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Strategic Entrepreneurship of Family Firm under the Leadership Transition: A Single Case Study

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Abstract: This paper discusses the concept of Entrepreneurial Orientation and Strategic Entrepreneurship implemented by small-medium scale family firms during the leadership transition. According to the concept, the business success and how business creates wealth depend on how good an entrepreneur integrates entrepreneurial behavior and perspective of strategic management. In order that the concept becomes applicable, the development of the firm is divided into several stages in accordance to the theory of organization life cycle so that the implementation of strategic entrepreneurship in each stage can be identified. This research was conducted in the rice-milling firm of Mr. Anwar in Lampung Tengah. Research findings show that obtaining income to survive is the main characteristic of a family firm in the early stage of its existence. This means that seeking for opportunities are likely to dominate the early stage of the firm development. However, at a later stage when the firm has been able to get the financial resources and the firm starts growing, strategic management begins to be adopted without sacrificing the entrepreneurial orientation. However, the study also found differences in degrees of entrepreneurship among the first generation (the founder) and the second generation during the leadership transition. The second generation considers the founder as being too old-fashioned, play safely and tend to be resistance to change, while the founder generation considers the second generation dares to take risks, wasteful and careless. The difference in the degree of entrepreneurial orientation and strategic entrepreneurship on both generations often causes internal conflicts of the family and eventually affects the performance of the family firm. Familial approach and performance prove professionally become the solution chosen by the family firm to avoid a prolonged conflict. Overall, these findings provide evidence that small and medium scale of family firm implement EO and SE along the life cycle with different degrees.

Keyword: Family Firms, Entrepreneurial Orientation (EO), Strategic Entrepreneurship (SE), Organizational Life Cycle (OLC)

INTRODUCTION

Many large corporations that are able to penetrate the world market start out as a micro enterprise established by lone founder from the kitchen, the garage or the basement of the house. The original purpose of its establishment sometimes was also simple: merely to seek busyness, to channel a hobby or being forced to do business activity in order for the family members to be able to buy daily meals. Such micro business is commonly referred to as “home-based business” (Sayers, 2012) or micro-family-owned business (Vial and Garrone, 2010). When the business is able to survive and upgrade into small scale, founder is still deeply dependent on family to support and handle daily business activities rather than to hire one or two paid workers. The involvement of family members in the business is a sign that the small-scaled family business has born.

Indeed family business is dominated by micro and small scale enterprises but it does not mean that family businesses are always in micro or small scale. Many of them are large, multinational, and even publicly traded companies. Therefore, it is not surprising to say that the family business is the most common form of business organization in the world (Shanker & Astrachan, 1996). They are in the form of Family Business Enterprise (FBE) where the founder acts as a manager at once, Family Owned Business (FOB) i.e. business owned by a family or families, or Family Controlled Business (FCB) – business that is under the family control through share ownership and family involvement in management.

For instance, the proportion of small-scaled family firm in Netherlands is 75% of all firms in the country. In other European countries, the proportions of family firms are more than 60% in France, 60% in Germany, and 70% in the United Kingdom (IFERA, 2003). One third of Fortune 500 companies are firms controlled by family, and 60% of the firms which shares are traded in the stock market are under the family control (Poza, 2013). Meanwhile, countries with very large proportion of the family firms i.e. 90-98%, are Italy, India, and some countries of Latin America (Poza, 2013). In the United States the proportion of a family firm is also not small (Beckard & Dyer, 1983; Stern, 1986). How about Indonesia? Although there is no official statistic distinguishing family firm from non-family firm, Susanto (2005) believes that around 88% privately held firms are under the family control.

Family firms play an important role both in developed and emerging economies in terms of GDP growth and employment. They are regarded as the engine for the development of local economies and communities, create more jobs and are also regarded as good taxpayers (Bird *et al.* 2002). Family firms are also tough and flexible so that they can survive or at least recover better in the face of an economic downturn (Amann & Jaussaud, 2012).

The contribution of family firms to the national economy and the workforce creation in selected countries is summarized by Molina & Rutterford (2010) as shown in Table 1.

In Indonesia there is no such classification distinguishing family firm from non-family firm. In this country business establishments may be classified based on the types of organization: individual proprietorship, partnership, corporation and cooperative. Business establishments can also be categorized according to their size: micro, small, medium and large enterprises. Based on this classification, Tambunan (2011) said that there are 51.262 million business establishments in Indonesia comprise of 51.2179 million micro and small enterprises (MISEs), 39.7 thousand medium enterprises (MEs) and 4.4 thousand large enterprises (LEs). Tambunan furthermore said that the distribution of MISEs by sector indicates that the

Table 1
The contribution of the family firm in several countries

<i>Author</i>	<i>Country(ies)</i>	<i>Share of Firm (%)</i>	<i>Share of employment (%)</i>	<i>Share of GDP</i>
IFERA, 2003 Cited in KMU Forschung Austria, 2008	Supranational	Italy 93; Sweden 79; Estonia 75; Netherlands 74; United Kingdom 70; Belgium 69; France 60.		Estonia 65; France and Portugal 60; Belgium and Denmark 55; Netherlands 54; Finland 40- 45
FBI, 2008 Cited in KMU Forschung Austria, 2008	Supranational At least 60 % of all business	Finland 91; Estonia 85; France 83; Denmark and Sweden 79; Italy 73; 61 Netherlands 61; United Kingdom 65	Sweden 61, Italy 52; France 49; Denmark 44; Estonia 42; Finland 41; Netherlands and United Kingdom 31	
Shanker and Astrachan, 1996	United State	92	59	50
Burns and Whitehouse, 1996	United State	90		
Astrachan & Shanker, 2003	United State	80 – 90	6278 of new job creation	64
Burns and Whitehouse, 1996	European Union	85		
European Commission, 2009	European	More than 60	40 – 50	
IFB report, 2008; GEM report, 2007	United Kongdom	65	41.9	
IEF, 2007	Spain	85 (2.8 million out of 3.3 million)	70	70
Astrachan and Chepurensko, 2003	Russia	31.8	75	3 – 4.5
Smyrniotis <i>et al.</i> , 1997	Australia	83 (of private sector)	More than 59	
Smyrniotis <i>et al.</i> , 2003	Australia	67 (of private sector)	3 million people	
Smyrniotis and Dana, 2006	Australia	67 (of private sector)	40 (of private sector) 50 (of employment growth)	
Kurashina, 2003, cited in Abdellatif, <i>et al.</i> , 2010	Japan	42.68 (of listed companies)		
Dung, cited in SFBA (2007)	Viet Nam	92.3 (3mill/3.25 million firms)	70	50

Source: Molina & Rutterford (2010), p. 477

majority is involved in agriculture, followed by trade and hotel and restaurant while the third is manufacturing. Assuming that all MISEs are family-owned business given they are usually individual proprietorship which are owned and managed by individual entrepreneurs, and it is most likely the case, it can be said that more than 90% of business establishment in Indonesia is family business.

As with other countries, MISEs also play a significant role in Indonesia. For example, the contribution of MISEs to the formation of Indonesian GDP is relatively high – about 37% (Tambunan, 2011). In addition, MISEs, particularly agriculture sector of this group, may have a special local significance for the rural economy, provide a large number of employments and hence generating primary and secondary source of income for many rural poor household mainly because their number is huge and they are scattered widely throughout the rural areas (Tambunan, 2009).

Despite this fact however it does not mean that the small scale family firm is not without constraints. Its limitation in accessing financial resources, the low level of professionalism, the difficulty to recruit qualified employees, highly dependence on consumers and suppliers and the liability of smallness are the weaknesses of micro and small family firm that need serious attention (Burns, 2001). In addition, in terms of sustainability, small scale family firms face its own unique problems – the lifespan is relatively short. The other classic problem often encountered by family business is founder's reluctance to pass on his ownership and leadership to the next generation (Dyer and Handler, 1994) due to the lack of formal training, the lack of management knowledge (Dyer, 1989), fear of losing control (Perrigo, 1975), or the belief that professionalization is unnecessary (Sharma *et al.*, 1997).

Another thing which might happen when the founder is reluctant or forced to give power to his successor is a vulnerable occurrence of different business views and strategies that may lead to intergenerational conflict in the family or business or both. Most of such conflict ends at the reluctance of successor to continue the family business because it is always overshadowed by the founder or the previous leaders who always believe that they are right and ignore to accept changes (Sharma *et al.*, 1997).

It is likely due to many problems faced by the small scale family firm and the inability of managers in addressing such basic issues many family firms are unable to maintain their sustainability. Only about 50% that is able to carry out its activities after three years of existence (Ropega, 2011) and only 42% could survive after five years (Cader & Leatherman, 2011), and the remaining have to be dissolved because of bankruptcy, fail to make 'go for it', or to avoid further losses (Everett & Watson, 1998). This situation also applies to small scale family firm in Indonesia.

Despite the failure rate of MISEs is relatively high, it does mean that all of them are folded. Some are able to survive and grow. Some studies even show that the family firm's performance is better than any of the non-family firm (Carney & Gedajlovic, 2002) and in Indonesia there are many family firms that can survive and maintain their success till the fourth generation (Sobirin and Tanaya; 2013, Sobirin and Rosid; 2013). Conceptually the failure, the survival or the growth of MISEs is not determined by single factor but by many factors. According to Bruderl *et al.* (1992) the survival or discontinuance of MISEs is determined by three key factors: the individual characteristics of the founders/owners; the structural characteristics of the firm; and the type of strategies used to drive business growth. Notwithstanding of these factors, most studies have focused only on the founders/owners as a key factor influencing firm survival and success. This is understandable given the fact that founders/owners

are the main actor in MISEs. He/she is the one who has established the firm, dominates its process, and manages its daily activities (Frese, *et al.* 2002).

Following Bruderl *et al.* (1992), this paper investigates the trajectory of one particular rural family firm – a typical non-farm industry within agriculture sector, from its inception till reaching generational transition along with its problems and challenges. The firm (Hajji Anwar Rice Milling Firm) is a small to medium sized rice milling family firm located in the rural area (Pujokerto village of Central Lampung Regency, which is known as the granary of Lampung Province). This firm was established by Mr. Anwar 35 years ago. Until recently the firm is still owned, operated and managed by Hajji Anwar. However, in the last 15 years he shares leadership with his first son – Aris who is expected to be the next successor. Therefore it can be said that the firm is under leadership transition.

In general, the focus of this paper is as follow. First, this paper would review and analyze the leadership style of two different generations – the founder and the successor who jointly manage the family firm primarily associated with the entrepreneurial orientation – attitude towards how they run the business. Second, the object of this paper is a small to medium sized rice milling family firm with its unique characteristics. For an illustration, small to medium sized rice milling business in Indonesia is still largely managed traditionally characterized by the informal and simple management of the business, does not have a clear target of the business, the minimal care to the use of technology, interrupted production process, the lack of human resource management, and the lack of standardization and improvement of the resulting product quality.

The third factor is the type of strategy. In this paper, the concept of a strategy called a “Strategic Entrepreneurship” would be used as analytical tool to describe the development of a small medium sized family firm being studied. Furthermore, in order for this concept to be applied to the firm being studied, this research was designed according to the organization life cycle. This would mean that the development of the firm would be divided into several stages so that the implementation of strategic entrepreneurship in each stage could be identified.

The purpose of this paper is to understand the entrepreneurial spirit of Hajji Anwar who lived in the rural area, was poor and less educated, but was willing to take risk by setting up business venture and how he struggled to survive and grow. Since the firm being studied is under the leadership transition, therefore the findings of this study can be used to test the different perspectives between the two (the founder and the successor), if any, in terms of entrepreneurial ability, attitude and strategic entrepreneurship towards business problems and challenges they may face.

LITERATURE REVIEW

The Essence of Family Firm

The family firm is a firm run or managed with the goal of sustainability, and especially to be transferred to the next generation with the same family-members or a few small families (Chua *et.al.*, 1999). In many cases, an entrepreneur or “co-preneurs” with a variety of reasons generally establish the family firms, including large companies though. They are to earn a living, create employment for himself, family and friends, and leave a legacy for their families. Meanwhile, Cassilas *et.al* (2007) stated that the family firm was established as a consequence of an entrepreneurial behavior of one or more founder who find and exploit business

opportunities. Therefore, their entrepreneurial orientation tends to be high and surely must be maintained, even improved to the next generations so that the family firm they develop is able to survive, continues to grow and creates family wealth and welfare.

The term of family firm is composed of two words – firm and family. According to systems theory, family and firm are two different systems, each with its own agenda and different guiding principles. However, merging and dependent of each other of the two systems is what makes the family firm to have its own uniqueness (McCollom, 1990). Firm or business is a system that is both rational and task-oriented. In simple terms, it is often said that the firm aims to maximize profit for with profit the firm could continue to exist and develop. If the firm fails to reach the firm target, consequently it has to be closed which also means that the firm existence ends. The family, on the other hand, is a system that relies on a sense of (sentiment) whose existence is needed to support and meet the needs of all family members. Therefore, the primary role of the family is to perform social functions i.e. to guarantee the well-being and meet the social needs and family members' emotional including belonging, affection and intimacy of a family member.

In general the differences between family system and firm can be summarized and appear in table 1 below.

Table 1
The Differences between Family and Business/Firm System

<i>System Dimension</i>	<i>Family System</i>	<i>Business system</i>
Right to exist/goal	Mutual protection and support of family offspring	Output and profit generation
Affiliation of members	Hereditary, permanent and non-selectable	Skill-based, temporary and deliberate
View of individual and relationship	Fundamental, holistic, long-term, emotional	Partial, functional, replaceable
Norms of behavior	Emotional solidarity, love, trust, harmony	Rational, economic and political reasoning
Communication	Oral, informal, individual related	Written, formal, factual
Compensation	(Quasi) unconditional love and support	Performance-based, monetary, promotion/dismissal

Based on the difference of the two systems above, a family firm indeed faces a very difficult situation because its continuity relies heavily on the ability of the managers to balance the two systems. Therefore, the family firm often faces conflict between the pro-family and pro-business, which in turn can affect the family firm performance. Likewise, the family firm is constantly required to set the values, norms and principles that can meet the demands of both systems (Davis & Stern, 1988; Lansberg, 1983). Some studies find that the family firm outperform the non-family firm (Carney & Gedajlovic, 2002), while others find the opposite (Barth et. al, 2005; Westhead & Howorth, 2006).

Entrepreneurial Orientation of Family Business

Although generally an entrepreneur founds a family firm, the question is whether any family firm thus oriented entrepreneurship? Indeed, it should be so. Nevertheless, the fact is different. Family firm is said to

have a high level of entrepreneurship if the firm is more pro-business, that is heavily dependent on the availability of resources and the firm ability to run the firm (Covin and Slevin 1991).

In general, the focus of entrepreneurship is the exploration and exploitation of business opportunities. This is for instance shown by some definitions of entrepreneurship. Bygrave & Hofer (1991) define the process of entrepreneurship as “the overall functions, activities and actions to find or explore business opportunities and build the organization that aims to exploit the opportunities”. In the latest definition, Shane & Ventakraman (2000) state that entrepreneurship relates to efforts to find, evaluate and exploit opportunities to create goods and services in the future. Both definitions lead to the conclusion that the pursuit of opportunities is the most important component of the entrepreneurship (Shane & Venkataraman, 2000).

From the explanation above, it can be concluded that entrepreneurship is characterized by two important characteristics, namely resources and business opportunities. According to the perspective of resource based view (Barney & Hansen, 1994), the family that runs business has the resources and configuration of unique capabilities (Dyer, 2006; Sirmon & Hitt, 2003) that can encourage and or inhibit entrepreneurial activity. The combination of these resources and capabilities are usually named as ‘familiness’ of the firm (Cabrera-Suarez *et.al* 2001; Chrisman *et.al* 2003; Habbershon Williams, 1999) or ‘family-orientation – orientation of family’ (Lumpkin, *et.al*, 2008).

The construct of the entrepreneurial orientation (EO) built based on the view that the entrepreneurship is a phenomenon that occurs at the organization level i.e. the elements of the firm strategy that can be analyzed through processes, attitudes and organization behavior. (Covin & Slevin, 1991). The construct was originally built by Miller (1983) and refined by Lumpkin & Dess (1996). Construct that is already enhanced consist of five dimensions: (1) innovative; (2) risk taking; (3) proactive; (4) the power of aggressive competition, and (5) independence. Miller built the first three dimensions and Lumpkin & Dess (1996) added the last two dimensions. The building block of EO dimensions can be seen at Figure 1 below.

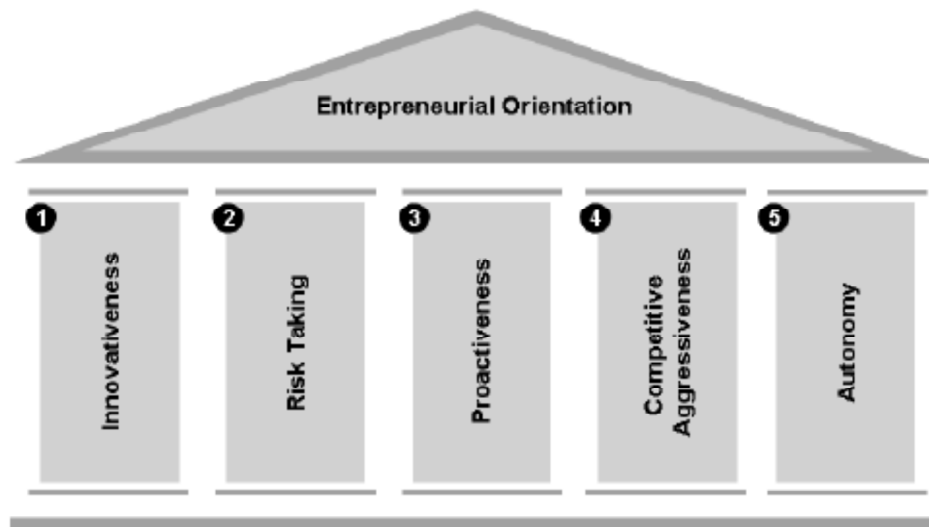


Figure 1: Five Dimensions of EO Construct

Source: Lumpkin & Dess (1996)

Family business is often characterized by conservative (Aronoff & Ward, 1997; Kets de Vries, 1993; Sharma, *et.al*, 1997), resistant to changes and closed (Hall, *et.al*, 2001), contrary to what is considered entrepreneurship. The risk of losing the wealth of the family gathered for a long period (Sharma *et al.*, 1997) can also hinder family firm from conducting entrepreneurship. At the same time, a family firm has been seen as a real example of entrepreneurial firm (Litz, 1995).

Meanwhile, according to Nordqvist *et al.* (2008), due to its contradictory, a family firm has to deal with three forms of dualism. They are (1) either maintaining the history of the firm or building a new history; (2) either resting on the independence of the firm or relying on other party, and (3) either running of the firm activity in informal or formal way. The impact of the dualisms is the emergence of two mutually opposite concepts associated with the relationship between a family firm and entrepreneurial. The first concept states that the family firm is a business organization that is innovative, proactive, and entrepreneurship-oriented, while the second concept considers that the family firm is a business organization that is conservative, traditional, and risky. Of the two concepts, it simply can be concluded that not all family firms are entrepreneurially oriented – some of them are family-oriented (pro-family) and some other are business-oriented (pro-business oriented).

Strategic Entrepreneurship (SE)

Entrepreneurial orientation is a necessary condition for entrepreneurs and family firms to create wealth, be able to survive and continue to grow. However, it is believed that EO is not enough. According to Irland and Webb (2007), finding gold is just half of the challenges faced by the firm; the firm should also be able to find an effective way to mine gold. The most effective “miner” is a firm that can offer high quality products as soon as radical changes are able to make opportunities become increasingly clear, able to build market share, and able to make the competition border around their business. In other words, take advantage of opportunities in entrepreneurship can contribute to the firm efforts to establish a competitive advantage and create wealth.

Unfortunately, many firms fail to motivate employees to take advantage of entrepreneurship opportunities, thus fail to contribute to the firm competitive advantage (Day & Wendler, 1998). In addition, many employers are able to identify and take advantage of opportunities but only temporary rather than a sustainable competitive advantage. This happens especially when entrepreneurs fail to manage strategic resources, making it difficult to maintain a competitive advantage being developed (Hitt *et al.*, 2001).

In many cases, as argued by Irland *et al.* (2003) small entrepreneurial businesses are relatively effective in identifying a business opportunity but less successful in developing a long-term competitive advantage. In contrast, large firms are relatively more effective in building a competitive advantage but less able to identify new opportunities. This means that any firm should have an entrepreneurial behavior (the behavior of seeking for opportunities) supported by strategic management (behavior utilizing advantage) (Amit & Zott, 2001) so that in the long term it is capable of creating wealth, continue to grow and maintain it from generation to generation.

Ireland *et.al* (2003) stressed the importance of the firm growth while creating wealth as a result of the effectiveness of entrepreneurship and strategic management. The concept of SE is basically the integration between the entrepreneurship (opportunity seeking behavior) and strategic perspectives (advantage seeking

behavior) in developing and taking action with regard to the creation of wealth. This could mean that the combination of strategy and entrepreneurship domains that are balanced between seeking opportunities and seeking profits are needed for the firm to survive in the more dynamic market and turbulent environment. In presenting the concept of SE, Ireland et al (2003) states the SE construct has four dimensions: (1) the mindset of entrepreneurship supported by cultural and entrepreneurial leadership, (2) the accumulation of resources, (3) managing the resources strategically, and (4) applying creativity and developing innovations. The dimension could be seen in the following figure.

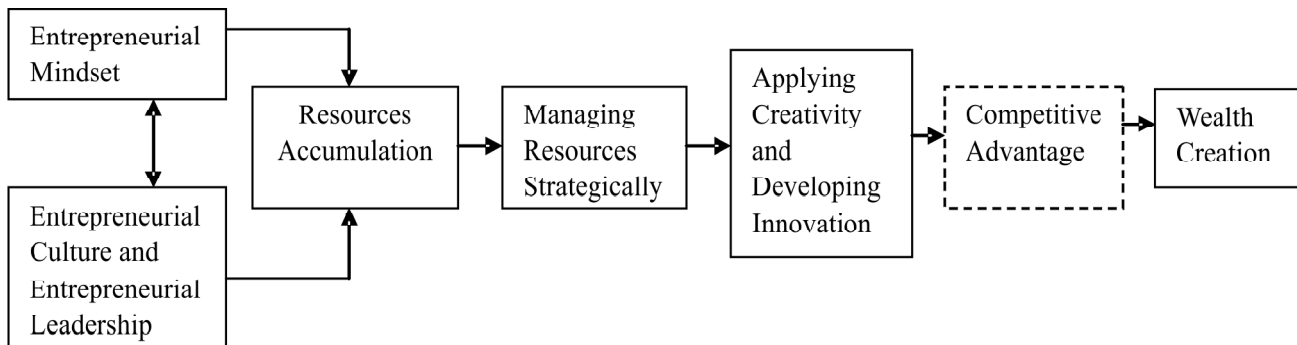


Figure 2: A Model of Strategic Entrepreneurship

Source: Ireland et al. (2003)

Strategic Entrepreneurship (SE) in Family Firm

Family firm has unique characteristics derived from the pattern of ownership, governance, arguing succession affecting strategic process and, ultimately, the firm performance (Anderson & Reeb, 2003; Carney, 2005; Chrisman, et.al 2005). Indeed, when compared to our knowledge about the firm in general, significantly it is little known about the strategic orientation and organization process that drive the family firm (Sharma et.al, 1997). This is considered somewhat confusing because the family firm is the main engine of the economic growth and the creation of wealth (Astrachan, 2003).

The development of research on strategic entrepreneurship is considered an overlap with the growth in the research on family business, and emerge quickly as an important topic for the creation of wealth and economic power. Therefore, it is important to explore the role of strategic entrepreneurship in the context of a family firm. So far, some researchers have investigated the role of strategic entrepreneurship in family business. In general, experts of entrepreneurship tend to underestimate the contribution of the family system for the entrepreneurial success, and many of the existing family business scholars have focused on the preservation of wealth rather than activities like opportunity recognition, innovation, strategy, and wealth growth creating (Lumpkin, et.al, 2011).

Analysis Framework of Family Firm and SE

In developing a conceptual framework, Lumpkin, et.al, (2011) first highlight the properties of (input-process-output) of the entrepreneurial strategy. Of course, their framework is consistent with the logic 'system' of the majority of input-output model in that case assumes interrelated various cause factors. Family firm creates value in many same ways as other firms, but both input to the activities of the

additional value and benefits that come from the process of creating value can differ significantly in the family firm.

Furthermore, Lumpkin *et al.* (2011) believe that families also have an impact on the process itself because their way of accumulating resources and because of the strong emphasis many families become places to build a wealth of socio-emotional in addition to financial eligibility. Finally, strategic entrepreneurship process is heavily influenced by contextual factors that tend to be unique in the family firm.

In line with the model of 'system' used in economic interaction, this model includes an input as the main category. Further, Lumpkin *et al.* identify and discuss three key inputs: *individual resources* that prioritize an individual experience excellence that grows in family firm, *family resources*, where experience and knowledge are combined with the belief in the family (Chrisman *et al.*, 2005; Sirmon and Hitt, 2003; Habbershon *et.al* 2003). and *organization resources* that combines trust and social capital in their governance mechanisms (Eddleston *et al.*, 2010; Steier, 2001; Arregle *et al.*, 2007; Barney, 1991).

Organizational Life Cycle (OLC)

As other business activities in general, the development of family firm could also be analyzed using the model, one of them is that quite popular is the life cycle of the organization (known as the organizational life cycle or OLC). According to Adizes (1979) each life would certainly follow a cycle starting from birth, grow, develop, get aging, and ultimately death. Based on this understanding, Adizes then develops a concept of OLC that is applicable in the organization life. According to him, the organization life cycle consists of 10 stages namely: courtship, infancy, go-go, adolescence, prime, maturity, aristocracy, early bureaucracy, bureaucracy, and death. Further, Adizes also states that any time a firm could fail to pass through each existing stage.

Based on the likelihood of onset of failure at any stage, Adizes identifies four roles that must be run by the manager in order that the organization run effectively. Adizes labels the four roles as PAEI. P – Produce, an organization should produce something efficiently or effectively as a result of the organization existence. A – Administration, i.e. the manager should take important decisions that are coherently, at the right time and with the correct intensity as well. E – Entrepreneurial is the role of the organization manager to adapt to the environment change. This role entails the necessity of creativity and the courage to take risk. The last is I – Integration. PAEI has different role at different stages of OLC. The position of these four roles in the organizational life cycle is illustrated in Figure 2 as the following.

Greiner (1972) develops another model on the organizational life cycle of private sector. He states that organization evolves through five stages of development. Greiner's model as a whole shows the movement from the stage of creativity and entrepreneurship emphasis to the formalization, then the adaptability and flexibility. In addition to both model, Ward (1988) develops the three stages of OLC, namely: early stage I, middle stage II and late stage III. Ward further states that there are some factors, which can put pressure to the pace of a family firm. Of them are the nature of the business itself, the organization characteristics, the motivation of owner-manager, financial expectations of the family and family goals.

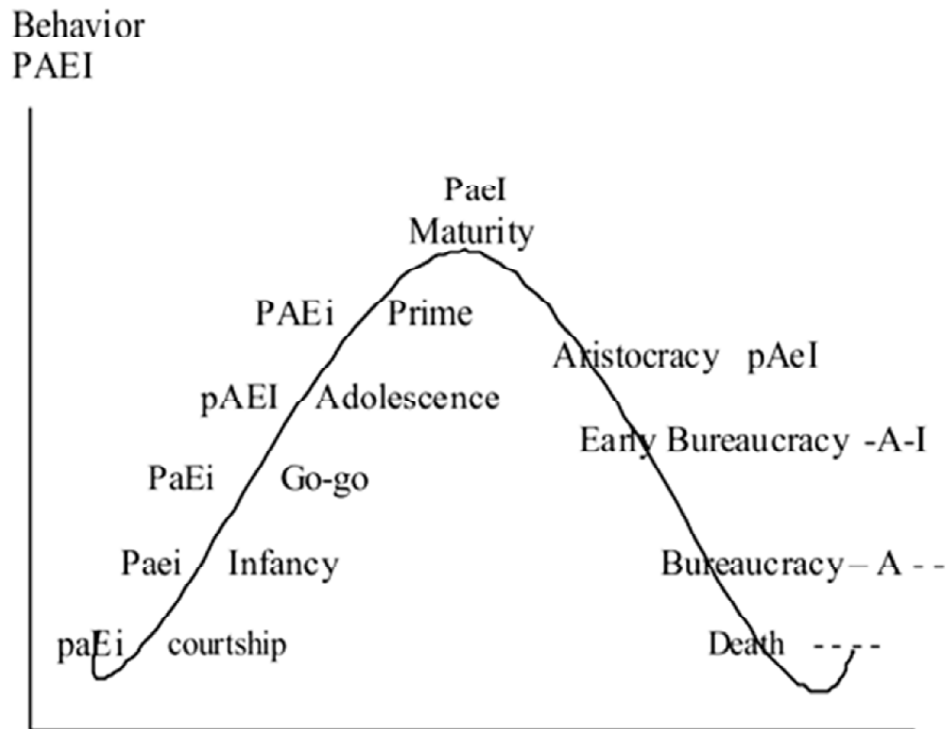


Figure 3: Organizational Life Cycle

Source: Adizes (1979)

RESEARCH METHOD

The approach used in this research was a qualitative approach with the research location was on family business of Mr. Anwar in June-July 2013. Primary data collection techniques were participant observation, in-depth interviews, research documentation, and the combination of the all three or triangulation.

RESEARCH RESULT

Hajji Anwar Rice Milling Family Firm

Rice is a basic primary processed product obtained from paddy which cannot be consumed in its raw form. It needs to be suitably processed into rice to enable it for human consumption which consequently forms the basic need for the paddy processing activities. In the past all these activities ranging from planting paddy, converting paddy into rice until the rice is ready to consume or partly to be sold in the market are combined into one, that is done by the farmers themselves. To do rice processing that is to convert paddy into milled rice, for example, farmers were using hand tool known as *lesung* or dimple.

Nowadays, rice has become an industry within which all the activities that previously were done by farmers now are done by three different but related entities. Farm production activities are the domain of farmer. Within this domain it is assumed that the purpose of farmers to grow paddy is not for their own consumption, but to be sold in the market through intermediaries. Consequently once the paddy rice has left the farm, it enters the domain of the post-production sector. In this sector paddy is converted into

milled rice by using machine in the rice milling unit (RMU) rather than using dimple. There are three types of RMU technology: the one, two and three-phase of technology. The one-phase RMU means only one machine carrying out the breaking paddy shell and cleaning from the skin. The two-phase machine has the breaking and cleaning in each machine. The three-phase includes the thrashing, breaking, and cleaning in three separate machines.

People involved in the post-production sector are not usually farmers. They are individual entrepreneurs who deliberately set up business venture for profit. They consist of paddy collectors/brokers and rice processors who own rice milling unit (RMU) to replace the old fashioned dimple. Finally, after paddy rice has been converted into milled/white rice, it then enters the domain of rice trading in which rice is distributed by whole sellers, retailers, and kiosk owners to the end consumers.

In practices, however, it is not uncommon that RMU owners particularly those who own medium-sized two phase RMU and large-sized three phase RMU act also as paddy collector and rice trader. This would mean that RMU owners may purchase paddy directly from the farmers during the harvest season to be milled in their own rice miller. In the same time they may also distribute this milled/white rice to the end consumers or to the government agency for the national stock purpose. This practice also applies to the rice milling firm belongs to Hajji Anwar.

Hajji Anwar Rice Milling Firm is a typical individual proprietorship firm owned and managed by the founder – Haji Anwar. It was established in 1982 as a small-sized rice milling firm. During the first several years of establishment its main activity was just providing service to the farmers for fee in terms of converting paddy into milled rice. This was done merely because Hajji Anwar had limited capital to enter in the rice trading. Despite its smallness, the firm, as required by the government, is registered in the Department of Commerce and Industry and Hajji Anwar himself is a member of Indonesian Rice Miller Association or *Persatuan Penggilingan Padi Indonesia* (PERPADI). Up until now Hajji Anwar owns and operates two medium sized two phase RMUs located in Trimujo district of Central Lampung regency. The firm is jointly managed by Hajji Anwar himself and his son Aris.

Mr. Anwar – born in Kulonprogo Yogyakarta who did not graduate from the elementary school, lives in the village of Pujokerto, District of Trimujo, Regency of Central Lampung – one of the rice production centers in the Province of Lampung. Mr. Anwar lives in the village of Pujokerto since the age of two years when his parents in the 1960s decided to take transmigration program from a poor area of KulonProgo Yogyakarta to Lampung – potential areas to develop into agricultural areas. There, Mr. Anwar grew up and lived his life as a farmer and eventually becomes an entrepreneur of rice milling business after previously being a rice mill worker in his village for approximately 5 years. See the location map in Figure 4.

Like other rice milling business which is located in rural areas, it also happens to rice milling firm of Mr. Anwar. Since its establishment until now, rice milling firm of Mr. Anwar remains in the village of Pujokerto merges with the house. Even, when Mr. Anwar added one more rice mill, the location is not far from the house. The reason may be due to the village of Pujokerto is a granary for Central Lampung Regency which allows Mr. Anwar's firm to obtain supply of paddy grains continuously. However, the more increasing production capacity of rice milling firm of Mr. Anwar and the more growing number of competitors at the same time, Mr. Anwar could no longer rely on the village of Pujokerto and the surrounding

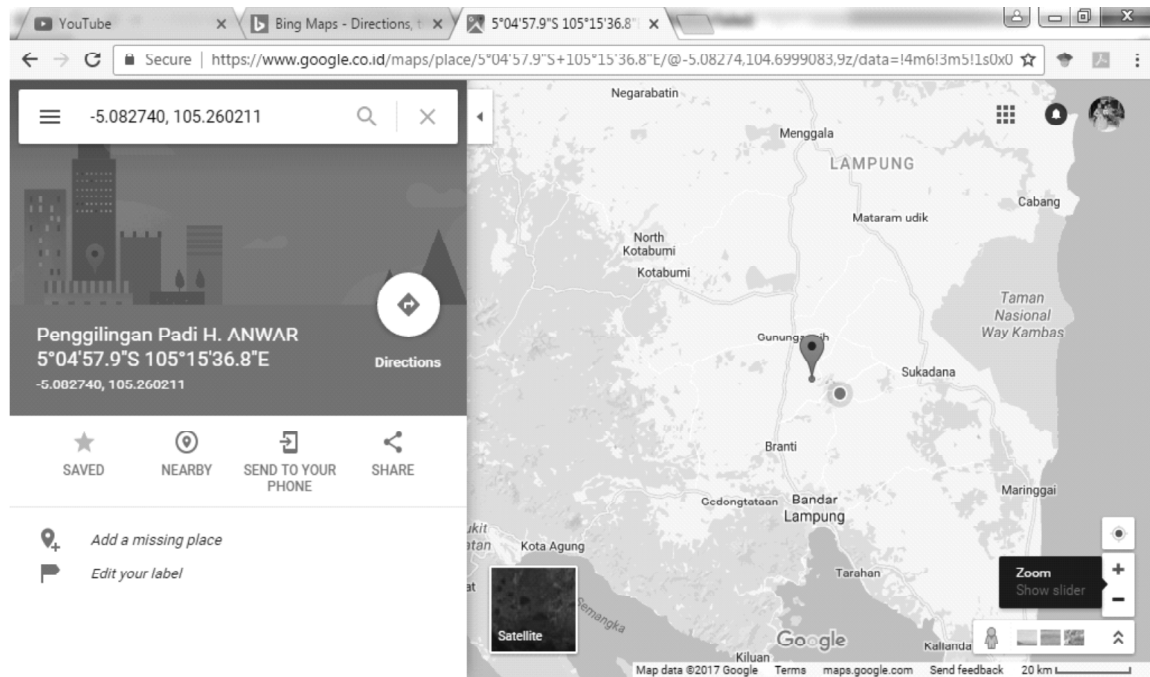


Figure 4: District of Lampung Tengah, Lampung Povince

area as single grain raw material suppliers. For the well running of production, the supply of grain from further areas is forced to obtain although ultimately the firm should bear the higher costs.

For more than 30 years running his business, Mr. Anwar who is note well as the founder and owner of the firm until now is still in the same position i.e. engaged in business decision-making, otherwise he is said to be the primary decision maker and gets involved in the daily life of the firm. However, in the last 15 years, Mr. Anwar's involvement in the operational activities of the firm gradually began to decline after Aris – the eldest of four siblings of Mr. Anwar's children was reluctant to continue his study in college but chose to engage in his father's rice milling business. Even in the last 5 years when Aris began to be trusted to take the business decisions, Mr. Anwar chose to put him as a business advisor and keep and establish communication with external parties in order to ensure that the business run by Mr. Anwar at that time remained to be trusted by the third parties.

The above explanation indirectly confirms that the rice-milling firm owned by Mr. Anwar's family is entering a transition period – not an ownership transition but rather the leadership transition from the first-generation of Mr. Anwar (founder) to the second generation of Aris (successor). Transition period could be interpreted that the first generation and the next generation manage the rice-milling firm of Mr. Anwar jointly. The result of such management pattern appears inevitable range of dynamics, both positive and negative, in the sphere of family or businesses considering both sides have different characters – Mr. Anwar tends to be conservative and Aris is more progressive. In the business management, this different character may result in a difference of ideas, orientation and strategy of the business.

Management dynamic process of rice milling firm of Mr. Anwar in detail would be summarized through the firm life cycle as the following:

1. Existence

After adulthood, young Anwar who came from migrant peasant family and was not completed his primary school decided to work in a field work which was not far from agricultural sector. In the age of 18, he chose to work as a labor in a big rice milling firm owned by a local businessman, Pak Basir (known as Basir Group) in Metro Lampung. After five years working, with his experience and expertise in the field of rice milling, Anwar saw an opportunity of rice milling related business was still open to new entrants and dreamed of having his own rice milling business. However, due to the financial limitation, Mr. Anwar invited five members of famers in the area Pujokerto for contribution of capital to build a joint venture of small rice mill. After running for one year, the result began to appear. In that year, since there was no profit sharing agreement, the biggest investor who was also the land owner of the joint venture business took over the entire firm and run it independently.

Even though it failed, he did not necessarily despair. Together with his four partners (small investors who were driven from the previous business), Mr. Anwar persuaded other investors to build another small-scale rice mill. Again, this second business also ended up with the same story as the first one. Despite failing for second times, it did not mean that Mr. Anwar discouraged to have his own business. This failing actually strengthened his resolve to establish his own business independently - rice milling business without involving other parties. Armed with such strong determination but had not enough capital to set up a rice milling business, Anwar ventured to borrow money from his former boss, Mr. Basir. Fortunately, his former boss was kindly willing to lend him a large amount of money, which was enough to buy a small scale of rice mill machine, without any guarantee. Of these loans as well as support and additional capital from his parents, Mr. Anwar began building a small rice milling firm near his parents' house in Srimulyo Village, Trimurjo District, Central Lampung.

Officially, Mr. Anwar's small business of rice mill began running in 1983s involving three labors who were his childhood friends: Ngadi, Pangat, and Tukul. Even though he had hired three labors, it did not mean that he worked only on administrative activity, but also worked as his three labors like carried on the grain and/ rice, dried the grain and milled the grain. With the establishment of this rice milling business, it can be said that the first family business had been born even though at that time this small business served only rice milling services, not into a rice producer yet.

2. Short term survival (go-go)

To develop the business in the future, in addition to continuing to serve rice milling, Mr. Anwar with his business instinct also had a great idea to be a rice producer. The process of being a rice producer was started from buying grains from farmers, drying them, milling them into rice and traded them in the market. Yet, due to the limitation of capital, Mr. Anwar was able only to buy the grains and produce rice in a small scale, no more than 1 tons, and then traded them to sellers in Metro market or to bigger rice milling companies.

Along with the occurrence of this little progress, the entrepreneurship spirit of Mr. Anwar became increasingly encouraged. Looking at this huge opportunity, armed with determination, honesty and trust from each other, Mr. Anwar ventured to borrow money from one of rice traders in Metro Market namely Mr. Suhar (the late). The loan was intended to enable Mr. Anwar to buy grain from farmers at amount

more than the previous, in condition that the rice produced would be deposited to Mr. Suhar at competitive price. This business method was done for years until Mr. Anwar slowly had accumulated sufficient profit to run his business as a small-scale of rice producer independently.

3. Growth

The next stage is growth, which is done by increasing the capital of the company to expand the market. This growth is characterized by an increase in turnover, employees, or the number of company branches. In the family firm of Mr. Anwar, in spite of the accumulation of proceeds, the growth process was also begun with the relations establishment between some grain dealers and rice traders in some markets in Central Lampung.

At that time (1990s), Mr. Anwar also involved his first son namely Aris to help him manage the family business. Aris, who had graduated from Senior High School, decided not to go to college and focused on the family business. Under the control of his parents, Aris started to learn about the rice milling business. In this early time, Aris was given a job to learn and manage the early step in the rice milling business, i.e. being a person who weighed the rice and negotiating to determine the grains price based on their quality. It did not take a long time for Aris to manage the firm because of his love and experience he had since childhood when looking at his father business. After six years helping his father run the business, Aris' portions of duties and authorities slowly increased and he got equal position as his father, becoming the firm leader under the command of his father. Thus, any negotiation, transaction or agreement between "farmers <->Aris<-> rice traders" applied the same as when negotiating with Mr. Anwar.

Aris was indeed known as a socialist businessman and had a lot of friends. Therefore, he frequently participated in agriculture training and visited his fellow entrepreneurs of bigger rice mill to see the factory and the production process. Looking at the considerable financial condition and the market which were still potential, Aris and Anwar had an idea to expand the capacity and to improve the quality of the production. Previously, this rice milling had capacity of production of 500kg to 1 ton per hour. It was then able to produce 1 to 2 tons per hour. One think to keep in mind is that this firm grows based on the accumulated profit and a small loan from colleagues so that it can be said that this firm is a family firm which grows independently.

4. Success

This stage is characterized by the increasing of high turnover and capital or the number of branches. In the hands of Aris and under the supervision of Mr. Anwar, this firm was able to double its production from small to medium-sized. Having considered the firm was well-established and was able to run by Aris, Mr. Anwar then performed the Hajj in 1994. Performing Hajj could be said as an achievement which was considered as a success in Mr. Anwar's neighborhood.

After his return from Hajj, Mr. Anwar and Aris then had an idea to have their own rice packaging, because the previous packaging was only a plain sack. This packaging was branded as "*Beras Cap Dua Ikan Laouhan*" (Rice of Two Louhan Fish Brand) and was given telephone number as a special mark that the rice was produced by Mr. Anwar's Rice Milling. The rice was then distributed to the entire markets of Central Lampung and was sold out. According to Mr. Anwar, "this happens because our rice quality is in accordance

with the price even though our price is higher than the prices of similar rice in general. In fact, we also give guarantee when the rice we provided has poor quality.”

The year of 1994-1995 could be regarded as the heyday of this small-medium firm because, at that year, the order of rice never stopped. Indeed, the order came from other provinces such as Medan, Riau, Bengkulu and even once from Aceh. Mr. Anwar himself did not know how they got his phone number and address while the rice was only distributed in around Lampung, Metro, Tanjung Karang and Bandar Jaya. According to Mr. Anwar, “this all is a blessing from Allah, and I should be grateful.” In 1996, Aris got married and in the same year he was built a house and a (second) rice milling firm in Pujoo Basuki Village with intent as a subsidiary or co-worker of Mr. Anwar’s family firm.

Under the leadership of Aris, there was also a great leap of the rice milling which was previously able to meet the market demand only during the local harvest time, and then it became a medium rice producer which did not refer to the harvest time. This is because the network of grain dealers Aris embraced were not only the local dealers from Central Lampung, but also dealers from the entire Lampung even from Palembang and Banten. His ability to socialize and his high entrepreneurial spirit led him to be a successful entrepreneur in his area. The capital issue had been left far away since some banks in Metro Lampung have trust in his business performance.

5. Long-term strategy

This stage is characterized by the establishment of a sustainable system and management. The management and system are in the form of written or not written rules. One of systems applied in the family firm is the division of job and the devolution of business authority. After Aris had become a leader of the family business with two braches for a long time and was capable to grow the business into a medium firm, based on the family agreement, Mr. Anwar was expected to retire at the age of 50s. This was due to the family compassion for the founder who had been trying hard to build the family business from zero, and it is now the time for him to enjoy his old age without having bothered to take care of the business.

This goodwill was rejected by Mr. Anwar since he declared himself not to retire from the business and he felt he was still capable. Besides, he did admit that Aris had good strategies in business but he was not careful and often suffered loses as his speculation was sometimes too high. Then, it turned out that the inheritance of business authority in this firm was not going well, and resulted in a dualism leadership at Mr. Anwar’s family business. In one side, Aris’s performance had surpassed the previous achievement by Mr. Anwar, but on the other hand, he also recognized that he was indeed inaccurate, “so, the earning written on the paper were rarely the same as in reality.

Aris considered his father conservative, did not follow the change and did not farsighted, while Mr. Anwar assumed Aris as a careless, inaccurate, and extravagant person. Because of this dualism, frequent disagreement happened especially about business idea and speculation. Even thought this conflict did not last long as both parties emphasized kinship and received other opinions, such conflict sometimes was carried into the family life. For instance, in the early of 2013, when Aris signed the contract with local Bulog to provide 200 ton of rice, Mr. Anwar opposed him and questioned “where would he get the rice? But, Aris insisted and Mr. Anwar let Aris to do so. With his strong willing, Aris was eventually able to meet the quota, even exceeding the rice quota. However, the problem emerged was that Aris’s endeavor did not

give the result as written on the paper. And according to Mr. Anwar, this was Aris's weak points: careless, extravagant and inaccurate.

His old age and family insistence forced Mr. Anwar to retire earlier from the family business at the age of 50s in 2000. During the retirement, Mr. Anwar enjoyed his life by farming and doing a lot of worship. Few years after his retirement, he was still wondering about the amount of debt Aris had in the bank. Aris did make a great leap in managing this family business, but most of them were done by owing money in the bank. On the contrary, Mr. Anwar could be said as an anti Bank person and very religious.

Mr. Anwar stated that this family business was developed without any loan from the bank, whereas Aris was currently in the debt to the bank in a large amount and it did not make sense for Mr. Anwar to be able to return it, and "how much does the interest?" That was Mr. Anwar's anxiety. In addition, Aris was too generous that he often lent other people rice or money without telling Mr. Anwar, and it happened frequently that the borrowers disappeared or avoided paying the allowance.

This condition was getting worse because Aris had to manage and supervise two companies in a time, so "fraud and leakage" often occurred internally in the firm. By the dualism and weaknesses of each generation, in 2013 Mr. Anwar had a future strategy to separate the management of the firm into two: the first firm would be managed by Mr. Anwar and the second firm would be managed by Aris. It was solely for the good of business and family. Before this process was conducted, Mr. Anwar asked Aris to pay the whole debt in the bank immediately and to start again the business independently; each firm would be started from zero. In order for this process to go professionally, Mr. Anwar pointed his youngest son who was good in management to keep these two companies running well and concomitantly.

On the other hand, Aris respected his father's decision, although deep inside he was still willing to manage the companies together. In addition to structuring the management separation, Aris still had another strategy to trade the product so that it could go into the mini markets by providing medium quality rice in 5kg package. In order to maintain the quality of rice consistently, it needed a grain oven to keep the grain quality consistent and not affected by rainy weather. Moreover, Aris also intended to build a new business which served a rental of paddy reapers. His intension was based on great opportunities in this business as the amount of farm labor was declining. But, this strategy had not been approved by his father because the price of a set of rice oven or paddy reaper machine was about hundred millions rupiahs. The current mission to be achieved by the two generation was to pay the debt on the bank immediately.

DISCUSSION AND CONCLUSION

In this study, the main question is how Mr. Anwar is able to pioneer small-scale family business to grow into a medium-scale. Besides, we also want to find out whether the success can last until the next generation, considering that the previous literature stated that only about 30% of family business can last to the second generation (Beckhard & Dyers, 1983). To answer the second question, three concept of entrepreneurial Orientation (Miller, 1983 Lumpkin & Dess, 1996) – strategic entrepreneurship (Ireland *et al.* 2001) and Organizational Life Cycle (Adizes, 1979; Greiners, 1972; Cameroon & Queens, 1983; and Ward, 1988) are prepared as a media to analyze the case.

The facts found in the field, as outlined in the life cycle of Mr. Anwar's firm, showed that in the beginning of the establishment Mr. Anwar did not apply any strategy before the firm could earn enough

money as an authorized capital used to compete with others. However, since the beginning of his career as an entrepreneur, his entrepreneurial spirit had appeared strongly on the surface as well as his entrepreneurial orientation.

In addition to his lucky fate, Mr. Anwar's success was also supported by his strong entrepreneurial spirit to owe some money from his partners which was used to improve his business from simply offering the rice mills to producing rice in small scale. As the market and industrial condition was very potential, this business ran very smoothly.

With high discipline and big accumulated profit he had gained for about 15 years, Mr. Anwar and his first son (the second generation) eventually were capable to develop his family business to be a medium scale enterprise. When the business was in successful phase, then, the transition process had begun in which the founder inherited his business to the next generation, while he was still shadowing as a supervisor of the second generation performance.

The transition period is not as easy as turning the palm of the hand. In this case, it was revealed that the founder found it hard to discharge his business totally to the next generation because he was fear of losing control of the business, and he thought he was the only one who was capable to manage the family conflict and preserved the family integrity as argued by Susanto (2005), Dyer and Handler (1994), and Perrigo (1975). In this case, it was found that the different entrepreneurial views and business strategies might lead to business conflict and affected the family emotional relationship (Davis & Stern, 1988; Lansberg, 1983). Charter's (2006) finding was also found in this study which said that the conflict of different views indeed influenced the business performance of Aris as the next generation because he emotionally felt not free to be shadowed by the founder (Mr. Anwar).

In shorts, it can be concluded that the EO analysis in this family business belongs to high category. The EO behavior such as *Innovativeness* is seen when Mr. Anwar pioneered the rice milling business in his village, and Aris showed his capability to start something new, like distributing the rice to wider markets or establishing a new business. Mr. Anwar also showed his high behavior of *Risk Taking* because he still continued running the business though he has failed twice in the same business. Aris also excelled in *Risk Taking* since he was braved enough to sign contract with Bulog which the quota seemed to be impossible to be fulfilled by a medium-scale firm owned by Mr. Anwar. The *Pro-activeness* behavior does not appear in this family business because, in running the business to these days, there is no finesse to precede the market movement. Another EO behavior showed by Aris but not Mr. Anwar is the high *Competitive Aggressiveness* to always outclass his competitors such as in recruiting his partners of rice dealers and rice traders as much as possible in order to keep ahead in the business competition. The *Autonomy* behavior is also appears in Aris when he always pursues the opportunities regardless the organization obstacles, such as when signing the contract with Bulog. However, Mr. Anwar has no such behavior because he always looks at his internal capability in pursuing the business opportunities.

The next analysis stage is SE on Mr. Anwar's family firm. In this case, the importance of SE in this firm will be clearly seen when it is pictured on the life cycle of the organization. The reason is that the entrepreneurs and the family firms have a tendency to decrease the EO and especially SE, as they are not able to manage the competitive advantage (Day & Wendler, 1998; Hitt et al 2001, Ireland *et al.* 2001, 2003) as soon as the success, wealth, or steady state has been achieved (Sharma, 1997). It is also found in Mr. Anwar's family firm that is a

state where the firm has reached its success, as if the leader allows the firm to flow as it is in a higher steady state without estimating the competition or anything that might happen in the future.

In the previous EO analysis, it may be seen that EO of the founder is as superior as the next generation's. But, in order to continue the family firm in the future, it needs SE which is the behavior to utilize the competitive advantage not only in gaining the wealth but also in developing the firm (Ireland et, al, 2001) and maintaining it from generation to generation (Amit & Zot, 2001).

The domain of SE is the combination of pursuing opportunities and taking advantages behaviors. Under the leadership of Aris, this family firm is more capable to increase the production and double the earnings than previously, when Mr. Anwar was the leader. Aris had some active strategies which Mr. Anwar was not daring to do so. Some of the strategies are: adding the number of vehicles, expanding the market up to Medan, Riau, Bengkulu and the entire market in Lampung, expanding the network of grain suppliers, attempting to widen the market by creating new rice package and planning to buy a grain oven in the future to maintain and improve the quality of the product.

Based on the description above, it is clearly seen that the EO of the founder (Mr. Anwar) tends to decrease along with the age and the reliability of the firm and also the founder. So, when the next generation began to lead the hereditary business, the different of strategy views often led to some internal conflicts which eventually affected the business performance. The example of this case is when Aris's ideas to increase the capacity, widen the market, add some vehicles, and to establish a new unit of business are often opposed by his father because Mr. Anwar knew exactly that the ability of the firm is not that high and he also disagreed to take on some debt from the bank.

Although such conflict happened frequently, it fortunately did not last long. Mr. Anwar realized that Aris was a hard worker, yet emotionally labile and easy to despair when his ideas were rejected. Therefore, Mr. Anwar's wife usually supported and suggested him to give Aris way to do the business. This family firm also adopted professionalism principle as Aris might work freely as long as he was capable to give a significant contribution to the business. Mr. Anwar believed that Aris still required a companion who was able to give him advice particularly in term of firmness, discipline and accuracy since Aris frequently experienced in fraud and loss which significantly reduced the business profit. Aris also admitted it, so in the future they both agreed to do separated system and management between the first and second rice mills, and also to have a transparent financial management.

In short, the level of EO and SE in the family firm owned by Mr. Anwar can be drawn on the following table and life cycle of family firm.

Table 2
The difference of Entrepreneurship Orientation degree in the first and second generation of Mr. Anwar's family firm

<i>Degree</i>	<i>1st Generation</i>	<i>2nd Generation</i>	<i>Efect</i>
<i>Factors</i>			
Innovativeness	High	Higher	-
Risk Taking	High	Higher	Conflict
Proactiveness	Low	Midle	-
CompetitiveAgresiveness	Low	High	Conflict
Autonomy	Low	High	Conflict

Table 3
The life cycle of Mr. Anwar's Family Firm

Year	Life cycle	Orientation/ strategy	Structure	Decision Making Style	Condition	Situation
1983	Existence	The orientation of rice milling service	Non Formal	Centered	Hiring 3 employees	
1985-1990	Existence	The orientation of rice milling service and small production of rice	Non Formal	Centered	Hiring 3 employees	
1990-1994	Survival	The orientation of rice milling service and small production of rice	Non Formal	Centered	Hiring 6 employees	The second generation involved in the business
1994-1995	Growth	The strategy of expanding the market and network of grain supplier	Non Formal	Centered	<ul style="list-style-type: none"> Hiring 6 employees Increasing rice demand 	<ul style="list-style-type: none"> The founder went for hajj represented to the second generation
1996-2000	Success	<ul style="list-style-type: none"> The strategy of expanding the market and network of grain supplier Opening a new business branch 	Non Formal	Dualism of leadership	<ul style="list-style-type: none"> Hiring 10 employees Opening a new business branch 	<ul style="list-style-type: none"> The transition process was begun The 2nd generation got married and opened a new business branch The different business views lead to conflicts.
2000 - 2005	Success	<ul style="list-style-type: none"> The strategy of market expansion Branding the product Increasing the product capacity 	Non Formal	Centered	<ul style="list-style-type: none"> Hiring 15 employees Having increased earning Owing money from the bank 	<ul style="list-style-type: none"> The founder retired and became the ambassador The 2nd generation had the whole authority
2005-2009	Long-term strategy	<ul style="list-style-type: none"> The strategy of subcontract with wholesalers 	Non formal	Dualism of leadership	<ul style="list-style-type: none"> Hiring 15 employees Having increased earning The debt swelled The conflict regardless the business performance appeared 	<ul style="list-style-type: none"> The 2nd generation was less discipline and inaccurate The founder intervened in the business The conflict related to the different business views appeared
2010-2013	Long-term strategy	<ul style="list-style-type: none"> Planning to separate the firm management Planning the family firm constitution 	Non formal	Dualism of leadership	<ul style="list-style-type: none"> Hiring 15 employees Having increased earning The debt had not been paid yet The conflict regardless the business performance appeared 	<ul style="list-style-type: none"> The founder intervened in the business The 2nd generation's ambition decreased

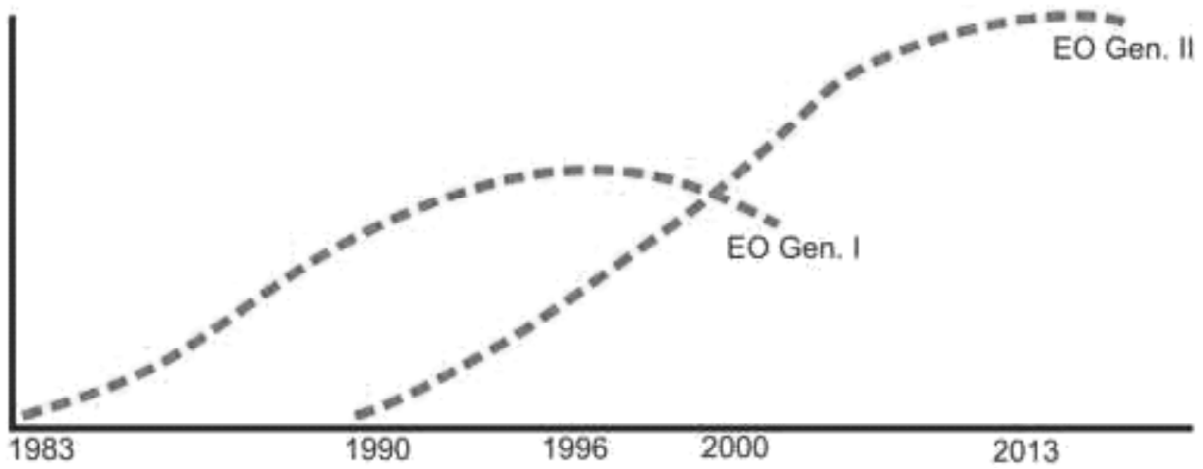


Figure 5: Entrepreneurship Orientation in Mr. Anwar's Family Firm

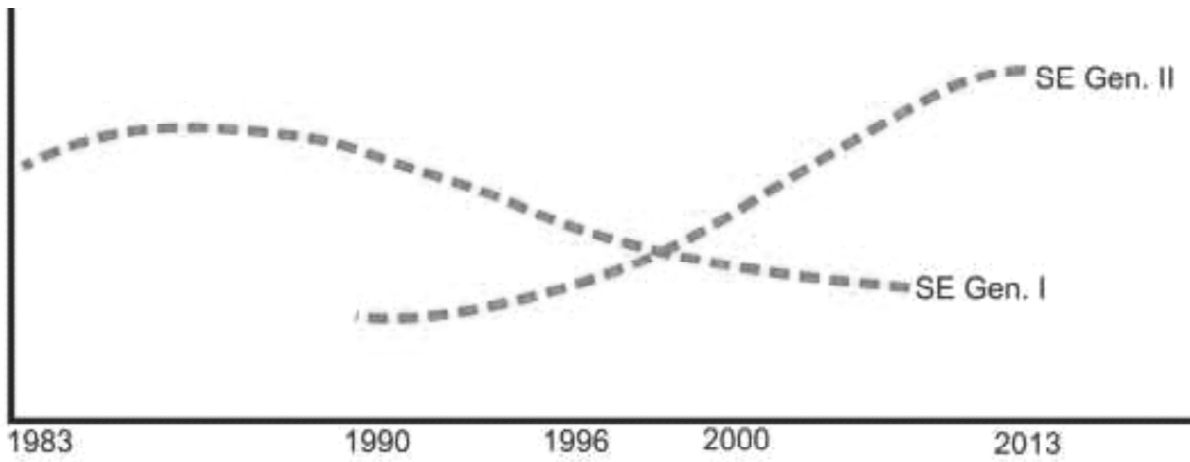


Figure 6. Strategic Entrepreneurship in Mr. Anwar's Family Firm

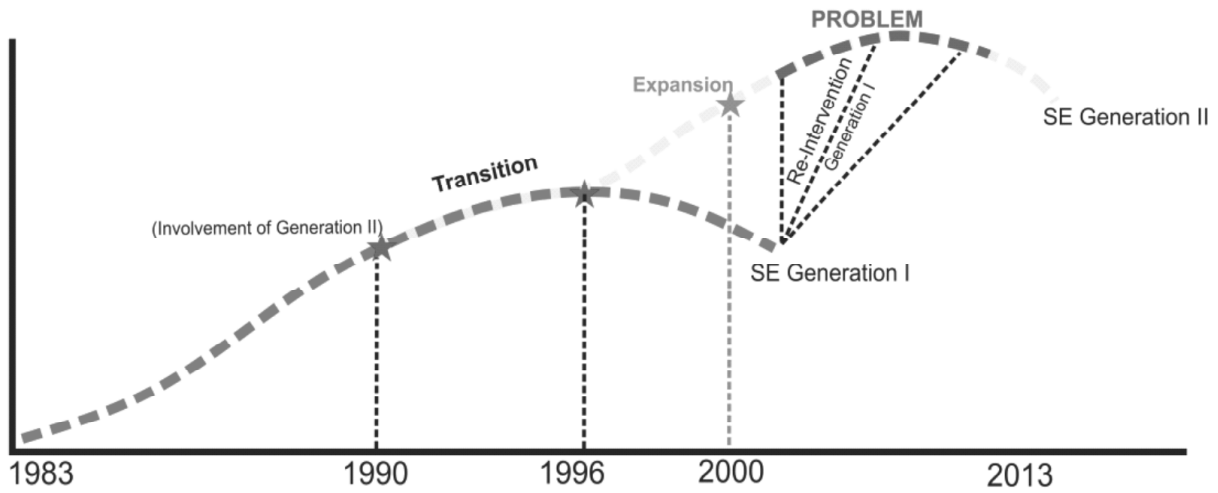


Figure 7: The Life Cycle of Mr. Anwar's Family Firm

MANAGERIAL IMPLICATIONS

The findings of the study stated that the different degree of EO and SE between the first and second generation might lead to internal conflict of the family firm. Therefore, as suggested by Montemerlo & Ward, (2005), there should be a family constitution, such as a formal or informal meeting of family firm to determine the regulation regardless what can do and cannot do by the family members included in the family firm. In this case, Mr. Anwar is determining the constitution practice, and as a founder, he can be the leader of the business council and family. One of the regulations in this firm is the separation of management and finance between the first and second firm with an expectation that there will be professionalism in business performance, even though practically it is quite hard to be conducted as the decision making often involves the emotion, such as feeling bad or afraid of disrupting the relationship between father and son.

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