# The Succession Factor of Family Business: The Perspective of Successor

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**Abstract**

Family businesses play a significant role in the global economy, accounting for over 61.25% of the Gross Domestic Product. However, the survival rate beyond the third generation is less than 10%, highlighting the importance of successful succession for sustainable business. While previous research has identified various factors contributing to successful succession in family businesses, there needs to be more focus on the successors' perspectives. This study aimed to examine factors related to successor readiness and explore challenges and success factors during the succession process from the viewpoint of family business successors. The research was conducted in Indonesia, involving seventy successors from small and medium-sized family businesses such as craft, retail, food and drink, and garment/fashion. The findings revealed the factors that contribute to successor readiness, including experience working in a different company, experience working in a family-owned company, specialized knowledge in the industry, industry-specific knowledge, individual preferences or personal necessities in working for the family business, dedication, and loyalty to the company, financial incentives or monetary rewards, harmonious family dynamics, interpersonal relationships among family members and trust in the successor's competence**.**Addressing these factors appropriately, both by the predecessors and the successors, will ensure the continuity of the family business into the future.

**Keywords:** family business, succession, successor, sustanaibility

# 1. Introduction

Family businesses are unique firm that faces various challenges (Mandic & Mandic, 2020). These challenges can be relevant to all types of firms, but family businesses have the added complexity of dealing with family dynamics and succession planning (Chahal & Sharma, 2020). One of the key issues that family businesses face is the transfer of ownership and control from one generation to the next (Muhumed, Bodolica, and Spraggon, 2017). This process can be difficult, as the founder's legacy and the successor's dilemma can create tension and conflict within the family (Muhumed et al., 2017). However, family businesses have unique strengths, such as leveraging family to create hard-to-duplicate capabilities (Ensley & Pearson, 2005)**.** Despite the challenges, family businesses remain an important part of the global economy, particularly in emerging countries (Iturralde & Maseda, 2018)**.** As family businesses continue to navigate the complex landscape of ownership, control, and succession, practitioners and researchers need to understand the unique dynamics of these firms (López-Fernández & Maseda, 2021).

Succession planning is a critical issue for family businesses, particularly when younger generations take over the reins (Deng, 2010). The challenges of succession planning are numerous, including balancing family dynamics with business needs (Mello & Franco, 2019). One of the key issues is ensuring that the next generation has the necessary skills and experience to lead the business successfully (Wittmer et al., 2021). However, many young successors face a steep learning curve, as they may need more experience and knowledge to run a business effectively (Alrebdi & Ahmad, 2021). Some family businesses have turned to peer groups and other forms of leadership development to help prepare the next generation for leadership roles to address those challenges (Sheta et al., 2021). Another issue is the need for a well-structured succession plan, leading to conflict and uncertainty (Istiatin & Susanti, 2021). Finally, cultural differences can also play a role in succession planning, as seen in studies of family businesses in Taiwan and Africa (Lee & Chen, 2022; Muhumed, Bodolica, `and Spraggon, 2017). Despite these challenges, family businesses continue to be an important part of the global economy, and there is a growing body of research aimed at helping these firms navigate the complexities of succession planning (Larino, 2023; Jayakumar et al., 2021).

Family-owned businesses face unique challenges when it comes to succession planning. Many factors influence their decision to enter the family business, including primogeniture in certain cultures (Ozdemir & Harris, 2019) and the vulnerability of micro, small, and medium-sized family-owned business enterprises to intergenerational business succession (Jain & Jain, 2014). Small and medium-sized family businesses face additional obstacles compared to larger family-owned businesses regarding succession planning and maintaining family harmony (Martins et al., 2009). One of these obstacles is the need for preparation by heirs (Kuo, 2022). Other factors that contribute to the failure of succession planning include the influence of intergenerational authority and the absence of a shared vision for the future of the family business (Miller, 2014). However, family involvement in the firm can lead to higher family-to-business support and better entrepreneurial outcomes (Powell & Eddleston, 2016). While studying family-owned businesses, the success of their succession plans must consider their size, culture, values, and preparation levels (Mokhber et al., 2017; Merwe et al., 2012; Hnátek, 2012).

Young entrepreneurs who aspire to be family business successors must consider their strengths and weaknesses to succeed in their endeavors (Ponce et al., 2013). In small and medium enterprises (SMEs), there are several obstacles for young entrepreneurs to overcome to successfully inherit the family business (Alasadi & Abdelrahim, 2008; Mokhber et al., 2017). These issues include a lack of formal business education, a lack of preparedness for the position of ownership and management, the absence of support from family members, interpersonal conflict, and regulations or norms that make it difficult for young people to take over family businesses (Sarker & Palit, 2014; Weltermann & Strazovska, 2021; Boonsathorn & Sirakiatsakul, 2018). It is crucial to investigate how small business owners can succeed in their family business succession planning because it not only has an impact on their businesses but also affects the broader economic landscape (Alasadi & Abdelrahim, 2008; Chin & Harun, 2015; Thapa et al., 2009). Business model innovation can provide a different perspective considering the entrepreneur's humanistic approach (Wang & Hu, 2016). Despite the many challenges young entrepreneurs may face when taking over a family business, recognizing these hurdles is crucial to the success of their business.

*The family business* is a crucial sector contributing to a country's economy, including small and medium enterprises (SMEs) (Anwarudin et al., 2020). One of the challenges a family business faces is ensuring its sustainability and successful continuity, especially in achieving the family business goals(Mahjudin & Daengs, 2017). The family business needs help in succession planning, innovation, and adaptation to the changing market. One of the strategies to overcome these challenges is implementing effective management and marketing, branding, digital marketing, and entrepreneurship training (Ramaditya et al., 2020; Putera, 2023; Anisah, 2023). In addition, SWOT analysis and planned organizational changes also empower the family business (Purnomo et al., 2021; Bramantyo & Wijayadne, 2022; Setiyawati, 2022). Another important aspect that contributes to the success of the family business is the founder's values that guide the management of the business (Cahyadi et al., 2021). In Indonesia, there are successful family business communities led by young entrepreneurs who have managed to overcome the challenges of succession planning and adapt to the changing market (Anwarudin et al., 2020). These experiences can serve as a valuable reference for other family businesses in ensuring their continuity and success. In conclusion, addressing the challenges faced by family businesses requires various strategies and efforts from the family members, the management team, and external parties such as the government or business communities.

Based on data from the young entrepreneurs' Group, 501 members already have businesses, ranging from small-scale enterprises to young businesses from Young Entrepreneurs Community. The majority of these community members are engaged in trading businesses. These young entrepreneurs run their businesses with their families in the category of continuing the family business for ongoing growth. They are ready to participate in the businesses established and operated by their families. The family businesses these young entrepreneurs run are initially owned by their parents and then passed down to the next generation. These young entrepreneurs continue their parents' businesses because they aim to succeed and develop the existing businesses to gain wider recognition from the public. The success achieved in these young entrepreneurs' family businesses is part of the goals that must be achieved as a measure of success. These established businesses have been operating for a long time, some for 29 and 34 years. The survival of various family businesses until now is determined by success factors in succession, such as the readiness of heirs and the family relationships within the business. Therefore, it is important to investigate these success factors that have enabled them to sustain for a long time. This research provides insights by examining the status of family-owned businesses, the succession issues they face, and their impact on company performance. This research mainly focuses on family businesses in the Micro, Small, and Medium Enterprises (MSMEs) sector.

# 2. Literature review

*Business* can be defined as an activity in which individuals engage to produce and sell goods and services in exchange for profit (Annisa et al., 2021). The family business is owned and operated by family members, where the family members hold the majority of ownership and control, and the business is handed down from generation to generation (Cahyadi et al., 2021). Succession planning is an important factor in ensuring the sustainability of a family business (Isron, 2021). The successful succession of a family business is influenced by several factors, such as the founder's values, intergenerational relationships, education level, and the motivation of the successor (Sari et al., 2021). However, in Indonesia, most family businesses need more awareness of the importance of succession planning (Fransisca et al., 2021). The lack of awareness of succession planning can impact the family business in the long term, and research has shown that effective succession planning can positively impact the performance of family businesses (Athia et al., 2021). Succession planning can be measured by assessing the impact of two effective succession planning factors, including the heirs' preparation level and the relationship between the family and business members (Fransisca et al., 2021). This research aims to bridge the gap by measuring the impact of effective succession planning factors on the performance of family businesses. This research aims to be conducted on the second generation of culinary business owners from the Betawi culture based in Jakarta (Sari et al., 2021).

In conclusion, the importance of succession planning must be considered, especially for family businesses. Effective succession planning can ensure the long-term sustainability and success of the business. In Indonesia, it is crucial to increase awareness and implement effective succession planning strategies to ensure the survival of family businesses.

The findings from this study will shed light on local family businesses, particularly at the micro, small, and medium levels, regarding the importance of key factors that influence effective transitions and their impact on business performance.

Small and medium-sized enterprises (SMEs) play a crucial role in most economies worldwide, as they are known to foster competitiveness and innovation in many sectors and contribute significantly to the achievement of various socio-economic goals (Draga, 2021; Ukhanov et al., 2020; Gabalova, 2022; Bokol & Perdana, 2020; Hudáková et al., 2018). In Indonesia, SMEs account for 61.25% of the GDP and employ 97% of the workforce, making them a major contributor to economic growth and job stability (Draga, 2021). For family businesses in the SME sector, establishing a proper system of governance and developing human resources is critical to achieving business success and ensuring sustainability (Draga, 2021). The SME sector is an important part of the economy, and family businesses play a significant role in creating employment opportunities, driving growth, and providing stability. As such, governments must provide support and resources to help SMEs grow and thrive, thereby contributing to overall economic development.

Efforts to reduce business failure can be made by addressing factors contributing to successful succession planning in family businesses. These factors can be categorized into three groups: family-related factors, business-related factors, and succession-related contextual factors. Family-related factors include the founder's vision, the family's ability to communicate and collaborate, and the motivation and preparedness of the successor. Business-related factors include the company's strategic planning, financial management, organizational structure, and human resource management. Succession-related contextual factors include external factors such as market conditions, legal and regulatory frameworks, and cultural norms. By addressing these factors, family businesses can ensure a smooth transition of leadership and continuity of business operations, reducing the risk of business failure. Additionally, good corporate governance practices can enhance family businesses' performance and sustainability in the long run (Annisa et al., 2021).

Successful succession in family businesses depends on several factors, including effective communication and trust in family relationships, formal leadership training plans, and preparation and planning for succession (Morris et al., 1996; Lansberg & Astrachan, 1994). A "family constitution" is an essential document defining the company's values, vision, and general objectives (Alradhi et al., 2021). Succession planning in family businesses must consider the emotional factors contributing to succession commitment (Liu et al., 2013). Additionally, the study of succession planning within family businesses should include a comprehensive analysis of the threats that might affect the business's sustainability (Qurashi et al., 2013). Investigating factors affecting family businesses requires a qualitative, exploratory approach ([Mlobeli & Siphamandla](https://openscholar.dut.ac.za/browse?type=author&authority=rp03170&authority_lang=en_US" \t "_blank), 2018). Family adaptability and cohesion can significantly impact succession planning and successor training, impacted by the family's commitment to the business and the quality of the relationships between owner-manager and successor (Lansberg & Astrachan, 1994). Trust and communication in family relationships appear to have the most significant impact on transitions, and further research is necessary in this field (Morris et al., 1996). Succession planning positively impacts business performance and sustainability (Mokhber et al., 2017). However, generalizing the findings should be done cautiously (Ip & Jacobs, 2006; Teixeira et al., 2020; Bailo et al., 2023).

Family businesses must prioritize good corporate governance structures in the ever-changing business environment to enhance their sustainable economic development (Sarbah & Xiao, 2015). In German family businesses, ownership is more critical than governance or management to differentiate between family and nonfamily businesses. Families seek influence through family members on the supervisory board or the management board (Klein, 2000). The EU policy should enhance governance within family businesses to ensure a successful transfer of these companies (Filipovic, 2020). Interdisciplinary collaboration is vital to advance family business research and consolidate it as an academic field that cuts across finance and management perspectives (Pindado & Requejo, 2014). As a multifaceted system, family businesses must develop an infrastructure to manage the interrelationships of people, business, and investment to sustain the business dynasty (Jaffe & Lane, 2004). Acknowledging the challenges, decision-making, and solutions within the family business structures expands the view of the family business, which researchers, educators, and practitioners can leverage (Pounder, 2015). Conflict management and resolution strategies in family-owned businesses must emphasize corporate governance tools to prevent and manage the present and different types of conflict will present (Alderson, 2015). The financial performance of family businesses is a key factor in long-term survival and profitability; thus, the contractual and relational governance models' effect on financial performance should be explored (Addae-Boateng et al., 2015). A governance system that defines how to organize relationships within the business family context and between the business family and the company is crucial to developing a business family strategy (Rüsen et al., 2023). An investigation of family businesses in metropolitan and non-metropolitan areas reveals that decision-making is influenced positively by family ownership in metropolitan areas. At the same time, leadership personality and corporate culture determine transitional success outside metropolitan areas (Surjanti et al., 2022).

The succession process requires a thorough understanding of the family business and its unique context, including the quality of the successor, their understanding of the family business, and how to develop their skills and knowledge (Liu, 2018; Santiago, 2000; Utami, 2019). Planning the succession process can ensure continuity in the business and minimize conflicts that can be detrimental to family and business (Santiago, 2000; Nandlal & Kumar, 2020). Additionally, teamwork and collaboration among members of different disciplines can contribute to a successful product or outcome (Kulkarni et al., 2015). Soft skills are considered essential elements of total quality management in modern business, impacting SMEs' growth strategy (Truong, 2018; Krasniqi et al., 2020). Emotional commitment and organizational identity of the successor play a significant role in the success of the succession process, and work experience outside the family business is a strong asset for the heir (Liu, 2023; Buang & Sidek, 2013). Therefore, the next generation of leaders' preparation, training, and development play a crucial role in the long-term sustainability and success of family businesses.

Based on the factors mentioned above, it was observed that most of them were connected to the successor in some way. A subset of these factors was selected, and a conceptual framework was developed to examine the readiness of family business successors.

**Knowledge and Experience**   
1. Experience working in a different company

2. Experience working in a family-owned company,

3. Specialized knowledge in the industry

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**Motivation for working in the family business** 1. Industry-specific knowledge

2. Individual preferences or personal necessities in working for the family business,

3. Dedication and loyalty to the company

**Family Relationships**

1. Financial incentives or monetary rewards,
2. Harmonious family dynamics, interpersonal relationships among family members,
3. Trust in the successor's competence

Figure 1. Framework

# 3. Research Method

## This study applies qualitative research with family business successors in Indonesia to understand the factors of family business succession readiness, the most commonly encountered obstacles during the succession process, and the success factors of succession from the perspective of the successors.

## 3.1. Sample

The purposive sampling technique was utilized in various studies to ensure the selection of suitable participants. This approach allowed researchers to carefully assess and evaluate potential participants based on specific criteria and individual characteristics (Mekie, 2021). In addition, this helped to gather a representative sample of participants' views and experiences based on pre-established criteria that were considered important based on the literature. We focused on family business successors who ran small, medium size family businesses in Indonesia and already had a successful transition in their family businesses. Based on the judgment, we selected 75 successors from four business types: craft, trading, food and drink, and fashion. They are all in their companies' second and third generations (See Table 1).

**Table 1. Sample of research**

|  |  |  |
| --- | --- | --- |
| No | Type of business | Amount |
| 1 | Craft | 10 |
| 2 | Trading | 30 |
| 3 | Food and Drink | 25 |
| 4 | Garment/Fashion | 10 |
|  | Amount | **75** |

**3.2. Data Collection and Data Analysis**

This study conducted interviews with selected participants using an interview guide consisting of four main topics:

1. Knowledge and Experience: Experience working in a different company, Experience working in a family-owned company, and specialized knowledge in the industry.
2. Motivation for working in the family business: individual preferences or personal necessities in working for the family business, dedication and loyalty to the company, and financial incentives or monetary rewards.
3. Family Relationships: harmonious family dynamics, interpersonal relationships among family members, and trust in the successor's competence.
4. Challenges in the succession process and successful succession strategies. With the participants' permission, the interview conversations were recorded and transcribed.

Subsequently, we analyzed the data by identifying similarities and differences in each word and coding them with representative words or phrases. We then identified meaningful patterns and analyzed them concerning previous research.

# 4. Result and Discussion

Based on the qualitative research, all factors within the conceptual framework (refer to Figure 1) positively influence family business successor readiness.

## 4.1. Knowledge and Experience

**4.1.1. Experience working in a different company**

Based on the research, having work experience in other companies provides successors with opportunities to learn standard business practices, particularly at the operational level. This experience enables them to understand their employees better when they eventually take over the family business. Additionally, if the experience is relevant to the family business, it enhances their readiness for succession.

**4.1.2. Experience working in a family-owned company**

The research findings indicate that successors will be prepared for succession if they are involved and trained to work in the family business from a young age. Gaining experience in the family-owned company will help them truly understand the intricacies of the family business and gradually prepare them to be confident enough to manage the business in the future.

**4.1.3. Specialized knowledge in the industry**

Successors who ever attended seminars or training classes related to family business would be ready for the succession. Thus, enhancing industry-specific knowledge was more than just encouraging successors to learn something. However, it was necessary to select seminars or training classes relevant to the family business that could be applied to their family business management.

## 4.2. Motivation for working in the family business

**4.2.1. Individual preferences or personal necessities in working for the family business**

The research findings indicated that early involvement in the family business would assist successors in becoming familiar with the operations and preparing for eventual succession. By learning about the business history and the challenges faced by previous generations, successors develop a deeper appreciation for the value of the family business and become more inclined to participate in its operations.

Furthermore, being taught the importance of money and business from a young age contributes to their readiness. Regarding career path decisions, the results revealed that if successors were independent and had hobbies, it would be appropriate to explain how engaging in the family business could support their interests. On the other hand, if the successors were obedient and demonstrated potential, a direct influence approach could be considered.

**4.2.2. Dedication and loyalty to the company**

The findings indicated that early involvement in the family business, learning about its history, and understanding the challenges faced by previous generations were not only associated with personal interests or needs but also with a strong commitment to the company. It was crucial to emphasize the significant contributions of family businesses in supporting and nurturing their families. Furthermore, implementing family activities to foster love and commitment within the family would contribute to successors' readiness for succession.

**4.2.3. Financial incentives or monetary rewards**

Successors would be prepared for succession if they received satisfactory rewards or cash compensation. The suitability of these offerings varied, depending on each successor's attitude towards money. If successors did not prioritize financial gain, offering them significant monetary incentives may not be necessary. However, for those who place importance on monetary rewards, it is crucial to carefully consider the offerings, ensuring they are competitive or at least on par with what other companies provide.

**4.3. Family Relationships**

**4.3.1. Harmonious family dynamics**

It was observed that successors would be prepared for succession if there were well-defined roles and responsibilities within the family business, with each family member having distinct areas of work and autonomy to make decisions without constant consultation. Additionally, the ability to effectively handle conflicts within the business was found to be a crucial aspect of successor readiness.

Regarding conflict management, the findings suggested the following guidelines for successors:

1. Maintaining composure and staying calm during conflicts
2. Selecting an appropriate approach to communicate with others
3. Identifying potential alliances or coalitions within the company

Following these guidelines can contribute to successful conflict resolution and enhance successor preparedness.

**4.3.2. Interpersonal relationships among family members**

The research findings revealed that successors would be ready for succession when their families maintained healthy and well-managed relationships. It was suggested that family businesses should actively promote family activities to foster strong bonds among family members. Implementing family councils was also highlighted as an effective way to facilitate open communication and enhance relationship management within the business.

Furthermore, the results emphasized the importance of conflict management skills for successors. Conflict management was recommended to be incorporated as a necessary component of successors' training and development. By equipping successors with the ability to handle and resolve conflicts effectively, they would be better prepared to address challenges and view them as opportunities for growth and success.

**4.3.3. Trust in the successor's competence**

As per the research findings, expressing trust in the successor's abilities was crucial in preparing them for succession. There were several ways to demonstrate this trust, such as assigning them special projects, allowing them to work independently, and genuinely acknowledging and appreciating their work. In addition to the factors related to successor readiness, the study also identified common obstacles encountered during the succession process and factors contributing to successful succession from the perspectives of the successors.

**4.4. Challenges in Succession**

**4.4.1. Lack of clear succession planning ( management)**

Successors newly involved in the succession process may need more management experience, making managing people and work-related tasks challenging. The findings indicated that successors should acquire hands-on experience managing people by actively working within the business and studying people management principles.

Regarding work management, successors were advised to remain calm and tackle problems systematically, addressing them one by one. However, it was also suggested that successors seek guidance and advice from predecessors or experienced individuals when needed, as their insights and expertise can be invaluable in navigating challenges.

**4.4.2. Interpersonal conflicts**

The issue of conflicts within the family directly contributes to the mentioned problem. The research findings suggest that the management team should establish clear and distinct roles and responsibilities for family members within the family businesses. This would entail individual family members working independently and taking ownership of specific areas in the company.

In cases where family members struggle to manage their roles effectively, it may be necessary to consider engaging the services of family business consultants. These consultants can provide professional guidance and expertise in managing the organization, helping to navigate conflicts, and improve overall family business dynamics.

By implementing these measures, family businesses can establish a more structured and harmonious environment, enhancing the overall management and success of the organization.

**4.4.3. Inadequate communication**

Successors frequently encounter challenges such as employees who resist following their instructions, provide incorrect information about work tasks, and exhibit dissatisfaction towards them. The findings indicate that successors can address these issues by building rapport and establishing a genuine connection with their employees. By genuinely expressing care and concern, successors can foster a positive relationship and earn the trust of their employees. Demonstrating their capabilities and competence will also help instill confidence and gain the employees' trust.

Furthermore, it is beneficial for successors to seek guidance and advice from predecessors or individuals with extensive experience. Drawing on the wisdom and insights of those who have successfully navigated similar situations can provide valuable guidance and support for successors in effectively managing employee-related challenges.

**4.5. Factors of succesion succesful**

**4.5.1. Work experience in other companies**

Acquiring work experience in companies outside of the family business provides successors with valuable opportunities to learn from industry professionals. It exposes them to effective working systems that can be implemented in their family business. Additionally, they can establish connections with individuals who may become potential partners for their family business.

**4.5.2. Opportunity to work in own company**

As previously discussed, trust in the successor's ability was identified as crucial. This finding reaffirms the importance of providing successors with opportunities to work on special projects independently. Such experiences serve as valuable training grounds for successors to develop their managerial skills and gain a deep understanding of their family businesses.

**4.5.3. Interests, commitment, and ambition to work in family businesses**

Factors such as sharing the business history, discussing the hardships faced by previous generations, instilling family values, and involving successors in the family business from a young age can contribute to the development of this factor. These experiences give successors a deep understanding of the family business's roots, values, and challenges, fostering a sense of connection and commitment to the business.

**5. Discussion**

This study examines the factors of family business succession readiness. It investigates the most commonly encountered obstacles during the succession process and the factors that lead to successful succession in family businesses from the perspective of successors, specifically young entrepreneurs. The study utilizes qualitative research involving seventy family businesses that operate in the small and medium-sized sectors and have undergone successful transitions within their family businesses. Based on the findings, nine factors were identified to impact successor readiness positively.

Recent research has demonstrated that the three factors for successors, including work experience in a family enterprise, work experience in non-family businesses, and specific industry knowledge, play an important role in ensuring preparedness for succession planning in organizations (Trisninawati & Mellita, 2020; Cooper et al., 2005; Duh, 2014). In addition, knowledge transfer and knowledge management are crucial in successfully implementing succession planning strategies (Boyd et al., 2015). Many studies have suggested that having a strategic succession plan for the business, selecting a suitable successor, and evaluating the criteria used for the selection process can enhance the success of a family-owned business (Mahomed & Mtembu, 2021; Uzan, 2020). It has also been argued that Chinese cultural values, such as the emphasis placed on education, reputation, and trust, can contribute positively to the success of family-run businesses (Peck-Ling et al., 2020). Overall, these studies highlight the importance of considering various factors in ensuring a successful succession planning process for family-owned businesses.

Factors that motivate family business successors, including reward or cash compensation, personal interest or needs, and company commitment, are essential in preparing family businesses for succession (Morris & Kellermanns, 2013; Qurashi et al., 2013). Moreover, perceived future continuity is identified as a decisive factor that can significantly impact the longevity of a family-owned business (Nandlal & Kumar, 2020). However, studies have also shown that the lack of proper succession planning, incompetence or unpreparedness of successors, and competition within the family can prevent family businesses from failing (Istiatin & Susanti, 2021; Kristanti & Nuradhi, 2021). Therefore, it is crucial to consider the various aspects of family business successors, such as their motivation, commitment, and preparedness, in preparation for succession planning.

The readiness for succession planning in family-owned businesses is often influenced by several factors, including the relationship between family members, commitment to the business, and trust in the successor's abilities (Merwe et al., 2012; Venter et al., 2005). A harmonious relationship between the owner-manager and successor has been identified as a crucial factor for ensuring the continued profitability of the business (Venter et al., 2005). In addition, a level of trust, commitment, and effective communication within the family has been found to impact family harmony and business continuity positively (Merwe et al., 2012). However, it is important to note that factors beyond the family, such as policy learning, administrative readiness, and cultural attributes, can also shape the effectiveness of succession planning efforts (Baniamin et al., 2020). Overall, multiple factors must be considered in ensuring a successful succession planning process for family-owned businesses.

Previous studies have identified a lack of clear succession planning, Interpersonal conflicts, and Inadequate communication as the top three challenges faced during the succession process in family businesses. At the same time, factors for success include Work experience in other companies, the Opportunity to work in own company, and Interests, commitment, and ambition to work in family businesses (Purnomo et al., 2021; Soeparto, 2019). Moreover, founder values have been identified as a critical factor in contributing to the intergenerational succession of family businesses and ensuring longevity for future generations (Cahyadi et al., 2021). Emotional involvement has also been found to be a fundamental basis for succession planning, particularly in women-owned family businesses (Kusuma, 2023). These findings highlight the importance of considering various aspects of family business succession, including both internal factors related to the business and external factors related to the successors. By addressing these challenges and leveraging factors for success, family businesses can successfully navigate the complexities of succession planning and ensure a smooth transition to the next generation.

# 6. Conclussion, Limitations And Future Research

This research utilized interviews as the primary data collection method, specifically targeting family business successors. However, it is suggested that future studies consider including predecessors to obtain a more comprehensive understanding of the topic and enhance the credibility of the study results. Additionally, the data collected in this study encompassed six different industries, which allows for more generalized findings. Future studies can focus on a particular industry sample group to obtain more industry-specific information, resulting in more tailored and applicable insights. Furthermore, this study included successors from the second and third generations. To gain more specific insights from each generation, future studies could concentrate on a particular generation, providing more targeted and practical outcomes.

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