therefore, improving the quality of family relationships can be a great way to improve the succession process and ensure the family business survives.

The research results show that family values, good communication, and family support are important factors in successful succession. The results of data analysis show that strong family members, supported by good communication and a shared understanding of family values, help the succession process run well and smoothly. In this situation, the sustainability of the family business is greatly influenced by the internal harmony of the family, not just external factors. Families need emotional support and active involvement leading up to, during and after the succession process. These things can provide a solid foundation for maintaining company operations in a sustainable manner. The result is a better understanding of family principles and dynamics and efforts to improve communication and collaboration. These findings show how important family dynamics are for forming a strong foundation for succession in a business or other organization.

Conclusion and Recommendation

The results of data analysis showed a significant correlation between succession scores and responses related to family relationships. Respondents tended to give positive assessments of good family relationships, and succession scores also showed a tendency to increase as family relationships improved. The research results show that family support, good communication, and family values can be important factors in successful succession. These findings show how important family dynamics are for forming a strong foundation for succession in a business or other organization. The research results show that family support, good communication, and implementation of family values are important factors in determining the level of success of succession in a family business. The results show that not only operational and strategic elements play an important role, but internal family dynamics also play an important role in successful succession. Combined with open communication and a shared understanding of cherished principles, ongoing support from family members facilitates the succession process. Therefore, involving the entire family in the succession decision-making process and establishing open communication patterns is

a relevant and important strategy to increase the chances of success for family business succession.

Data also suggests that problems in family relationships can influence the succession process. Differences of opinion, internal conflict, and lack of communication can be obstacles to a smooth succession. Therefore, understanding and controlling family dynamics is essential in creating a succession plan. Therefore, these findings provide useful knowledge for PT GRA Herbalindo Utama company leaders who want to optimize their succession process. These findings emphasize family relationships as an important component that can influence successful leadership transitions.

Suggestions for PT GRA Herbalindo Utama families, the author hopes that relationships between family members will always be well established, as the results show that family members give positive responses to family relationships. And the author also provides suggestions so that family relationships remain harmonious, building mutual awareness about family values which is the basis of business can be a positive step. By strengthening understanding of the vision, mission and family values that are upheld, the family can ensure that shared goals remain the main focus and lead to company sustainability. Advice for family business owners, especially at PT. Herbalindo Utama, is prioritizing maintaining relationships between families as the main foundation for successful succession. Family support, open communication, and maintaining family values can be important pillars in ensuring the continuity and progress of the company. Immediately identify and resolve potential conflicts through open dialogue, and hold regular meetings to discuss the shared vision, the role of each family member, and future strategic steps. By maintaining harmony within the family, PT. Herbalindo Utama can strengthen its business foundation for a sustainable and successful future.

REFERENCES

1. Remiasa, M. & Wijaya, S. A. *Analisis Proses Sukses Perusahaan Keluarga Studi pada PT Puterasean (Marcus Remiasa dan Shehy Angraini Wijaya) ANALISIS PROSES SUKSESI PERUSAHAAN KELUARGA STUDI PADA PT PUTERASEAN.*
2. holland G. Phyllis, O. E. John. V. S. C. *An empirical examination of the stages of development of family business. Journal of Business & Entrepreneurship 1-1 (1992).*
3. Sayers, E. W. *et al. Database resources of the national center for biotechnology information. Nucleic Acids Res 39, (2011).*
4. Utami Christina Whidya. *Attitude, Subjective Norms, Perceived Behavior, Entrepreneurship Education and Self-efficacy toward Entrepreneurial Intention University Student in Indonesia. European Research Studies Journal 20, 475-495 (2017).*
5. Isron M. Ary Abdala. *PENGARUH PERENCANAAN SUKSESI, HUBUNGAN ANTAR KELUARGA, DAN KEPERCAYAAN TERHADAP KEBERHASILAN SUKSESI BISNIS DI KOMUNITAS FAMILY BUSINESS UNIVERSITAS CIPUTRA. Jurnal Manajemen dan Start-Up Bisnis 6, 1-9 (2021).*
6. Sueb. *Exploring the Relationship between Transformational Leadership and Innovative Work Behavior: A Systematic Literature Review. Jurnal Visi Manajemen 9, (2023).*

7. **Tjietradi, K. PENGARUH KOMUNIKASI DAN PERSIAPAN SUCCESSOR TERHADAP KEBERHASILAN SUKSESI DI KOMUNITAS FAMILY BUSINESS UNIVERSITAS CIPUTRA.** *Jurnal Manajemen dan Start-Up Bisnis* 4, 1–10 (2019).
8. **Siswoyo Devina, H. B. FAKTOR DAN UPAYA DALAM PROSES SUKSESI KEPEMIMPINAN BISNIS KELUARGA DI PT. TP. AGORA 2,** 1–7 (2014).
9. **Sudibyio Yonathan. TAHAPAN, FAKTOR PENDUKUNG DAN FAKTOR PENGHAMBAT PERENCANAAN SUKSESI KEPEMIMPINAN GENERASI KE-TIGA PADA PERUSAHAAN KELUARGA PT. LUBRICAL SUGA SEJAHTERA DI PASURUAN. AGORA 2,** 1–9 (2014).
10. **Halim Yonathan. Analisa suksesi kepemimpinan pada Perusahaan keluarga PT. Fajar Antasari di Sidoarjo. AGORA 1,** 1-15 (2013).
11. **Tjiptono, F. Kelanggengan Entrepreneurship dalam Bentuk Bisnis Keluarga: Apa yang Telah dan Masih Perlu Diungkap.** *Jurnal Entrepreneur dan entrepreneurship* 2, 1-12 (2019).
12. **Rahadi Dedi. TRANSFORMASI INOVASI BISNIS KELUARGA DALAM MENDUKUNG EKONOMI KREATIF.** *Ejournal universitas indo global mandiri* 2, 1-11 (2017).
13. **Liedfray T. Waani F. Lasut J. Peran Media Sosial Dalam Mempererat Interaksi Antar Keluarga di Desa Esandom Kecamatan Tombatu Timur Kabupaten Minahasa Tenggara.** *Jurnal Ilmiah Society* 2, 1-13 (2022).
14. **Santoso Joko. PENINGKATAN KUALITAS DIRI DALAM MEMBANGUN HUBUNGAN ANTAR ANGGOTA KELUARGA.** *Jurnal Teknologi dan Pengembangan Pelayanan* 2, 1-16 (2018).
15. **Laurence Lucia. MANAJEMEN KONFLIK DALAM PERENCANAAN SUKSESI PERUSAHAAN KELUARGA DI BIDANG EKSPEDISI DI SURABAYA. AGORA 3,** 725-235 (2015).