



The Challenges Of Family Business Succession Process: A Case Study Of Two Major Batik Peranakan Entrepreneurs In Pekalongan And Solo

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Abstract

Family business has many challenges to sustain for generations. Two legendary peranakan batik entrepreneurial families halted their businesses at the third generation and this research looks for the causes of this failure. The research method used is qualitative, by interviewing main resource persons who are the third generation of legendary batik peranakan and then triangulating with other sources and previous research. The conclusion drawn is that there was no mature succession planning from the predecessor to the successor. Succession is not easy, let alone in creative industry like high quality Batik Peranakan that most of the process is tacit knowledge. Meanwhile, the difference in motivation and commitment of the next generation of these two family businesses do not seem to cause a difference in the final journey of Batik Oey Soe Tjoen and Batik Tiga Negeri. This study contributes to family business succession process especially those who run business in creative industries. Factors beyond succession planning and commitment of future generations can be the subjects to further research studies.

Keywords: Planning, Succession, Motivation, Commitment, Challenge, Creative Industry

1. Introduction

On October 2, 2009, UNESCO designated Batik as a world cultural heritage originating from Indonesia and in the category of intangible cultural heritage. However, long before that batik had become a part of Javanese culture. As quoted by Dharsono, G. P. Rouffaer, an Indonesian researcher from the Netherlands said that the Gringsing pattern of batik has been known since the 12th century in Kediri. Batik then developed and expanded in Java at the end of the 18th century (Dharsono, 2007).

In its later development in modern times, batik has experienced a decline, especially among young people, because there is a perception that batik is a garment for older people, its motifs and colors are boring, and they do not know the philosophy behind batik motifs. This condition continued, until in 2008 Malaysia claimed that

batik was their culture (Andwika, 2014; Inayatullah, 2010). Finally, the Indonesian nation's awareness of their richness in a batik fabric was reopened.

Initially, batik was only allowed to be worn by the royal family or the palace, both the Yogyakarta and Solo palaces. However, gradually batik could be enjoyed by ordinary people. Batik also received a lot of influence from outside, especially from China and Europe. Peranakan batik is produced and favored by people of Chinese descents. Unlike the palace-oriented batik, which is mostly colored soga (brown) and classic motifs, peranakan batik is more adventurous in experimenting with more colors (Lee, 2016).

The famous Peranakan batik center is in Lasem, a coastal area where many immigrants from China lived, intermarried, built businesses, one of which was batik (Mekarsari & Jatmiko, 2020). The Chinese influence on peranakan batik can be seen in the motifs of Hong Birds, Dragon, Chrysanthemum Flowers, Banji (swastika), Chinese ancient coins, and others. Peranakan batik then expanded to Pekalongan, Solo, Jogja in line with inter-family marriages and a shift in domicile.

These families of Chinese descent who are batik entrepreneurs have a secret recipe for batik coloring which later becomes the hallmark of their batik production. The level of refinement and coloration often measures the value or price of a piece of batik cloth. The more detailed and refined the art, and the better the coloring, the more expensive the batik will be.

After experiencing its heyday, the Chinese family companies that did business in the batik sector, gradually decreased in number. They can last only two or three generations. The next generation choose another profession or job as their livelihood. The secret coloring recipes for the family business remain a secret and gradually disappear with the cessation of company operations.

It has been a long time and many studies have been conducted on family business succession, but relatively few studies have focused on specific family business successions in the creative industry, especially those containing high taste and tacit knowledge such as family companies that produce batik tulis. Indonesia's creative economy comprises 16 sub-sectors: apps and game development; architecture; interior design; fashion; product design; visual communication design; movies, animation, and video; photography; crafts; culinary arts; music; publishing; advertising; performing arts; fine art; television and radio (Jewell, 2019). As a part of fashion sub-sector, batik tulis is very rich of cultural content. There is no two identical batik tulis. Design of a piece of batik goes through a very complex process. Thus, it becomes the competitive advantage of batik tulis (Hariani et al., 2019). Peranakan batik tulis, which is part of the batik tulis industry, has very different design from traditional one that initially generated from Javanese palaces in Yogyakarta and Solo. With its unique design and color that was an acculturation of three cultures: Chinese, Javanese, and Dutch, had its own market which were Chinese high rank families, Dutch colonial officials, and later Indonesian government officials, as mentioned by both respondents:

"From Oey Soe Tjoen to Oey Kam Long, the market is still the same. In the old days, my grandpa, the market was cloves and tobacco business owners, and though not that much Dutch colonial officials as well." (Ms. Oey Kim Lian)'

“Our customers are mostly from wealthy Chinese families in Sunda, they are captivated by our innovation, especially the red color on our batik.” (Mr. Tjoa Siang Swie)

Experiencing its golden age from the 1920s to the 1970s, the peranakan batik tulis market continued to decline. The attachment of batik entrepreneurs to detailed and complex designs and process is an obstacle in being able to pass it on to the next generation. In fact, there has been a significant decrease in the number of family companies engaged in batik tulis. Research conducted by Nurainun and Rasyimah on the batik industry in Indonesia found that the number of batik craftsmen in Jogja, one of the largest batik centers in Indonesia, has decreased drastically from 1200 business units in 1970, to 400 business units in 2008. The same condition happened in peranakan batik center in Lasem, from 140 batik entrepreneurs in 1950, half in 1970, and only 12 remaining in 2008 (Nurainun & Rasyimah, 2008). Similar finding was obtained by Widyasari et al., who studied the effort of preserving batik peranakan with case study of batik Oey Soe Tjoen (Widyasari et al., 2017), and Lukman who stated that peranakan batik suffered a vast decline after 1970s due to the changes of the clothing style, higher tension of anti-Chinese in New Order regime di 1980s, and the reluctant of younger generations to continue their family's batik business (Lukman et al., 2019).

2. Literature review

Previous research that supports this research will focus on planning the succession of the family business, the process of family business succession, and the obstacles faced by batik tulis companies in transferring the company to the next generation.

2.1. Succession Planning

Be it in large companies of family business or smaller ones, researchers had agreed that succession planning is very crucial for the sustainability of family business (Boyd & Royer, 2015; Mokhber et al., 2017; Sharma & Irving, 2005). The difference is that in large family enterprises they have wider choices in term of choosing the successor, while the smaller ones have more limited selections (Mokhber et al., 2017; Tatoglu et al., 2008). Unfortunately, many small family-owned companies could not survive for the second, third, and further generations due to lack of a good succession planning (PwC, 2014; Voithofer & Mandl, n.d.). Many researches have been conducted to seek for that succession planning steps need to be done by the predecessor in order to keep their business alive.

Prataama and Indriyani (Prataama & Indriyani, 2016) in their qualitative research found a family business succession planning pattern in four stages: 1) preparing successors by sending to formal schools as a provision for the knowledge of the successors and continuing to introduce predecessor companies to prospective successors, 2) conducting an assessment the talent and interest of the successor to the family company, 3) developing the competence of the successor related to the ins and outs of the company, 4) the predecessor explaining to the successor the company's development plan so that the successor gets an idea of what he will do as the successor of the family business.

Kusumantoro and friends in their research on Batik entrepreneurs in Pekalongan also found that succession planning was carried out by parents by involving their

children from childhood in the business processes of family companies, both in terms of production and management by involving them little by little in the company's operational activities (Kusumantoro et al., 2020). While Umans' research from inter-generational relationship's point of view found that the higher the quality of relationship between predecessor and successor the more it strengthens positive effects of the succession intention on the succession planning level (Umans et al., 2019).

2.2.Succession Process

In the process of family business succession, parents have the most important role. Their passion, all the skills and networks they have transferred completely to successors. Color recipes that characterize family batik were passed on to successors either by involving them in mixing color activities or in the form of written formulas. Employees who work on a complex series of batik processes will also be included in those who will be transferred to successors. Not to forget, people who have become customers of family batik, become part of the legacy that is passed on by successors (Kusumantoro et al., 2020). Not only tangible inheritance is passed down, no less important is intangible abilities such as passion and other soft skills required, namely the ability to innovate, communicate and negotiate, make decisions (Duh, 2014).

Chrisman, Chua, and Sharma set out six steps that need to be done carefully in a family business succession planning (Blunden et al., 2013). Those six steps are 1) determine the ownership, governance and management of the family business and their respective involvement in it, 2) form a succession task force, in which several people are given responsibility for managing this process, 3) define criteria for selecting successors, such as entry and exit rules, 4) develop successor's capacity to ensure that successors are well prepared to take over the leadership of the family business, 5) determine the time of transition and clear management and ownership transition processes, 6) reorientation of the leadership position of the predecessor leader and his staff. Different from general companies, in family business it is important to do this to ensure a smooth takeover of leadership because there are various types of leaders who face succession.

Good succession planning must also be accompanied by a commitment from the successor of the family business, because that commitment determines whether or not a family business will continue or develop. In their research, Sharma and Irving (Sharma & Irving, 2005) found that there are four motivations that drive the next generation to commit to the family business succession process, namely 1) affective commitment, which is based on the successor's strong personal belief and acceptance of the company's goals, combined with the desire to contribute to these goals and the confidence to do so. In short, there is a desire from the successor to develop a career in the family business, 2) normative commitment, namely commitment that is based more on a feeling of responsibility (bond) or the obligation to continue the family business. So not solely because of personal desire, 3) calculative commitment, is a commitment based on the calculation of profit and loss. Successors are willing to continue the family business with the consideration that they do not want to lose opportunities or lose their rights to the assets owned by the family business, 4) imperative commitment, a commitment to be involved in the family business which is based more on feelings of insecurity to get a decent job and pursue a career or success outside the family business.

THEORETICAL FRAMEWORK

2.3. Knowledge Transfer Process

From the results of their research on the oldest family companies in Japan that still survive until today, Matsushita Company, Nonaka & Takeuchi distinguish two kinds of knowledge, explicit and tacit. Explicit knowledge is knowledge that can be transferred easily because it is printed in documents, for example the company's vision and mission, regulations, job descriptions, recipes, methods, production processes, and others. On the other hand, tacit knowledge is knowledge obtained not by reading or looking through documentation but by seeing, listening, feeling, and experiencing. Examples of tacit knowledge are resilience, intuition, taste, understanding of company consumers, knowledge of market tastes, company-supplier relationships, etcetera (Nonaka and Takeuchi in Boyd et al. 2015).

The tacit knowledge that a family business has is usually their competitive advantage that differentiates it from other companies. Due to its non-explicit nature, tacit knowledge is relatively difficult to transfer. The most appropriate example is a business that is included in the creative industry because the value of the products produced is determined not by their physical appearance but by their ideas and creativity. Even certain tacit knowledge, for example, in the transfer process requires extra effort and persistence and requires a long period of time so that this tacit knowledge can eventually be internalized by future generations (Cabrera-suárez et al., 1994).

2.4. Succession Process

There are not many family companies that can successfully sustain their business for more than three generations, because succession in family companies is not as easy as non-family companies. Blood ties and emotional ties clearly influence the family business succession process. Disputes between family members in managing family businesses are common. In addition, there are also factors of preparation and readiness for the next generation. A good family business succession does not just happen but goes through many stages that must be well planned by the predecessor generation for the next generation, even starting since the next generation has not really been involved in the management of the company which is then gradually given greater responsibility in line with development. the next generation of personalities (Handler, 1990).

The succession process does not only involve internal parties, namely family members, but also external parties that cannot be separated from the family business, such as employees, suppliers, vendors, and also old customers (Morris et al., 2006). Gradually the successor is introduced to parties related to the family business, and vice versa, so that when the succession process takes place all parties know and adjust to the new situation.

2.5. Other Challenges of Batik Entrepreneurs

Apart from the problem of succession in the internal family business of peranakan batik entrepreneurs, it must be admitted that there are also several external factors that play a role in the continuity of family companies that are involved in the world of peranakan batik, which for both Batik Tiga Negeri and Batik Oey Soe Tjoen are the reasons why they do not continue their family businesses.

Suliyanto, et al. researched the perceptions of the younger generation of the batik craftsman profession and concluded that the batik craftsman profession is perceived as 1) having a small income, 2) requiring an artistic spirit, 3) needing persistence, 4) being able to do it as a side job, 5) unclear career path, 6) giving freedom of expression, 7) not prestigious, 8) more relaxed, 9) no need for large capital, 10) there is no certainty of income (Suliyanto et al., 2016). Seven out of ten perceptions do not encourage the younger generation to enter the batik industry.

Meanwhile Amalia, et al. conducted research on batik entrepreneurs in Semarang and divided the barriers into internal and external ones. From the internal side, the existing obstacles are ineffective and inefficient distribution and promotion channels, lack of capital, insufficient workforce, and less tidy management. From the external side, there are two obstacles, namely inflation which impacts on raw material prices and competition (Amalia et al., 2018).

In terms of consumer preferences, Kurniasih categorizes the prices of batik tulis that consumers are interested in. The largest is under IDR 500,000 as much as 65%, between IDR 500,000-IDR1 million as much as 25%, and the remaining 10% for batik tulis above IDR1 million (Kurniasih, 2018). In addition, consumers are now also faced with so many choices of non-written or stamped batik which can be very cheap, such as batik printing. Many of these batik motif printing fabrics also come from China and Malaysia which makes competition in the batik industry even harder.

3. Research Method

The research method chosen was qualitative, by conducting interviews, observing the products, and processing data from two well-known batik peranakan entrepreneur families in Java. Although both of those prominent batik peranakan firms have similar situation, still they will be compared in the stages of succession planning, succession process, and the causes why they can survive more than three generations.

The first informant was Ms. Widianti Wijaya, the third generation of Batik Oey Soe Tjoen in Kedungwuni, Pekalongan. We interviewed her when a group of batik collectors held an exhibition to showcase and to auction Batik Oey Soe Tjoen in Surabaya. Ms. Widianti also known as Oey Kim Lian, her Chinese name, was invited on this event and we managed to interview her on site.

The second one was Mr. and Mrs. Tjoa, the third generation of Tjoa Giok Tjiam, Solo batik entrepreneur who founded and promoted Batik Tiga Negeri. We got permission to interview both Mr. and Mrs. Tjoa in Jakarta, where they and almost all Mr. Tjoa's siblings were invited to do meet and greet with Indonesian batik collectors in a 3-day-exhibition "Batik 3 Negeri: A Legend". Data triangulation was carried out by exploring and comparing it with literature sources such as printed books about both Batik Oey Soe Tjoen and Batik Tiga Negeri, and previous studies in the form of journal articles about family business, batik, and batik peranakan.

4. Result and Discussion

4.1. History of Batik Oey Soe Tjoen and Batik Tiga Negeri

The history of Batik Oey Soe Tjoen begins with the third son of batik entrepreneur Oey Kie Boen. Oey Kie Boen's extended family are well-known batik entrepreneurs in Pekalongan who have each succeeded in developing batik with their own names. When he married Kwee Tjoen Giok Nio, Oey Soe Tjoen decided to make batik with his own name and trademark, which incorporated European elements into his batik. A Dutch batik entrepreneur, Oey Soe Tjoen's friend, Eliza van Zuylen, was the one who gave this European influence. Oey Soe Tjoen has two daughters and one son. Actually, Oey Tjip Nio, their second child was prepared to continue this family batik business, but because she died young after delivering her child, his third child Oey Kam Long, who was studying law in Jogja at that time, was called home and asked to continue this family business. Oey Kam Long's daughter, Oey Kiem Lian, is the third generation who continues this family batik business.

Oey Soe Tjoen was known for his expertise in dealing with the Dutch and wealthy Chinese families, so that the batik he produced became valuable items the upper class looked after. According to Oey Kim Lian, at that time Oey Soe Tjoen Batik became a symbol of prestige for wealthy families. Rich people loved to wear this Oey Soe Tjoen batik to show their positions. In fact, it was not uncommon for Batik Oey Soe Tjoen to become the dowry of couples from rich families tied the knot (Liong, 2014).

Until this third generation, this reputation has been successfully maintained. Oey Kim Lian makes batik mostly based on orders, mostly batik collectors, which process can take months or even years. This is due to several reasons; intricate and delicate motifs, time-consuming coloring process and extreme care must be taken so as not to damage the fabric, and especially as it is increasingly difficult to find highly skilled batik makers capable of producing the delicate batik they make.

Batik Tiga Negeri was a batik style developed by the Tjoa Giok Tjiam family in Solo. It was named so because inspired by Chinese history, Sam Kok, which means three countries. The process of making Batik Tiga Negeri was indeed carried out in three cities: Lasem, Pekalongan, and Solo. The Tjoa family had a coloring recipe which consists of three main colors, red, blue, and soga. To combine these three colors, a piece of cloth must be carried all the way to Lasem, to get the red coloring called "getih pitik" or "chicken blood" red, and to Pekalongan to get blue coloring, and in Solo for the color sogan or brown. One interesting fact about the Tjoa family's Batik Tiga Negeri was most of their customers were rich Chinese families in West Java.

The tradition of coloring in three cities continues to be maintained by the second generation and the third generation with a few additional variations. Apart from coloring, the Tjoa family was also famous for having another family tradition, it was the writing of "Mrs." in their batik stamp. For example, Tjoa Giok Tjiam wrote on his stamp Mrs. Tjoa Giok Tjiam. Likewise, with all of his children and grandchildren who continued this batik business. The exception was Tjoa Siang Swie who was married to Sie Hing Kwan, with the excuse of respecting her husband, Sie Hing Kwan, who did not affix Mrs. on their batik stamp. Another family tradition was that the recipe for mixing colors is only passed on to sons who

were expected to continue this family business. The Tjoa family themselves, one by one, have now stopped all their batik businesses. The last one is Tjoa Siang Swie who chose to retire in 2014 without transferring this business to their children (Gratha, 2018).

4.2. Succession of Family Companies

Both the Oey family and the Tjoa family who started their businesses between the 1910s–1930s were both reaching their third generation. Their grandparents prepared the children to continue this family business. They passed on the recipe for coloring concoctions, which was the key of their beautiful batik, to their children and grandchildren. The daughter-in-laws and granddaughters in this family were educated and trained directly by Liem Netty, wife of Tjoa Tjiang Giam, so that they could support their husbands' business, as stated by Mrs. Sie Hing Kwan, wife of Tjoa Siang Swie who is the last generation of Batik Tiga Negeri,

“When I joined the Tjoa family, it was Mak Netty (grandma Netty) who taught me the color grip, the production process, how to organize employees, as well as how to make the batik itself. The learning process comes from working directly on this batik business.”

It was not too difficult to teach how to make batik to the daughter-in-laws, because usually they also come from a batik family or a family that did business with batik raw materials, such as wax, cloth, and so on.

The second generation in the Oey and Tjoa families managed to pass on the baton of their parents' business and developed batik by adding minor changes to the motifs and coloring of the batik. Like their parents, the third generation of the Oey and Tjoa families also continued this family business. Despite this, in 2014 the Tjoa family decided to close their business permanently. This is because they face many difficulties with batik workers and product marketing. It really was a challenge to get skilled batik makers to make delicate motifs. In addition, the price of raw materials continued to rise, while the market was not easy to accept the increase in the price of batik cloth.

Like the Tjoa family, Oey Kim Lian, the third generation of Batik Oey Soe Tjoen, has a planning to quit this batik business when she reaches 50 years old, which is in 2025. Currently she has 12 employees, far fewer than when her father Oey Kam Long was still alive with 60 employees. They are, on average, older at least 10 years than her. So when she reaches 50 years old, his employees will be 60 years old, and their energy will be subdued, their vision will also become blurred due to the aging process. Oey Kim Lian had tried to recruit three new batik artisans, but instead of being skilled, they repeatedly made mistakes during the batik process, damaged the fabric that was being worked on and that means a loss for the business..

Table 1: Comparison of Succession Stages

No.	Succession Planning Stage	Batik Oey Soe Tioen		Batik Tiga Negeri	
		1st Generation to 2nd Generation	2nd Generation to 3rd Generation	1st Generation to 2nd Generation	2nd Generation to 3rd Generation
1	Define the broad ownership, governance, and management goals	Yes	No	Yes	No
2	Organize a succession task group	Yes	No	No	No
3	Set criteria for selection of the successor	Yes	No	No	No
4	Develop the successor	Yes	Yes	Yes	Yes
5	Time the event	No	No	Yes	No
6	Re-orient the retired incumbent and other contenders	No	No	No	No

Using the six stages of the succession of Chrisman, Chua, and Sharma as summarized by Blunden, Sharma, etc (Blunden et al., 2013), the table above shows how succession planning in the Tjoa and Oey families was carried out from generation to generation.

In the Batik Oey Soe Tjoen family business, which was the name of the founder from the first generation, from the six stages of succession, the first generation carried out the first stage, that is determining ownership, managing their family business, and division of labor. There was a similar pattern between the Tjoa family and the Oey family in the division of roles in the family business. The men in the family were usually responsible for color mixing, the coloring recipes that are characteristic of family batik were kept carefully by them. The women had roles in providing supervision for the entire batik process, starting from design, motifs, patterns, evening compounding, batik, highlighting, until it is ready to be marketed. The second stage in the succession process, namely forming a succession task force, was not carried out by the Oey family formally but took place naturally.

The third stage, determining the criteria for successor, was carried out by Oey Soe Tjoen. Their eldest and youngest children, Oey An Nio and Oey Kam Long, were not prepared to be the successors of Batik Oey Soe Tjoen. Oey An Nio married and joined her husband's family and Oey Kam Long, who had good academic abilities, chose to continue his studies at the law faculty at a state university in Jogja, to become a notary later. Based on the condition of his children, Oey Soe Tjoen had chosen his second child, Oey Tjiep Nio, to continue this business family. As told by Ms. Oey Kim Lian, as follows:

"Oey Kam Long, because he was good at academic, pursued a notary career and did not do batik. As our grandfather's order, only one child should be involved in batik. My grandfather had a time like when a family with two children, both make

bread, one is sweet bread, the other one is savory bread, then when entering the market, the savory is more highly in demand than the sweet's. Then there is jealousy towards you because your bread is more favorable, and they say bad things about you. Now, because my grandfather had felt that way with his own siblings, he did not want any of his children to feel that, so he had rule only one child would continue the family business."

Together with his wife, he prepared and equipped his daughter with all the skills needed to continue the family business. But unfortunately, Oey Tjiep Nio did not live long, she died right after giving birth to her first child. The incident hit and depressed Kwee Netty and to raise his wife's spirit, Oey Soe Tjoen called his youngest son home and asked him to start a family and live with his parents. Oey Kam Long was also the one who finally replaced his older sister who died to continue the family business.

Upon returning to his parents' house in Pekalongan, Oey Kam Long, assisted by his wife, went straight to managing the family business. It did not take long for him to master the skills in coloring because even though he was not specially prepared to continue the family business, since childhood he had been helping his father and mother work, seeing and feeling how his father did the process. Meanwhile, Kam Long's wife learned the whole process of batik directly from her mother-in-law, so that she could support her husband.

In his journey, Oey Kam Long, who was the second generation of Batik Oey Soe Tjoen, did not specifically prepare his children to continue this family business. He freed his three children to choose other professions and gave up this family batik company. Until one day, in his middle age, Oey Kam Long suddenly fell seriously ill. Realizing that his time was not long anymore, he summoned Oey Kim Lian, his only daughter and handed her the recipe for the coloring that had been passed down from generation to generation.

In the Tjoa family, only two stages were carried out, namely the first generation determined that Batik Tiga Negeri was managed by the entire family, Tjoa Giok Tjiam and his wife Liem Netty, their children and in-laws. Giok Tjiam and Liem Netty, who both had family that ran business in batik industry, carried out their respective roles. The Tjoa family's Batik Tiga Negeri was very famous for the distinctiveness of its three main colors, blue, red, and soja. The complex process of coloring the Batik Tiga Negeri spanned three cities and carried out under the direct supervision of Giok Tjiam. Liem Netty, his wife, was responsible for the Tiga Negeri batik motifs and patterns. Even though the batik process was carried out by employees, the ideas, designs, motives, patterns, and qualities were closely supervised by Liem Netty.

Like other peranakan batik entrepreneurs, Batik Tiga Negeri was a middle scale company and the company is fully managed by family members without involving outsiders at the management level. Thus, the second stage in family business succession planning was not done formally but taken place naturally by parents towards their children. Likewise, in the third stage, due to the condition of Giok Tjiam and Liem Netty as the first generation, they prepared their two sons to continue the family business. In the fourth stage, Giok Tjiam and Liem Netty prepared their two sons by teaching them all the knowledge and skills they had.

Liem Netty specifically taught her daughters-in-law to be partners and helpers for their sons. The fifth and sixth stages of succession were also not carried out in a planned manner. In the Tjoa family, parents continued to be involved in management to the point at where they were no longer physically able. On that phase, his sons naturally and gradually took up a bigger portion in managing the family business.

The succession process of the second generation of the Tjoa family to the third generation was not far different. The eldest son of the Tjoa family, Tjoa Tjoen Kiat, had three children: Tjoa Siang Gwan (son), Tjoa Tjing Nio (daughter), and Tjoa Siang Swie (son). The three children continued the family batik business. The second son of Giok Tjiam and Liem Netty, Tjoa Tjoen Tiang had three children as well, but only Tjoa Siang Hing their first son continued this business, while the other two children chose other professions.

The pattern of succession to the third generation was like that of the second generation, since the very early age their children were involved in family businesses according to their respective capacities. All the batik developed by the second and third generations were still loyal to the Tjoa family standard, which used three colors. The difference was, in the third generation, along with industrial development, coloring did not need to be done in different cities and they also started using artificial dyes. Most innovations were done in the third generation, especially in color. Soga color was increasingly being abandoned, replaced by blue with all its variations such as turquoise blue, as well as the red color, which had developed variations to maroon. Though there were changes in colors, if you look at the batik produced by the Tjoa family, you can still recognize the distinctive characteristics of the Batik Tiga Negeri (Gratha, 2018).

The third generation of the Tjoa family was the last generation to produce Batik Tiga Negeri. After one by one his siblings discontinued the family business, Tjoa Siang Swie became the last grandchild to survive until 2014 and none of the couple's children continued the legendary Batik Tiga Negeri of the Tjoa family.

Table 2: Comparison of future generations' commitments

No.	Next Generation's Commitment	Batik Tiga Negeri		Batik Oey Soe Tjoen	
		2nd Generation	3rd Generation	2nd Generation	3rd Generation
1	Affective commitment	√	√		
2	Normative commitment		√	√	√
3	Calculative commitment				
4	Imperative commitment				

From the table above, uses four types of motivation for the next generation, which are the results of research by Sharma and Irving (Sharma & Irving, 2005), we see the difference in the second generation of the Tjoa and Oey families, which was caused by the death of second child who was prepared to continue Batik Oey Soe Tjoen and eventually replaced by his younger brother who initially chose another profession. In the third generation of Tjoa, there were two kinds of commitments from the next generation: Tjoa Siang Swie, who fully conscientiously continued to develop the family business, and his other siblings who were committed more because of moral obligation, as a form of service to their parents. In Batik Oey Soe

Tjoen's generation, both the second and third generations all started with a normative commitment, who continued the family business more as a child's obligation to their parents.

4.3. External Barriers to Sustainability of Family Business

Apart from the problem of internal succession which is the main problem for the continuity of the family business of peranakan batik entrepreneurs, it must be admitted that there are external factors that influence the decision of the last generation not to continue this business to the generations below.

The batik industry is very dependent on the batik makers who need a long process to become skilled and regenerate is difficult. Each batik entrepreneur usually has a dozen batik makers who work full time in their homes and dozens of other batik makers who usually have other jobs, such as farmers. The farmers who are skilled at making batik work on the batik process at home and in their spare time after returning from the fields. The cloth that has been processed into batik is then submitted to batik entrepreneur. The process of making batik requires a high level of diligence and accuracy, and this is not widely shared by the younger generation, so the increasing number of young people are interested in pursuing this art of batik and making it a livelihood.

This is in line with research conducted by Sulistiyono et al. which shows the reluctance of the younger generation to become batik craftsmen with all the perceptions they have (Suliyanto et al., 2016). The problem of labor regeneration, especially the batik makers, is also being faced and becomes the main obstacle for the two families of batik entrepreneurs. Both the Tjoa and Oey families have similarities in terms of very detailed batik patterns that require a high level of accuracy and persistence, something the younger generation does not like especially if it is not balanced with a large income.

“I actually want to increase the number of employees who make batik, but no one can. Once I appointed 3 new employees, three of them destroyed the batik they made. If this continued, how many batik will be damaged.” (Oey Kim Lian)

“One of my children actually was willing to continue this business, but raw materials are getting more expensive and skilled workers are increasingly difficult.” (Mrs. Tjoa Siang Wie)

When the company stopped operating, the price per sheet of Batik 3 Negeri Tjoa family was in the range of 1 million to 1.5 million. This price is difficult to cover production costs, especially with inflation which causes raw material prices to creep up. However, the Tjoa family also said that if the price were increased, their customers would object, while cheaper batik options outside were increasing. Referring to the research of Amalia, et al, in the middle group that spends money on batik cloth, only 10 percent are willing to spend more than a million for a piece of batik cloth.

A different thing happened to Batik Oey Soe Tjoen, which costs around 20 million per sheet. This shows that Oey's batik market is very friendly, namely collectors

who are willing to spend that much money and are willing to wait for the queue for their batik cloth to be done, which can take up to three years at most. Indeed, if you look at the price of Oey's batik, the price preference of their customers is not a problem, but if we take into account the amount of batik they can produce in a year is only about 25 pieces, then in terms of business it is only enough to sustain this business and it is difficult to develop it.

The idealism of the Tjoa and Oey families to only produce high-quality batik and there is no diversification of the level of product quality is also one of the reasons this business finds it difficult to survive amid competition and the onslaught of imported batik motif fabrics.

5. Conclusion and Implications

The Batik Tiga Negeri family company can only last three generations and the third generation that manages Batik Oey Soe Tjoen is already planning to end their business in five years. The succession process of the two family business which stopped in the third generation was due to the absence of good succession planning. The succession that lasted for three generations was natural based on business instincts, apart from the limited knowledge of the family business itself and another supporting knowledge.

From the motivation side of the next generation, we see that both future generations have an affective commitment and a normative commitment, both of which end in the third generation. So, it can be said that there are other factors beyond the motivation and commitment of the next generation that can maintain the continuity of the family business. These other factors can be used as a subject for further study.

From the external side, the batik companies that depend quite heavily on batik makers have difficulty regenerating, not because of the inability to train new people to become skilled, but because fewer people are willing to work as batik makers through long training and requiring a high level of perseverance. In addition, the idealism to maintain the characteristics and quality of their batik and the absence of product quality diversification make it even more difficult for them to survive. We hope from this research, batik peranakan entrepreneur can be maintained by innovating their process and product.

From this we can see that the succession of family firms in the batik tulis industry involves many more complex aspects than other family firms. The continuity of a business in the batik tulis industry requires not only passion, hard work, internal communication, managerial skills, technical skills, and the willingness of the next generation to continue the business, but there are also other factors that must be met, namely the regeneration system of the batik makers, which are the backbone of this business. Batik fabrics with high quality and artistic taste will always have consumers, but they must be balanced with adequate labor to maintain the continuity of production. Thus, they need to be equipped by formal education, for instance, in order to manage the human resources needed to continue their business.

Other important study can be done is research in how batik peranakan family business document the tacit knowledge they have in this industry so it will be easier to transfer to the next generation.

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