



The Influence of Parental Encouragement on The Desires of Prospective Successors to Continue The Family Business

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ABSTRACT

In continuing a family business, a successor candidate is needed to continue the business. The role of parents as owners or leaders of the family business has an impact on the decision of potential successors. Parents as authoritative figures can provide encouragement or pressure that can influence the desire of potential successors to continue the family business. This research aims to determine the influence of parental encouragement on the desire of prospective successors to continue the family business. The objects of this research are Indonesian Education University students whose parents own a business. This research includes an analysis of various factors, such as the type of encouragement given, the level of parental involvement, and its impact on the motivation or desire of potential successors to take over or continue the family business. The method used in this research is a quantitative method with a descriptive verification approach. Quantitative data was obtained from in-depth interviews with Indonesian Education University students who own family businesses. Based on the results hypothesis, it is known that there is a positive relationship between the influence of parental encouragement on the desire of potential successors to continue the family business. Identifying and understanding how parental encouragement influences the desire of potential successors to continue the family business is important, because this can have an impact on the sustainability and continuity of the family business.

Keywords: *Entrepreneurship Education; Family business; Parental Encouragement*

INTRODUCTION

Family businesses are often a strong foundation for building a legacy and economic sustainability. This continuity depends on the decision of the prospective successor to continue the family business tradition. Parents play an important role as providers of encouragement and inspiration, being the first educators for children with parenting patterns that shape children's behavior (Tulak and Saluh, 2019).

In the context of family business, theories about the relationship between family and entrepreneurial attitudes are interrelated. The successor's attitude as an entrepreneur

influenced by the family, driven by parental motivation, confidence, support, trust and guidance to maintain business continuity (Miroshnychenko et al., 2020).

Parents are not only business leaders, but also mentors and role models for potential successors. Parental encouragement includes values, skills, and an entrepreneurial spirit that are instilled from an early age, including financial support, understanding of business challenges, and motivation to maintain the continuity of the family business.

The influence of parental encouragement on the desire of potential successors to continue the family business involves a conflict between parental expectations and children's personal ambitions. Difficulty in finding a balance between meeting family expectations and pursuing personal desires can be a serious challenge. The importance of open communication and mutual understanding to reach mutually beneficial agreements.

It is important to understand how parental encouragement shapes potential successors' perceptions and attitudes toward the family business. Therefore, the object of the research focuses on the influence of parental encouragement on the desire of potential successors to continue the family business. The potential includes aspects of motivation, family values, and psychological factors that influence their decisions such as identification with family values and the desire to maintain the family legacy play a role in the decision making of potential successors.

Parents' careers can influence children's career choices, often involving children in the family business as a form of care that parents teach. From a child's perspective, there are several reasons that make them involved in the family business.

In recent years, family business has become an interesting phenomenon to talk about. Several companies in Indonesia and the world are managed by families so they can drive a country's economy. Based on the results of a survey conducted by Pricewaterhouse Cooper in 2014, it is known that 95% of businesses in Indonesia are owned or managed by families and contribute as much as 25% of GDP (Gross Domestic Product).

A family business is a corporate entity that involves family members directly in ownership and functional roles (Longenecker, 2001; Nasution et al., 2021). Although families and businesses are organized separately, they have fundamentally different roles, with families focusing on the care and education of members, while businesses are concerned with the production and distribution of goods or services (Longenecker, 2001; Widajanti, 2018). The interaction between these two institutions is a vital aspect in the lives of many family business people.

In continuing a family company, it is necessary to have successors from the first generation to the next generation so that the company can survive and develop. In research conducted in 27 countries, it was found that 75% of family businesses survived the first generation, 30% survived the second generation and 10% survived the third generation (Assanto & Mustamu, 2014). Parents as founders and owners of family businesses should prepare their children as 'hers' or successors to the family business. Preparing potential successors is a crucial problem in family businesses.

Family businesses have characteristics that differentiate them from other companies, especially regarding the contribution and active role of family members in company operations. Lineage is a major factor in the characteristics of family firms, which includes ownership and substantial involvement of the family in company management. In many cases, leadership of a family company is held by family members and passed on to the next generation from within the family itself (Soedibyo, 2012; SR et al., 2018).

Establishing a family business is not a difficult matter, but maintaining a family business for the next generation is not easy (Lestari, 2018 Parental Involvement in Growing Children's Interest in Continuing the Family Business). To avoid failure in maintaining the family business, good succession planning is needed by the founder. Succession is a generational transition phenomenon transferring management of a family company from the founding generation to the next generation (heirs) (LeCount, 2020)

Interest in entrepreneurship reflects a person's tendency to feel interested or enjoy entrepreneurship, showing a desire to become an independent worker or manage their own business (Komara and Bagus Setiawan, 2020). This involves desires and interests that develop into an individual's willingness to work hard, develop their own ideas without fear of risk, be willing to face challenges, and have the self-confidence, creativity, innovation and skills necessary to meet life's needs. Therefore, the purpose of writing this article is to explore the role of parents in shaping children's interest in continuing the family business through entrepreneurship education that prioritizes entrepreneurial values.

Therefore, this research aims to explain and analyze the relationship between parental encouragement factors and the desire of prospective successors to continue the family business. This research includes an analysis of various factors, such as the encouragement given, the level of parental involvement, and its impact on the motivation or desire of potential successors to take over or continue the family business. This research also examines the extent to which parental encouragement influences the desire of prospective successors to continue the family business. Does parental encouragement have a positive

effect on the desires of potential successors, or does parental encouragement have no effect on the desires of potential successors?

RESEARCH METHOD

This research uses a descriptive verification approach with a quantitative research type. In this case, the researcher conducted a survey of the research object. Quantitative research basically aims to test predetermined hypotheses that will be used to research certain populations and samples, collect data using research instruments, and analyze quantitative or statistical data. This research focuses on how parents influence the desire of potential successors to continue the family business.

The type of quantitative research used in this research is quantitative correlation. The correlation method is one of various quantitative research methods used in evaluation. Mainly to detect the extent to which variation in a factor is related to variation in one or more other factors based on the correlation coefficient. Various types of quantitative research methods such as correlational are research with the aim of detecting the level of relationship between variations in one factor and variations in other factors based on the correlation coefficient.

This research uses primary data sources, which were obtained directly from research subjects through survey results using the Livert scale method. The data source in this research uses purposive sampling, namely a data sampling technique with certain considerations (Sugiyono, 2019) or in another definition, namely respondents who were selected to become members based on the researcher's own considerations. The main reason for choosing this sampling method is because the main focus of the research will be aimed at students at the Indonesian University of Education who have a family business which is very in line with the main aim of the research.

The sources that are taken into consideration are the people who are considered to know best or are most appropriate to the research object, making it easier for researchers to obtain the required data. The subjects or respondents in this research were a number of Indonesian Education University students who had family businesses (respondents selected could be direct successors or those who were not direct successors but had blood/family relations with the owner of the family business). The basic consideration is that these students are those who really have an interest in continuing the family business.

Attitude to behavior and subjective norms determined to be independent factors that influence the intention to continue the family business; This determination is carried out by modifying each dimension to become attitude to succeeding family business and perceived family support. Attitude to succeeding family business is an individual's attitude in responding to the condition that after graduating he must continue the family business; Meanwhile, perceived family support is an individual's perception of the opinion and support of his extended family regarding his possibility as a potential successor to the family business. These two factors were modified from the research results of Carr and Sequeira (2007).

RESULT AND DISCUSSIONS

Descriptive Statistics Test Results

Table 1. Descriptive Statistics Test Results

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
<i>Parental encouragement</i>	31	20.00	50.00	38.1290	7.26518
<i>Desires of potential successors</i>	31	21.00	50.00	39.7097	6.30446
<i>Valid N (listwise)</i>	31				

Based on the results of the descriptive statistical test above, we can describe the distribution of data obtained by the author, namely the Parental Encouragement Variable (X), from this data it can be described that the minimum value is 20 while the maximum value is 50, the average value of Parental Encouragement is 38.1290 and The standard deviation of the data is 7.26518. In the variable Desires of Prospective Successors (Y), from this data it can be described that the minimum value is 21 while the maximum value is 50, the average value of Desires of Prospective Successors is 39.7097 and the standard deviation of the data is 6.30446.

Simple Linear Analysis Results

A simple linear regression test is used to create a regression equation model so that model testers can predict the size of the dependent variable using independent variable data of known magnitude and to test the truth of the hypothesis.

Table 2. Uji T Hipotesis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1	(Constant)	13.435	3.799	3.536	.001
	Parental encouragement	.689	.098	.794	<.001

a. Dependent Variable : Desires of potential successors

Based on this table, it is known that the constant value (a) is 13.435 while the value of parental encouragement is 0.438) so that from these results the regression equation that can be written is Desires of Potential Successors = 13.435 + 0.689X

The regression equation above shows that the constant value (a) is 13.435 while the value (b/regression coefficient) is 0.689. So the equation of the relationship between the parental encouragement variable and the prospective successor's desire variable to continue the family business can be concluded as follows: (a) The constant value is 13.435, meaning that if there is no change in parental encouragement (X value = 0) then the desire of the prospective successor to continue the family business is 0.689; (b) The regression coefficient value of parental encouragement is 0.689, meaning that if the parental encouragement variable (X) increases by 1% and the constant (a) is 0 (zero), then the desire of the prospective successor to continue the family business increases by 0.689. The regression coefficient is positive so it can be said that the direction of influence of variable X on variable Y is positive.

Table 3. Uji R

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.794 ^a	.631	.618	3.89730

a. Predictors : (Constant), Parental encouragement

The table above explains the magnitude of the correlation/relationship value (R), which is equal to 0,794. From this output, a coefficient of determination (R Square) is obtained 0,631 which means that the influence of the independent variable (Parental Encouragement) on the dependent variable (Desire of the Successor Candidate) is equal to 63,1 %

Table 4. Uji F

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	751.907	1	751.907	49.504	<.001 ^b
	Residual	440.480	29	15.189		
	Total	1192.387	30			

a. Dependent Variable : Desires of potential successors

b. Predictors : (Constant), Parental encouragement

From the results of these data, it is known that the value of Fcount = 49.504 with a significance level of 0.001 < 0.05, so the regression model can be used to predict the

69 *parental encouragement variable or in other words, there is an influence of the parental encouragement variable (x) on the desire variable for potential successors (y).*

CONCLUSION AND RECOMMENDATION

That parental encouragement and influence play an important role in determining the desire of potential successors to continue the family business. Parents who provide positive encouragement and set a good example in managing the family business tend to increase their children's motivation and interest in continuing the business. Apart from that, parental encouragement and support can also help potential successors build the confidence and skills needed to manage the family business successfully in the future. However, on the other hand, if parents do not provide encouragement or have a negative view of the family business, this can reduce the interest and motivation of potential successors to continue the business. Therefore, it is important for parents to provide positive encouragement, provide an understanding of the value and benefits of the family business, and provide opportunities for potential successors to learn and participate in managing the family business from an early age. Thus, parental influence can play a key role in shaping the desire of potential successors to continue the family business.

In the article, it is recommended that parents provide strong support and positive encouragement to potential successors. Parents can introduce them to the world of business from an early age, provide relevant education and training, and provide examples and inspiration as leaders of the family business. This encouragement will help potential successors develop a strong interest and desire to continue the family business. Then parents also need to cultivate the leadership spirit of potential successors by involving them in the family business so that potential successors will be able to learn. Parents can also provide work that directly interacts with employees or involves them in decision making. Parents also need to pay attention to the career interests of potential successors. Parents must give potential successors the opportunity to realize that the family business has a good future. This can be done with parents explaining the positive things about the family business.

Students are expected to have the awareness to develop family businesses so that they can advance the family economy. Students also need to get involved in the family business to help their parents. This involvement will foster a sense of interest and be able to perceive opportunities in the family business. Students who help in the family business will feel used to it and will increasingly have a sense of responsibility that comes from themselves.

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