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STRATEGIC FACTORS AND BUSINESS ENVIRONMENT POTENTIAL CAUSES OF NON-SUSTAINABILITY OF FAMILY BUSINESS IN SEMARANG AND THE SURROUNDING

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ABSTRACT

In order to fulfill the goals and strategic objectives of the company that was founded, every company or corporation is expected to have sustainability in its business, including family companies which are the largest part of the ranks of companies in general. The biggest part of the line of companies because in general companies generally start from family businesses. This research is part of the main research dissertation that aims to examine the Construction of a Theory-Based Family Company Sustainability Model which researchers are currently completing. The theory of Corporate Sustainability is one of the filters and at the same time an inspiration for companies to survive or not on their way. This study uses qualitative research methods to reveal facts and realities about family businesses. With the process of collecting data systematically, validating data by triangulation, data processing to concluding research data based on the relationship between the propositions revealed. The results of this study will present some of the conclusions from the main research based on accurate and relevant data to answer the question of what strategic factors and what business environment factors cause a family business to become unsustainable. So that the research findings become a recommendation on how to anticipate and plan a family business to be more lasting and sustainable.

KEYWORDS family business; strategic factors; business environment



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INTRODUCTION

In the private sector, many companies are engaged in various types of business, both products and services. Of all the existing private companies, the role of the family business is no less important in contributing to the growth of the national economy (Wahjono, 2011).

Every company or corporation is expected to have sustainability in its business, including family companies which are the largest part of the ranks of companies in general (Susanti & Wibisono, 2018). The theory of corporate sustainability is one of the filters and at the same time an inspiration for companies to survive or not on their way (Tangke & Habbe, 2017).

World history records a long-lived family business, namely the Congo Gumi Company in Japan, which spanned 14 centuries and only ended in 2006 (Resmi et al., 2022). The longevity of this family business company has involved, 40 generations of leadership of the organization. In discussions with IFC recently it was revealed that the average age of a family business which could reach hundreds of years later shrank to 47 years and currently averages only 17 years. This shows that family businesses are not surviving for a long time and are unable to do better regeneration.

Survey data from PwC (2014) and BPS (2017) reveal more or less the same conditions, namely more than 90% of companies in Indonesia have the status of a family business, and 82.5% more of GDP in Indonesia is contributed by these circles. Regarding family business, business continuity in the regeneration process of family business leadership is a strategic issue because many phenomena provide evidence that weak regeneration in family businesses often kills businesses that have been started, previous research data shows less than 5% of so many family businesses survive to the next generation fourth (PwC Survey on Family Business, 2014).

From the data stated above, after tracing, it turns out that there are various reasons for the unsustainability of a family company, including: the phenomenon of companies that are ignorant of environmental sustainability which results in the closing of the business activities of the company. Apart from that, news often spreads that there are unsustainable business processes among family businesses, due to weaknesses in the competence of the next generation, miss management, which end in business closures or the company being sold to other investors.

In-depth understanding of the concept of family business sustainability is also still in the gray area. Some understand the concept of a family company as a company founded by the will of a family, both capital and management, which are not completely separated by family and relatives and continued by lineage (Chua et al., 1999; Suwarno & Harianti, 2022). A family company is seen as the ownership of the whole or part of the capital owned by the family even though the manager or management is handled by professionals who are not family (Donckels & Fröhlich, 1991; Gallo & Sveen, 1991; Leach & Bogod, 1999; Schulze et al., 2001) or someone who defines the notion of the most important mixture of policy and management influences more or less by the family and their descendants joining the management of professional management (Carsrud, 1994; Poza, 2013) this affects the attitudes and decisions of managers of family companies in determining

the facts and conditions and their conclusions for the sustainability of the company as a family company.

The research phenomena found in this study will be examined more deeply in relation to the theory of corporate sustainability where the sustainability of a corporation is determined by its economic capability, ability to protect the environment and the ability to increase social interaction with the environment where the company is located.

The novelty that the researcher proposes is a research using qualitative research methods to explore facts and strategic data resulting from research, which reveal facts about the sustainability and unsustainability of a family company.

At the same time, the novelty that the researcher proposes as the object of study and analysis is small and medium scale companies that have great potential but are rarely disclosed to the surface, in contrast to other research trends which reveal the model of large companies and are very well known in the public. So that this research will be able to become an alternative model of the reality of the journey of a family company and a role model for the struggle for sustainability in the long term.

Understanding the recent situation of family firms, this research is also urgent and very reasonable to do based on the background of thinking that reveals the condition of family firms is increasingly apprehensive where fewer and fewer family firms survive in the regeneration process and the average age of family firms is getting shorter. Initially, the age of the company was hundreds of years, some even thousands of years, down to around 40–50 years and recently it is suspected that the average age of a family company is up to 17 years, so this research is very important to do in order to find the formulation and construction model sustainability of family companies that can be implemented in many related family companies.

And in actual conditions this research seeks to uncover facts and realities that exist in family companies, so that they become references and guiding methods in carrying out the process of regeneration and succession of leadership in family companies. Because of its nature that seeks information from business actors who fall into this special category, this research is a phenomenological research/revealing phenomena, because it departs from cases experienced by business actors in particular, so it is also included in case study research.

Based on a study of the journals and literature that became the reference for this research, it turns out that there is no comprehensive research result on the family company sustainability model based on the theory approach of Corporate Sustainability (Svoboda, 2019).

Previous studies used more of a management approach and psychological aspects, including discussing: leadership styles, preparation and planning for the transfer of leadership in business families, and family management strategies. Meanwhile, research that fully discusses Family Business Sustainability within the framework of Corporate Sustainability theory still needs attention to be researched and studied (Handoyo, 2021).

Referring to the concept of thinking from his main research on the Construction of a Family Business Sustainability Model based on the theory of

corporate sustainability, this research was conducted to achieve the following objectives:

- 1) This research was conducted with the aim of identifying and analyzing key strategic factors in the sustainability of family businesses.
- 2) This research was conducted to identify and analyze key perceptions and strategies among business people, both from the previous generation and the successor/next generation in carrying out the leadership regeneration process in the family business and its orientation towards business and environmental sustainability.
- 3) This research was conducted to identify and carry out in-depth analysis so that it is hoped that several things can be found and formulated regarding:
 - a) Fundamental issues of regeneration in the family business.
 - b) Constraint factors and patterns that hinder the regeneration process in family businesses.
 - c) Factors that drive the effectiveness of the sustainability of the family business regeneration process.
 - d) Orientation Concern for Sustainable Environment as a fundamental reason for the need for sustainable business leadership regeneration.
- 4) Moreover, in the course of the ongoing research, it turns out that the research obtained facts and data that are obstacles to the sustainability of a family company.
- 5) Uncover various strategic factors and business environment that make family companies unsustainable / Non-sustainable.

Moreover, based on the phenomenon above the purpose of study is to examine the Construction of a Theory-Based Family Company Sustainabil-ity Model which researchers are currently completing

RESEARCH METHOD

Research design

This research was conducted using a qualitative research method approach (Creswell & Creswell, 2017). Researchers conducted exploratory and in-depth interviews from the experiences of family business actors in various industrial fields.

Research Participants

The participants of this study are business people from various industries who manage family companies. The location of its business activities is in the city of Semarang and its surroundings, with a business life of 20 years or more. In conducting research on company profiles and models, the categories of companies with small, medium scale, and large/national scale family companies were determined.

As informants in this study, there were 10 informants from 5 companies. The research informants clearly know the ins and outs of their respective family companies.

Data and Data Sources

The research data is in the form of primary and secondary data obtained from the results of research and interviews concerning aspects directly related to the research problem that has been formulated. In addition to primary data, secondary data is supporting data in the form of records owned by family company actors that are relevant to research needs which can be in the form of photo documentation, drawings, diagrams, administrative documents, other required company documents.

Data collection technique

To obtain optimal and comprehensive data, systematic data collection techniques and methods are needed. The data collection techniques and methods used are: (1) Observation (2) Online and offline interviews (according to the situation and conditions) by recording, recording conversations and making transcripts of conversations. (3) In-depth interviews (4) Archive review and review from the data available and needed (5) Focus Group Discussion with related parties who can complete the information needed for this research. (6) The last stage of data collection using a questionnaire.

Research Data Validity Test

The data that has been collected using the research data collection methods and techniques that have been determined need to be confirmed for its validity. This means that the data is confirmed to be correct and in accordance with the actual research principles. The process of ascertaining the truth or validity is carried out by means of triangulation techniques. About this Triangulation method Rahardjo (2010) states that: One of the important questions and often arises from researchers who are conducting research is the problem of triangulation. Many people still don't understand the meaning and purpose of postulation in research, especially qualitative research.

RESULT AND DISCUSSION

This research was conducted on 5 (Five) Family Business Models, which consist of small to large scale family companies. These companies can be grouped into 3 business groups according to business scale, namely: (1) small scale family companies, (2) medium scale family companies and (3) large / national scale family companies, with various backgrounds in the type of business.

Table 1. Family Business Models Analysis

| NO | Study Aspect Company Code | CV "V" | PT "W" | RM "X" X | BREADY "Y" | PT. "Z" FACTORY Z | Notes / Conclusion |
|----|-------------------------------|--|--|---|--|---|--|
| 1 | General Company Profile | Family company established to serve the needs of customers for the needs of bouquets, decorative flowers and flowers for worship, parties and | A family company that produces seasoning or food seasoning / soy sauce type dishes from black soybeans | Family companies in the food industry sector, restaurants serving a limited segment because food ingredients are made from non- halal frog meat (which most | A family company which is a bakery, cake & bakery which is known for its unique menu with limited segments | A family company in the national and large-scale plastic industry that meets the needs of consumers, both individuals and businesses for the benefit of household | Family companies that were founded by the pioneers of this business in Semarang and its surroundings have a long enough age of at least 38 years and some are even more than a |

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| | | other ceremonial events | | consumers still believe in non-halal food) | considering that the food contains elements of pork. | fittings and packaging needs | hundred years old. So that it exceeds the results of research conducted by the International Finance Corporation - World Bank which is only 17 years old. |
| 2 | Company Founder | MR & MRS U | Mrs. KR / OHH | MRS P | Mrs. FDS | Mr. SS & SS | The average founder has a passion in the business and some are still alive and some are gone. His successor confirmed |
| 3 | Established Year /Age Of The Company | Th. 1971 / 52 Years | Th. 1930 / 93 Years | Th. 1901 / 122 Years | Th 1920 /103 Years | Th. 1985 / 38 Years | The age of the company is between 38-122 years |
| 4 | The Mood Of Kebatinan Business Establishment | Initially, the founder saw an opportunity to serve the community in the decoration and flower arrangement business. This activity was realized as the responsibility of the head of the family to get a real income. Then it developed in such a way as to find sources of goods to be traded and resold from the results of wholesale-trade activities. Being a store that provides all the needs of home, office or place of worship / church / temple decoration. | Starting from an early family business around 1930, producing soy sauce seasoning recipes that are managed with a distinctive and delicious taste. In 1960 this company stagnated and stopped and was revived by its successor Mrs. KR using a new label and brand. Currently this family company is managed by 4 generations who continue this family business full of challenges with intense competition | This individual business, which is managed and included in the family business category, is a typical restaurant that serves Swie kee food menus, spiced frog eggs, etc. which are liked by the public. Even though there are many views of this food as non-halal, it is still very much hoped that this menu will be present among lovers. Initiated since 1901 this business has been running to the 5th generation which is held by Mrs. E/CP | Serving the needs of the Semarang city market, especially Bread / Cake food that has a classic taste and is packaged with modern flavors, was the beginning of the establishment of this bakery. Through a sustainable regeneration process. This bakery always serves general consumers as well as specifically serves consumers who want bread filled with ham / non-halal - pork. | This business began with the desire to serve the community's needs for plastic packaging materials or other product/service support using modern technology. As a family company, the founders are 2 brothers, but in their journey they do not require the company to be inherited by their descendants to continue the business. Many even entrust the company's development to professional staff | The establishment of many family companies begins with an awareness of the need to: make a living, will continue the business, Maintaining the brand / brand image / product or family business Provide solutions to customer needs problems. Prestige to maintain and develop modern industrial businesses. |
| 5 | Company Vision | Yes but not written; One stop services for the needs of flowers and decorations for households, agencies, houses of worship and others. | There is no written vision | There is no written vision | Become a center for classic souvenirs that are in demand by customers all the time with a complete range of products. (Unwritten vision and mission) | To become the best plastic producer by continuously improving product quality and company performance to get the best performance in responding to the challenges of domestic and global market competition. (there is a written and socialized vision) | Vision is something that is important for the survival of the family company. A vision that is suggestive and able to arouse the interest of the next generation to continue the business is very important. |
| 6 | Company Mission | There is no written and socialized mission | There is no written and socialized mission | There is no written and socialized mission | There is no written and socialized mission | Implementing the best management systems and production processes based on work safety | The Company's mission is very important to become direction and guidance in running a business. |

| NO | Study Aspect Company Code | CV "V" | PT "W" | RM "X" | BREADY "Y" | PT. "Z" FACTORY Z | Notes / Conclusion |
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| | | | | | | and environmental impact control | The mission shows what the company will do for its internal and external customers |
| 7 | Main Products / Services Produced Vs Product Price, Operational Costs And Business Margins | Products Imitation flower bouquets, flower boards, flower pots and imitation flowers, hand flowers / hand buckets, and others to order. Margins are getting thinner due to competition and operational costs. Prices are unable to keep up with current growth due to competition for imported goods which may be cheaper and have more alternatives. Including online services are increasingly mushrooming. | Soy sauce products for cooking and food flavoring are made from black soybeans. The natural resources associated with black soybeans are increasingly limited – if imports are more expensive, the daily production volume is not large, around 500 packaged bottles per day with a retail product price of Rp. 20,000 – 35,000 with increasing operational costs and industry competitors with much larger production capacities. | Products in the form of restaurant food menus: Frog Swieke, Frog Pepes and Frog Egg Pepes, Butter Fried Frog and Flour Fried Frog. Price per portion Rp. 25.000-35-000, Operational costs, employee salaries, local taxes, and menu material resources are increasingly limited even though now supplies have been made from farms. | The products produced are in the form of cakes and breads both in the HALAL category and products containing pork. Which segment is increasingly limited and its customers are also very limited to loyal customers and have classic tastes. Operational / production costs are getting higher, the culinary competition for Cake & Bakery is getting very tight both in terms of menu, price - service and service | The products produced are in the form of plastic packaging of various sizes, plastic trash containers, Rain Coats, environmentally friendly plastic packaging. Mass- produced and dominate the local market, national and regional. Prices are competitive and still prospectively profitable due to market forces. | The product life cycle of the various products produced will determine how long or short the age of a family company is and all of that depends on how far the product can be renewed by innovation or not. Good margins should be a requirement for the sustainability of this company. The breadth of customer segmentation will support further business challenges and development. |
| 8 | Suspension / Family Factor — Management Of Family Company | The children and close relatives of the managers of this company currently have no interest or passion for this business. Children (2 people) stated that they did not have the capacity to manage business complexity and business results / margins that were not large. Difficult to hold people / employees to survive – because income is limited. In fact, the family tends to suggest selling the company when the time comes. | Until now it is managed by the 3rd / 4th generation. There is no succession plan for the next generation. | Until now, managers are still limited to the 5th generation (CP/E) who happen to be unmarried and have no children. Closest relatives seem to have no passion to continue and develop the business. In fact, the branch in Semarang is getting smaller and the restaurant in Purwodadi is still / there are no plans to expand. | This business manager is in the 3rd generation and has not been thought of in the next generation. The information that is available is that the development of the Roti Shop branch in Jakarta is not developing and tends to stagnate, while the one in Semarang is also experiencing conditions that are not much different. Both in terms of area and arrangement of existing stores, it tends to stagnate, lacking | The current owner and founder Mr. SS & Mr. SS gave a trial period to his children and it turned out that there was no chemistry with the company's current professional management. So the decision not to force the regeneration of business leadership in the company does not have to fall on the children / descendants / close relatives. The commitment made by the company must continue to grow and the owner / family is maintained in capital ownership. | The next generation of family companies plays a very important and strategic role for the sustainability efforts of a family business. Successors who are direct descendants or close relatives of the founders/owners are expected to have more or less the same business passion, are interested in developing, are willing to be trained and cadres and have the courage to start taking on big responsibilities in the family company. |

| NO | Study Aspect Company Code | CV "V" | PT "W" | RM "X" | BREADY "Y" | PT. "Z" FACTORY Z | Notes / Conclusion |
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| | | | | | inonation. Meanwhile, the competitive conditions for the Cake & Bakery business are getting tighter and growing like mushrooms in the rainy season. | | |
| 9 | HR / Labor / Expert Factors To Produce Prodict / Family Company Services | The number of personnel in the production process of this business is currently 5-13 people. All of them have special expertise in the creation and arrangement of flowers and product management. This is complained of by prospective successors who find it difficult to get new staff and those that can be maintained. | The number of personnel involved in production activities is around 10-12 people. There is no special expertise, only manual labor to process the storage and processing of black soybeans, brown sugar and others. The recipe holder is currently the head of the company who is a direct descendant of the founder of the original | The number of personnel managing this restaurant is around: 7 people including the owner. Recipes are controlled by the owner and daily operations are entrusted to restaurant employees. | Managers at the head office are entrusted to 2 managers who oversee 6-8 store employees and 20-25 production employees. Recipes are controlled by trusted professionals and are not open in nature. | HR consists of professional staff and skilled factory workers. Its composition is Manager & professional staff of 50 people and other skilled production workers of approximately 1000 people. The role of managers and professional staff is strategic and trusted by the owner. | The HR factor in one company differs from one another at a strategic level. However, it is acknowledged or not that human resources for the sustainability of the company are very influential both in terms of the contribution and development of the company and on the other hand as a cost burden for the company which will affect the level of profits/margins generated and achieved by the company. |
| 10 | Legality & Licensing Constraints Factors Which Are Business Requirements | Business licenses still use the old licensing pattern and are currently still adjusting to the NIB pattern and licensing administration which are increasingly complicated and all online. The company is subject to waste management rules and free parking road access. Making it difficult to serve customers who have to come to the store. The shop facility located in the city center has the consequence of bearing a greater burden of PBB taxes which must be remitted to the government. Local tax collections are also expanding, | business. Licensing As an individual company and towards licensing renewal with the NIB system, the scope of business is MSME. It is necessary to pay attention to the control of waste from the production process, because most MSME industries in this field pollute the river environment or cause a foul odor from the water flow around the business environment. This waste management commitment is a strong demand and has the consequence of | Conventionally, restaurants have restaurant licenses. Currently towards the renewal of NIB permits related to Halal certification, environmental management and other permits. The burden of legal costs is getting bigger related to PBB taxes which are located on major roads. Parking permits and City/District Minimum Wage Provisions for the RM worker concerned. | This bakery conventionally has an IRT permit. Currently it is heading to renewal of NIB permits related to IRT certificates, distribution permits / if large volumes, Halal certification, environmental management and other licenses. The burden of legal costs is getting bigger related to PBB taxes which are located on major roads. Parking permits and City/District Minimum Wage | This modern plastic factory already has permits in accordance with its scope starting from NIB, IMB, Land Certificates, SLF, UKL - UPL / AMDAL Permits, Industrial Permits, Industrial Permits, Trade, DLH and other permits that are included in the category of large companies. In general there are no major problems with the required permits. Commitment to environmental management will be closely monitored by the relevant agency, namely the Environmental Service. A large number of human resources will be supervised by the UMK provisions by | Legality – company licensing is an important requirement for the company's ongoing operations. So as not to interfere with internal and external interests. However, it will become a big obstacle and problem if the operational costs and legality are no longer balanced or meet the conditions for business income. The heavy burden of business due to legality and charges, taxes and labor costs becomes a problem if the business income and the price of the product produced are not comparable to each other. |

| NO | Study Aspect | CV "V" | PT "W" | RM "X" | BREADY "Y" | PT. "Z" FACTORY | Notes / Conclusion |
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| | Company Code | V | W | X | Y | Z | |
| | | operational costs. Including wages of workers who already have standards that must be met. | with a large investment value. | | bakery concerned. | Industry and trade reports and taxation both regional and central are routine requirements that must be fulfilled. | |
| 11 | Commitment To Management Of Family Company Business Environment | Quite heavy, related to the waste load, the burden of business environmental costs. | Heavy enough to keep industrial waste from impacting the surroundings. | It's not too hard for waste & solid waste management, you just need to pay attention to the impact on the surroundings. | It's tough enough to keep industrial waste from impacting the surroundings, especially since the business is in the middle of the city, major roads and densely built areas. | It's heavy enough to keep the plastic industry waste from impacting the surroundings, especially since the business is in the middle of the city, major roads and densely built areas. There must be a good waste processing installation. | Every business operation must be committed to managing waste / garbage from the results of the production process. The amount of the commitment fee to treat waste will depend on the volume of waste, the risk of odor and the danger posed by the waste and the cost of installing the waste that must be invested and its maintenance. |
| 12 | Impact Of The Business Environment | Present but not physically significant. | There is a significant impact, especially garbage, odor and contamination of the water flow which has an impact on infiltration wells if not treated properly. | There is but it is not significant if solid waste in the form of leftover food & drinks is properly processed | There is a significant impact, especially garbage, odor and contamination of the water flow which has an impact on infiltration wells if not treated properly. | There is a significant impact on the flow of water from industry to public waterways, solid waste, factory smoke and other air pollution which if not managed properly will have a negative impact on the environment | The sustainability of a business is also determined by the impact of the business on the surrounding environment. The positive impact will support business continuity and vice versa the negative impact will accelerate the discontinuance of the business being carried out/run by the company |
| 13 | Assumption Of The Current Owner About The Continuity Of The Family Company | Taking into account the situation of business conditions, the attractiveness of existing products / services, the situation of the place of business, the burden of fees and taxes, the provisions on wages for workers and other factors as well as the existing contribution margin, supported by the decision of the direct descendants of the current manager not interested in this business and it is considered complicated and has small margins, so it seems that the current owner listens more to the | Taking into account the business conditions that are still traditional and the volume of small businesses, the business is run in a routine manner, by serving a market segment that is limited to existing customers and their descendants who like the taste of existing products. Survive with human resources and family elements in which the business is still running. | | | From the owners and founders of the company choosing a commitment to continue to develop the business whether there are children involved or not. Even an apprentice test has been carried out on their offspring / children and if it is proven that there is no chemistry with the professional staff, they are asked to be outside the company by opening another company whose scope revolves around the same industry and mutual support. | отпрану |

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| | Company Code | input of other relatives / relatives to sell the company's assets and not continue in the long term. | " | Α | | Professionals are trusted to matters that are strategic in nature. | |
| 14 | Conclusion Of Situation Conditions Of Factors Affecting The Sustainability Of A Family Company | Family Business Discontinued Assets and Business sold. Settlement of business done. | Potential Family Companies do not continue with difficult situations and conditions in terms of Products, Markets and Business Environment | Potential Family Companies do not continue with difficult situations and conditions in terms of No Descendants who continue the RM business, Limited Product Raw Materials, Provisions of the Halal Product Law, and Business Environment | Potential Family Companies do not continue with difficult situations and conditions in terms of business development, business competition, Environment al Commitment, Halal Product Law Provisions, and Legality of Retribution and Business Environment | Family business and continuing business from the ownership side. Business capital is still owned by the family and management is carried out by trusted people or professionals. Or choose the FOE family company pattern | Basically, whether or not a family company continues is divided into categories: 1. Capital & Management Business management is owned and controlled by a family or known as FBE: Family Business Enterprise 2. The family controls most or all of the capital and releases management to professionals. Or called FOE: Family Owned Enterprise 3. If the company changes capital ownership and management and there is a sale and purchase of assets, the Family Business will stop or be unsustainable. |

CONCLUSION

Vision and mission of the company, this variable is very important in determining the direction and goals for a company, not only for family companies. Because the company's vision and mission are actually the spirit of the company's life, from where and where will this family company organization be brought to reach its goals. Visions and missions that are not easy to achieve and become ongoing challenges are a means of supporting the sustainability of family companies.

Aspects of the spiritual atmosphere of the establishment of a family company, this aspect is urgently needed by corporate sustainability successors to become important and inspiring values for the continuation of the family business. Because actually this mystical atmosphere is a valuable value and the basis of the family business philosophy. This is the same as the history of the beginning of the business that was intended and the business began to be executed by the predecessors.

Factors/ Variables Inhibiting the Sustainability of Family Companies, these factors potentially will abort the success of family business sustainability. This can be sourced internally or externally. Internal factors include the unwillingness to regenerate offspring/ relatives/ family. The disinterest of the pioneering and successor generations who object to continuing the business or the unavailability of resources from within the company which does not allow the continuation of the family business. While External Factors can come from the business environment, resource support from the environment, the level of acceptance of the local community, government regulations that hinder and do not want business to continue due to environmental or public interests. as well as market aspects that are no longer interested in the products and or services produced by the company. As well as the economic value of products that are able or not to provide good margins and profits for businesses to finance further business operations as well as provide benefits to shareholders/ owners of capital.

Aspects of Attention and Orientation to the Business Environment, this factor/ proposition refers to the family company's awareness and understanding of its business position in the midst of its business environment. Because businesses cannot stand alone and of course will depend on each other and the environment, understanding and knowing who is included in the category that is their environment and paying attention to and maintaining the environment will provide positive feedback for the company in continuing its business operations and sustainability interests.

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