This research is based on the phenomenon on which the family business has a very small success rate of succession from generation to generation. The purpose of this study is to find out how the succession process in the family business is seen from the successor readiness and family relations. This research uses qualitative research with object research, that is, family business and three research subjects that are predecessors, successors, and an expert. The sample was chosen by using purposive sampling. The results of this research indicate that the succession process that occurs starts from planning, preparation, giving responsibility, choosing a successor. Judging from the successor readiness and family relations, the results obtained are that the successor readiness is already very good but still needs to be improved in terms of work experience, and family relationships are very good but there are some conflicts will arise in the future that must be avoided.

Penelitian ini dilatar belakangi oleh fenomena di mana bisnis keluarga memiliki tingkat keberhasilan sukses yang sangat kecil dari generasi ke generasi. Tujuan dari penelitian ini adalah untuk mengetahui bagaimana proses sukses dalam bisnis keluarga yang dilihat dari kesiapan calon suksesor dan relasi keluarga. Penelitian ini menggunakan jenis penelitian kualitatif dengan objek penelitian yaitu bisnis keluarga dan 3 subjek penelitian yaitu predesesor, suksesor, dan ahli. Sampel dipilih dengan menggunakan purposive sampling. Hasil dari penelitian ini menunjukkan bahwa proses sukses yang terjadi dimulai dari perencanaan, persiapan, pemberian tanggung jawab, pemilihan suksesor. Dilihat dari kesiapan calon suksesor dan relasi keluarga yang dimiliki, hasil yang didapat adalah kesiapan calon suksesor sudah dimiliki dan sangat baik namun masih perlu ditingkatkan dari sisi pengalaman kerja, dan relasi keluarga yang dimiliki sudah sangat baik namun ke depannya akan dapat muncul konflik-konflik yang harus dihindari agar tidak terjadi.
INTRODUCTION

Family business is a type of company that holds an important role in the economy of a country and even the world. According to Poza (in Antoro, 2017), a family business can be interpreted as a company that becomes one with its founders or CEOs in the future generation, and significantly influenced by one or more family members. The economic condition in Indonesia is also influenced by the existence of family businesses, both large and small. Based on survey data carried out by the United States PWC (Pricewaterhouse Coopers) in Figure 1.1, the growth of family business has declined in the past years compared to 2014, but there is still optimism in family business in Indonesia. This optimism can be seen from the percentage of family business that has shown a growth target, namely there are as many as 88% of family business in Indonesia that has achieved its growth target and 44% of the existing family businesses are expected to grow rapidly (Rachman, 2016).

There are differences between businesses that are run by family members an those who do not. According to Miller & Rice (in Karunia & Mustamu, 2015), the factor that differentiate family business to other types of companies is the involvement of family members that occurs within the company. One of the things that makes a family company different is the existence of successors within the company (Churchill & Hatten in Karunia & Mustamu, 2015). According to their explanation, it can be said that not all companies are classified as a family business even though there are family members involved in running the company.

Every existing family business certainly wants to be able to survive from generation to generation and to achieve the vision and mission of the company. It aims to prepare the business to transfer power and control from the previous generation to the next generation. The succession is carried out by almost every existing family business because the leader of the family business does not always stay as the leader of the business, thus succession should be done in order to find a suitable substitute who is ready to replace the position. Succession itself is done with a plan that has been carefully thought out and in an effective manner, so that the successors are able to maintain and implement the vision and mission of the company. In addition, motivation from the successors hold a very important role in the sustainability of the company, transferring from one generation to the next generations.

The actions of succession within the company must go through stages of succession process. It is not always easy to perform the succession process of a family business and sometimes it does not go according to the wishes and plans that has been planned. Sometimes, the problems arise are caused by the incumbent who still has a sense of objection to pass their ownership of the company that he/she has built, the incumbent sense of distrust to the prospective successors and the fear of incumbent when he/she thinks that the company may be destroyed after they pass the company to the successor. In addition, there are differences of vision and mission from both parties (Poza in Karunia and Mustamu, 2015). From the successors point of view, the most common problem is the lack of experience or training to continue running the company and the lack of motivation. Based on the result of a survey conducted by Koh (2015 in Figure 1.2, 67% of successors said that they need extra training and support to deal with conflict and communication problems in the family, 54% need training to understand family governance, 63% needs training to develop their family leadership and family talent skills, and 34% needs training and support to learn about strategic and sustainable giving.


According to the result of a research conducted by Family Firm Institute (Hall & Nordqvist in Warsato & Susanto, 2018) in Figure 1.3, it was found that only 30% of family businesses were able to survive to the second generation, while 12% could survive to the third generation, and only 3% of them were able to pass the company to the fourth generation.

In this study, the researcher wants to discuss the succession process in a family owned business. At the moment, the company owned by the researcher is a company that has been established since 1998 and so far, the company has been running and led directly by the founder of the company. At this time, the company has started to run the succession process and the researchers has been included in the succession activities that exist in the company although the researcher has not been fully involved in running the business because the researcher still needs to complete his education study. the researcher is the first child or two siblings and is currently 22 years old. Now, the family business is planning a succession process to the second generation. In determining the potential successors, the company founder prefer the first child to take over the company because he is the oldest one, however the successor seems to be not ready to run the business and to build a positive family relationship. Therefore, the purpose of this study is to discuss the succession process as seen from the readiness of successors and family relations.

**THEORITICAL BASIS**

**Family Business**

Family business can be interpreted as companies run by family members themselves. A company can be classified as a family business if there are two or more family members oversee the financial department. In addition, there should be at least two generations involved in it and have an influence on the business policy. Family business can be divided into three types, namely family business, family owned business and business family (Ward & Aronof; Donnelley in Nirwanto, 2016; Tjondrorahardja in Laurence & Mustamu, 2015).

**Succession**

Succession is a process of transferring leadership from one generation to another, which aims to enable the company to develop and survive from generation to generation. The succession is a process carried out by the company's founder to transfer knowledge to the next generation of the family. In order to create a successful process, it requires time to develop the skills and it needs to be well managed. In addition, it is also a form of transferring power from one generation to the next generation of the company (Lee & Li in Nirwanto, 2016; Lipman, 2010; Khorlina & Mustamu, 2015).

**Succession Process**

During the preparation, the founder of the company prepares a succession by choosing the right candidate of successor who are seen to be able to continue, maintain, manage and develop an existing family business. There are several steps in order to prepare the prospective successors before determining the right candidate, which are preparation, assessment, profile development, planning, implementation and evaluation (Susanto in Warsanto & Susanto, 2018).

**Successor Readiness And Family Relations**

According to Morris, Williams and Nel (in Hadi & Mustamu, 2016), the succession process can be divided into two dimensions, namely: 1) The readiness of the prospective successors consist of four sub-dimensions, which are a) education level, b) work experience, c) training, and d) motivational development. 2) relationship in the family consist of three sub-dimensions, which are a) ways of communicating, b) giving trust, and c) conflict in the family.
METHODS
This study uses a descriptive qualitative approach to get the expected research results. The study uses data collection methods in the form of semi-structured interviews with the predecessor (RS) of Studio X family business, successors, and experts in the field of family business (HW and A) who are selected by purposive sampling. For data collection and analysis method, this study uses primary data mainly obtained by interviews. This study uses validity and reliability test using source triangulation (Sugiyono, 2015: 241).
To conduct the data analysis, this study relies on Mils and Huberman method, namely data reduction, data presentation and conclusion/verification.

RESULTS AND DISCUSSION
Planning of Succession
The succession process in this business starts from the planning process. The predecessor of the family business has a plan to make a succession to the successor with the aim that the family business owned at this time can survive. The planning is started by introducing the successor into the business from early on, introducing the materials used, the business environment, the connection they have, and also introducing successors to the collectors they have. According to the predecessor, the succession would be better if it was run as quickly as possible; the sooner the better and the earlier the better. He said:

“...I have a dream that this business can sustain well and long ... from the beginning, I have prepared my children ... that for the continuity of this business it needs a smart generation, who, who are able to compete ... according to me, the right time is to do it immediately as soon as we know it ... the faster the better, the earlier the better.” (RS)

Succession Preparation
Succession preparation in this business is done by preparing a successor in term of getting proper education, such as studying in business management and then taking a master’s degree in management so that the successor can better understand business management activity. In addition to education, the successor is introduced to the business products and to the business partners, such as galleries, collector, museum or writers. Training is also given as a form of preparation, such as training in packaging work, making certificates, documentation, and providing knowledge about transportation works. By knowing this information, the successor can adapt and understand more about the running of the family business owned. He said:

“... the preparation is based on experience is, I mean when the child is ready, of course, first of all, we need to seem them to the right field of education, in my opinion it is necessary for them to go to a business school so that they can manage the business. sending them to the right and the best school, introducing them to the product produced by the business, then informing them about the price, and the fourth to introducing them to business partners whether it’s a gallery, museum, collector, or writer ...” (RS)

Giving Responsibility
There are various types of responsibilities given by the predecessor to the successor, such as giving responsibility for contacting the suppliers, giving task to learn about MOU and to see whether it is appropriate, contacting
the expedition to send products, and making certificates for works that has been sold. All of these responsibilities cannot be given at once but are given slowly so that the successor can have the opportunity to carry out the responsibilities themselves. He said:

“To do so, whether we want it or not, we are giving our children, slowly, the responsibility that they need to do. Given the opportunity to do it themselves.” (RS)

According to Casillas, Acedo & Mareno (2007) (in Wangsawijaya, 2016), successor needs the opportunity to run a real part of the business that is owned, so that the successor can have the experience and feel the responsibility with their business.

Choosing the Prospective Successor
The prospective successor in a family business are determined by the predecessor based on the education they have; of the two children, those chosen are the one who studied in the business field. The predecessor saw that to keep the business running, the first child was asked to study business with the hope that the predecessor could delegate the family business owned to a child who have business capabilities and, in the future, can manage the younger child who have an interest in arts. According to the expert, the determination of a fair successor can be done by an evaluation by a third party so that there is no subjectivity and is fair. He said:

 “…I think to be able to survive this business, I send my older child to the business field, with the hope that when I grow old, this business can still take place. I will be able to delegate this business to my child or continue this art venture to my child is in business…” (RS)

Successor Readiness
Level of Education
Judging from the level of education that is owned by the successor, the family business successor already has an enough level of education where he has studied for a master’s in management. With education that he has this time, it seems that it is very appropriate for him to continue the family business owned. The successor has the ability to run a business, where it requires the successor to know enough about management skills, especially in the family business setting. According to experts, in carrying out succession there is no minimum education requirement. However, if a successor has a higher education, then it will be better because the higher the education level is, the more knowledge he has. He said:

“Nothing, there is no minimum formal requirements... There really isn’t. It is just that it is more, firstly the higher the education is, the more he will know about business.” (A)

Work experience
Work experience is an important thing for a successor to have. in this family business, successors do not have experience working outside the family business, but have experience in family business owned since high school, such as making work certificates, working documentation, contacting suppliers and expeditions, doing packaging work, as well as having experience making and running their own business in college. According to experts, successors can apply shadowing to their predecessors so that the successors can have similar business style as the predecessors. He said:

“Shadowing can come along, following the old man. So, the children do what the parents do, so that later the predecessor’s style will be embedded on the child. The
The Training Process
Training in conducting succession process is very important for the successor. In this family business, the successor has received training provided by the predecessor, namely training in the form of ways to certify works when the work has been completed, training to perform documentation works, and training to package the product so that they are able to understand and know which packaging is right and wrong, and giving the knowledge about transportation/delivery works. With the training, successors are expected to be able to understand how the existing work process and can do it themselves. According to experts, the training needed by successors varies depending on the family business and what is needed. However, successor training leads to tacit knowledge provided by parents to successors. Tacit knowledge is in the form of experiences obtained by parents while running a business, which is then given to their successors. He said:

“I think for this training, we cannot find the fix training, because each family business needs are different, yes.... Well, but it was just like that, we sometimes tacit the knowledge. Tacit knowledge becomes the parent's experience... Formal training may, of course, there is no harm in formal training... It depends on the needs, in that case.” (A)

Motivational Development
As a successor in the family business, it is important for them to have a high motivation to be able to run a succession and run the business owned. In this family business, the successor has been motivated by the predecessor, starting from giving a big picture of how the family business is running, the positives of the business and the future prospects. Besides, the predecessor often said that with the education level that the successor has, the business will be able to develop and will run well. These motivations are not only given by the predecessor, but also grows within the successor himself. The motivation grows because the successor has the desire to give the best to their parents and want to make his parents happy. In addition, the motivation grows when the successor was given the chances to get involved in the family business and his interest in arts. The expert said that the development of motivation can be done early by applying the 3D1S technique, namely Dolan, Dolanan, Dodolan, and Syukuran (Play, Playing, Sell and Thanksgiving). He said:

“There was one of the students' parents who said something interesting. He called it 3D 1 S” (A)

The first D is Dolan, which means play. In this stage, the parents invite their children to play within the business environment since the child is still little. Then, the second D, Dolanan or playing. In this stage, the parents invite their children to the family business and begin to slowly introduce them to the business by doing role play, such as playing trade with the parents with the aim that the children can get to know the existing business. Then the third D, Dodolan, which means that the parents invite the children to start getting involved in the business. Usually the parents start by asking the children to help sell their products. After doing so, both parents and children can celebrate as a form of thanksgiving for the sustenance obtained.

Family Relations
Ways to Communicate
Communication is one of the most important factors in a family business to limit the presence of misunderstanding and conflicts. In terms of communication, the predecessor
of this family business has a good relationship and communication with the successors and it also occur in two direction, both between the successor and the predecessor. If there are differences in opinion, they can solve them by communicating with each other. He said:

“So far, the communication between me and my child is doing fine. Our communication is very positive, two ways. If something happens, for example, when there is a cross opinion, everything can be solved well by having a good communication.” (RS)

According to experts, communication in the family is very important. Often times, most problems arise from bad communication, such as misunderstanding between family members. In addition, other problems that arise are parents tend to assume that their children already know what their parents want and vice versa. This is an essential matter and must be improved by good communication. He thought: “Yes, that is very important. In fact, a lot of problem arise from misunderstandings, from the way of communication... There is a lot of conflicts that arise due to communication problems.” (A)

**Trustworthy**

Trust is crucial in a succession of a family business. If there is no trust, the succession will never occur. Judging from the trust given by the predecessor to the successor, it can be said that the predecessor has a high trust in the successor’s ability to continue the family business. It is mainly based on the education that the successor has received. According to experts, trust is a requirement of succession. If the trust is not present, hence the successor will not happen. He said:

“Yes, if there is no trust, there is definitely no succession, right? Certainly. If you don’t believe it, it won’t be passed down to the next one, isn’t it? .... Yes, it is necessary, the requirement of a succession must start from trustworthiness.” (A)

Developing trust is a gradual process, starting from sharing a small trust to the bigger ones. In the sense that the successor must be involved in the family business that they owned, which then the trust can be given slowly.

**Family Conflict**

Conflict is something that should be avoided, especially in the family because it can break the relationship between the family members. In this family business, the predecessor and the successor rarely get into conflict, and if there is a conflict, they can resolve it properly and the business can keep run smoothly and well. This is in accordance with the statement of Morris et al (1997) (in Wangsawijaya, 2016) who stated that conflicts that occur in a company must be resolved quickly so as not to have a large impact on the company’s success. According to experts, conflicts in the family that often occur are sibling’s rivalry, that is conflicts that occur between sibling when determining who will continue the family business. Conflict with other family members that also likely to happen is when one other family members has a lower position than a successor, such as uncle, niece, etc. made a mistake. Another conflict happen between in laws, namely conflicts that occur when having a married daughter and the business must be left to o the daughter or the in-law. He said:

“For example, sibling rivalry that happened between siblings. Whether the oldest child will definitely be inheriting.... Then also, usually in a family business there are other family members that are involved, there are niece, uncle, and others. ... Let say when the uncle is his subordinate and made a mistake. What
should they do? They want to reprimand in the office, but at the same time he should respect the uncle as an elder. And other conflicts that can arise are between in-laws. So, about in-laws. Especially if our child is a girl, then we have a son-in-law, well, we should decide whether we want to pass the business to our daughter or our in-law.” (A)

Successful Succession Process
Every family business certainly wants to carry a smooth and successful succession process. To be able to find out the level of success of the succession, the business can create a KPI (Key Performance Indicator) to see whether the business performance has successfully gone through a succession. If the company develops, it can be said that the succession process is relatively success. However, it is not always that the developing company has a good succession process. There is a possibility that there is a conflict between the family members, which indicate that the family and the business is not in a good condition. He said:

“... in the succession process there was a KPI, a way to measure the progress. … must be specifically designed because each business is different. However, we can derive it from a generic one, then later we can adapt it accordingly. The point is to know whether we achieve our targets.” (HW).

CONCLUSION
The study examines how the succession process occurs in Studio X family business, viewed from the dimensions of family relations and successor readiness. The succession process starts from planning, preparing, giving responsibility and selecting successors. In addition, we see how the family relationship and the readiness of the prospective successor goes. Judging from the level of education, the successor of the family business has a fairly high level of education, where he currently is undergoing a master level of education. With the level of education that he will have, the successor is classified as having an excellent educational readiness. However, looking from the work experience, the successor has limited amount of experience of working with other people, but have had experience building their own business and have participated in the family business activities. It can be said that

MANAGERIAL IMPLICATIONS

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<tr>
<th>Aspect</th>
<th>Before the Research</th>
<th>After the Research</th>
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<tbody>
<tr>
<td>Successor Readiness</td>
<td>Successor's readiness looks good, in terms of education, training and motivation. However, he is still lacking work experience because they do not have experience with people from outside the family business.</td>
<td>The successor can have higher level of education, but definitely need more working experience. It can be done by trying to work outside the family business or given assignments to gain work experiences.</td>
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<tr>
<td>Family Relations</td>
<td>In terms of communication, trust, and conflict, the family relationship seems to be good and there is no issue between the family members.</td>
<td>In the future, the family should avoid any impending conflicts, such as sibling rivalry, conflicts between the in-laws and other family members.</td>
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<tr>
<td>Successful Succession Process</td>
<td>Have not perform KPI to see the performance of the family business.</td>
<td>Apply KPI to see how the business perform so far and to see the growth of the business after they carry the succession process.</td>
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the experience possessed is still lacking and needs to be improved. Looking at the training that has been undertaken, the successor has received several trainings, such as making work certificates, training for documentation of work before the work is ready to be marketed, training in providing a good and correct packing methods and training on transportation or delivery process. The successor has received enough training and it can be said that the trainings went well. Looking at the motivation level, the predecessor has always motivated the successor in form of giving the foresight of the family business that the business has the potential to be successful in the future by giving examples about well-known galleries and museums that are successful now. In addition, the predecessor also always convinces the successor that the business will be able to grow bigger and that the successor can develop the business because he has the capabilities and knowledge about business management.

The motivation possessed by the successors can grow from oneself as he is motivated to make parents proud and from the successor’s favorite with the art world.

In the dimensions of family relations, in general the communication between the predecessor and the successor of Studio X family members have been well and occurs in two directions. At the moment, there are no big issues yet, and when there is miscommunication, it can be quickly resolved by communicating it properly. Furthermore, the predecessor has trusted the successor to continue the family business that they have now. The predecessor seems to be fully understood about the successor’s capabilities and prepare him with the best education to be ready to run the business. Furthermore, there are no big conflicts within the family and every conflict can still be resolved properly.

REFERENCES


