

**HOW YOUNGER GENERATION MANAGE THEIR FAMILY
BUSINESS**



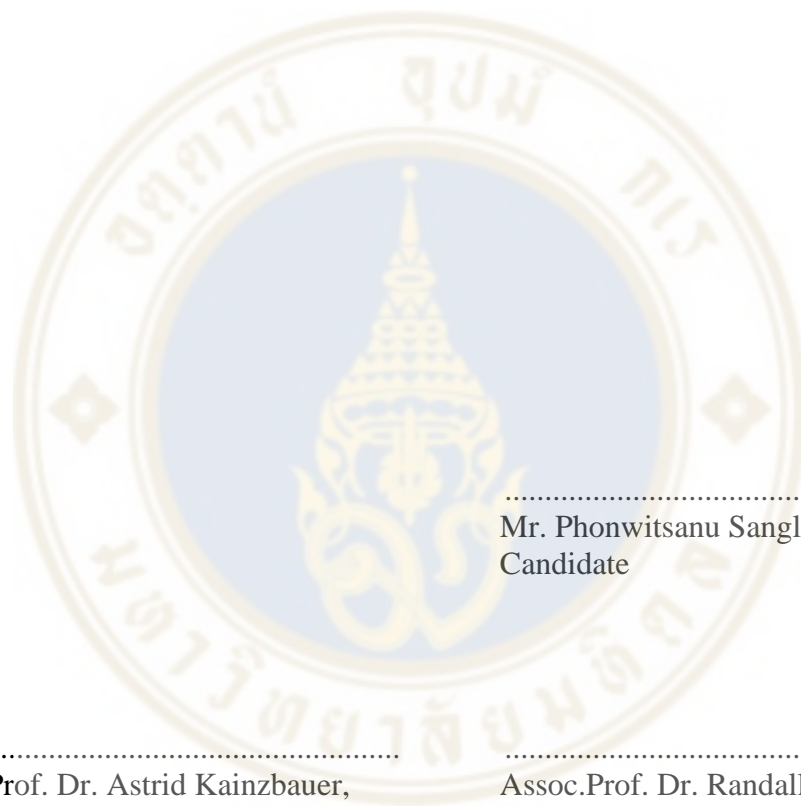
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HOW YOUNGER GENERATION MANAGE THEIR FAMILY BUSINESS

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ABSTRACT

In this study, how younger generation manage their family business from the older generation, the purpose of this study is to provide inside information of the family business from the younger generation perspective and also show next step of management in the future, to know deeper how younger generation manage their family business after they got from the older generation. Previous studies in literature review for next generation or the successor in family business and the transferring power in family business are reviewed. Qualitative research is done by conducting interviews with 10 younger generations who already work inside their family business. It is concluded that there are differences between the younger generations in term of business, characteristics, succession planning, conflict and innovation in business. The similarities are found in family business and also some differences in each industry of business which difference criteria to solve which are challenge for future management of the successors. Recommendation to the younger generations is preparation before joining family business, avoid conflict in family to let the business smooth and to expand new channels of business follow to present era such as online version.

KEY WORDS: Younger Generation/ Family Business/ Successors

24 pages

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CHAPTER I

INTRODUCTION

Nowadays, there are many sizes of businesses in the Thailand, based on the number of employees and annual revenue, such as small and medium size of businesses or SMB, small and medium size enterprises or SME, and large enterprise which have more than 1,000 employees in the company. As the innovation and technology came, there are more of businesses which mean the more of competitors too. Every company must try to survive in any situation, the economic crisis or any effect that can harm to their business such as virus spreading. Many companies got effect from the crisis and trend to shut down or stop their businesses. To achieve the goals and business growth, the company should have criteria or any strategies to increase their revenue and cover to the expense along the time. Planning is also one of the key success, to do process and try to matching strategies during the time or the forecast of business trend. It is very important to plan for their company growth. It is one of the management skills to bring the company through the situation.

In small and medium businesses, as mention that they are separated by the number of employees and annual revenue, 0-100 for small size businesses and 100-999 for medium size businesses. There are pros and cons for this kind of businesses, it easier to control less employees, it can be managed by only small number of director but mostly it might control by owner. Every company must start from small business first and then growth to be large business. Some start from friendship, some start from partnership together, some start from family and it is legacy through the generation. Especially, the family business is one of the hardest business which most of family business came from small one. There are many of internal problem whether the ego in family member, the age and seniority, conflict in benefits and the money and more of problem within family and it can affect to the organization. There is one Chinese proverb about family business that mention “Wealth never survives three generations” (John Hartog of Hartog & Baer Trust and Estate Law (2013)), which show that the family

business cannot survive through the third generation. The difference of generation, the idea and strategies that change along the time during generation, the fast changing of technologies, understanding the new society and new market, and more of the reason that create gap between generation, how can younger generation adapt themselves to solve this problem and handle with it.

Therefore, the objective of this study is to know deeper how younger generation manage their family business after they got from the older generation, what are their action, what the successors do after they in charge, what are their vision to grow the businesses, what will they change the company from the older generation, how to control or manage in family business and how to run the company in the future. It is very important to look through the managing style in difference markets and difference generation. Comparing pros and cons from both older and younger generation, seeing the details and strategies in management, what is the difference between two generations and what the younger generation will do after they handle by their own. Seeing which way that difference generation working together or create new perspective for their business. Moreover, recommend method development is considered and discussed in detail how this organization will change and how can they use in family business after incoming of the younger generation. The challenge to younger generation to perform in the same or better level to their older generation. Trying to find the strategies from the younger generation to manage their family business, which option that have effect in positive and negative.

The interviewees will be the one who have their own family business, both who is already in charge in the position and who still under their older generation. It will be two types of interviewees, how they show off their challenges and control from their perspectives.

CHAPTER II

LITERATURE REVIEW

The following present a comprehensive review of family business and successors literatures in effort to better understand the scope of the younger generation or the successors to manage their company. By studying what previous research shows about how the successors or the younger generation in family manage the company. This review will focus on how the next generation will perform after appointment from the older generation.

Silva & Silva (2014) The paper is about the problem of succession in family businesses—The succession plan is the most important instrument in the succession process. It should be done on time to prepare conveniently whom is the successor, when and how the succession takes place. Even if there are still some evidences show that the next generation can be successful without the plan but this article shows that if there is time to prepare and plan for successor, they will come with good performance and successful in the future

In the paper, it also shown the meaning of family business in term of model with seven different situations that some of family business will face. It may have more conflict when there are the intersection.

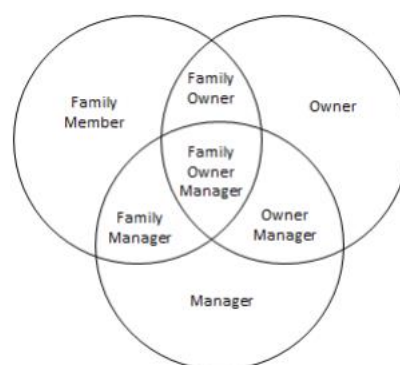


Figure 2.1 The three-circle model of family business (Gersick, et al. 1997: p. 6)

Barnes and Hershon (1967) started to study Transferring Power in The Family Business long time ago. Sons or subordinates of first-generation entrepreneurs tell of patient and impatient waiting in the wings for their time to take over the running of the company. When the time comes, it usually comes because the “old man” has died or is too ill to actively take part in management. The transition problem affects both family and non-family members such as employees, competitors, outside directors, etc. The article shown that the most effect is the non-family members perspective like employees seem to be the real management problem, normally if we have problem in the family, it might affect to relationship but it also easier to rebuild or solve the problem. In the other hand, we cannot control the external people who were not in family because they do not have much relationship and maybe they do not care if there are problems in the company. The problem is not in the management books, or the reports. Ignoring these realities can be disastrous for both the family and the company.

The article compares the situation from family business, some family started the business with their sons nearby since the beginning turned to be the successful one because they can do all the process and give innovation without older generation limit, the younger learns from the beginning. Another family got conflict problem in family and separate the company turn to be low performance to all companies. It all start from conflict but the article also show that this company does not have any plan to support this problem. Another family also have conflict between members in family but one of the members played important role in bridging the growing gap between members but the keys to success for this family is the power balancing between younger generation, it is one of the plans from the older with the flexibility and listen to new ideas from successor generation. This article identified the following factors as relevant for conflict family business, the relationship plays the main role of the article, preparation is the key because if the successor plan before “the time comes” it will let the successor to educate the problem even if it is family conflict or the employee’s problems.

Cheokas (2013) used to study the experiences of second-generation successors with the succession process and how experiences may influence their approach to planning the next generation succession. It also examined the succession experiences of these owners in the areas of succession planning, successor development,

individual learning, and the culture of stewardship. Every business should have plan to reach to target, so planning is very important part to create the best performance for successor and also to the future family business. This research is a contribution to practice is made by outlining how these areas influenced second generation family business owners as they contemplate approaches to future succession.

He found that there are four factors that the second generation focus on which are decision, development, individual learning and the culture in their family business. All factors can help the younger generation to continue the business.

Many family business owners want their offspring to continue the family business after they have retired. However, they may lack “willing successors.” **Simon C. Parker (2016)** tried to find out the willing successor problem in family business in *Family Firms and the “Willing Successor” Problem*. He proposes parental business strategies which enhance the attractiveness of continuation by offspring. These strategies include investment in intangible capital, it means a major determinant of innovation and thus of enhancing the growth, employment and competitiveness such as patents, trademarks, and copyrights or the easier word describes intangible capital is how to improve the innovation in company. It is less valuable if offspring sell the firm, and high levels of parental effort. As a by-product, these strategies enhance the financial performance and longevity of those family firms which adopt them, and might help explain the global prevalence of family firms as an organizational form.

Pramodita Sharma, P. Gregory Irving (2005) also mention about the antecedents and consequences of family business in *Four Bases of Family Business Successor Commitment: Antecedents and Consequences*. The successor commitment toward family business has been identified as a key desirable attribute. There are four bases of successor commitment to family firm—*affective* (based on perceived desire), *normative* (based on perceived sense of obligation), *calculative* (based on perceived opportunity costs involved), and *imperative* (based on perceived need). Actually, it is the keys that every leader of the business should have and they might help successor to understand more about company and push them in the same culture as the antecedents

Sylvie Laforet (2013) studied on Innovation characteristics of young and old family-owned businesses to examine characteristics and factors affecting innovation in young and old family-owned businesses. The research focuses on three important factors to innovation; organization type, age and size; covering gaps in existing literature. The methodology is a postal survey of 500 small family-owned businesses across sectors in the UK is conducted. The study uses regression analysis to test effects of environment, innovation strategy, family culture, family involvement, owners' background and learning on innovation in young and old family businesses as well as innovation effect on their financial performance. This article identified the following factors as relevant about resources and the effort from the older generation which are innovation during the time by company, the organization, how the internal effect the company such as the age and type of employees or the culture in company.

Josiane Fahed Sreih, Robert N. Lussier, Matthew C. Sonfield (2019) studied on Differences in management styles, levels of profitability, and performance across generations, and the development of the Family Business Success Model. The objective is to find out the differences between generations in family businesses. They used the Family Business Success Model, the model with careful planning and preparation for smooth transition of ownership, leadership and management of the family business and family assets to the future successive generations, the family business needs to build structure for success in the next generations with long term planning, finding the right family members to be successor and also criteria to control and manage the business. This article identified the following factors as relevant for the older generation to see the ability of the younger generation in family, try to choose the right one that can help the business be better in the future by planning and preparation before the next generation handle.

Anna Akhmedova, Rita Cavallotti and Frederic Marimon (2014) used to study Succession in Family Firm – Next Generation perspective and use of qualitative research methods. Research confirms that only 30% of family firms successfully undergo the process of transition from first to second generation successfully, and only 10-15% transit from second to third generation. It also shown that the key to successful

is the next generation perspective. Deeper information from this research is the daughter perspective to the family business. So, from this research, it got the result of next generation perspective on succession, daughter perspective on succession and women in family firms.

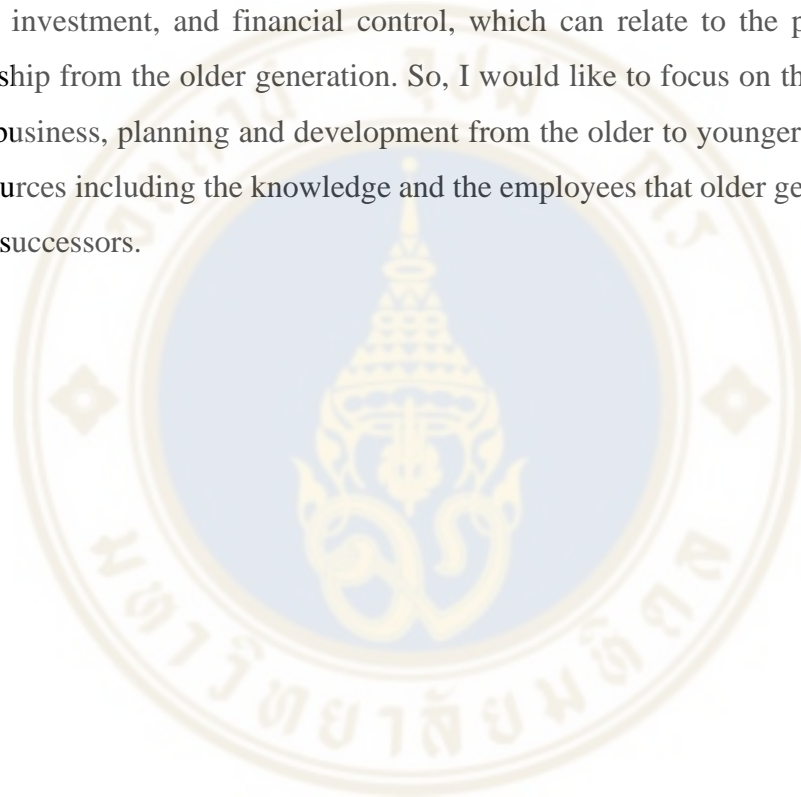
The perspective of the next generation seems to be the most important for quality and effectiveness of succession (Handler, W.,1989), (Handler, W.,1994), (Sharma, P.,2004). The three main direction for the next generation will be desirable successor attributes, performance enhancing factors, and reasons these family members decide to pursue a career in their family firms.

Moreover, **Anna Akhmedova (2018)** also had Next Generation in Family Business. The Role of Values at Different Stages of Succession Process. This research was focusing on reviewing literature on the next generation and to understand the role of values in decision-making and process stages of succession. The introduction shows information of workforce in each generation and it trend to be the young generation who born between 1981 and 1999 will be the main global workforce. A total 105 articles on next generation in family business, it can be dividing into 4 categories which are decision to enter the family firm, the process of training and transfers of knowledge, social capital, values and leadership, decision to succeed the business and the process retirement of the previous generation. Both article that have Akhmedova as an author will identified the transfer of knowledge, leadership, values from older to younger generation. All of them are the keys to success in family transfer business.

Nancy Higginson (2010) studied Preparing the next generation for the family business: relational factors and knowledge transfer in mother-to-daughter succession. A first issue in successful intergenerational succession is ensuring that the next generation is well prepared to assume the leadership/ownership role within the firm. this paper examines the knowledge transfer process in nine family businesses where a mother-to-daughter succession, it also concerned of the relationship between both sides. The study providing better understanding of succession in the family business. It clearly sees that this paper main focus is the relationship between mother

and daughter, and also the preparation from mother before transfers her power to daughter.

In conclusion from the literature review, the key factors for successful power transfer to the younger generation are the planning, decision skill, perspective and avoiding family conflict. The innovation of family business comes along with the young generation of management. Another issue related to the family business which most of the present literature mention is the financial part of the family business, such as cost, investment, and financial control, which can relate to the planning and the relationship from the older generation. So, I would like to focus on the relationship in family business, planning and development from the older to younger generation, also the resources including the knowledge and the employees that older generation transfer to their successors.



CHAPTER III

RESEARCH METHODOLOGY

3.1 Primary Data Collection Method

The analysis of publications in Chapter 2 – Literature Review demonstrates the factors related with the planning process along with other sub factors that help successor to be successful. To answer the research objective, this research uses qualitative approach by interview face-to-face, asking the questions that will help to the target of the research. Therefore, in order to understand and reach to the deep information from the successors, the data collection from using key question which reflect from the literature review would help to ask direct question. Comparing the management style of older and younger generation from the younger generation perspective. Furthermore, the author will let the interviewee to tell their experience or the case study to see all of the factors that help them to grow up as today.

3.2 Interview method

The method that will use to collect the data from the younger generation of family business who already involve in their business both the one who handle all and handle some part of the company by interview them with question relate to the management. By this way, in-depth information from interactive question and answer sessions will be obtained. The interview method will be as follows:

3.2.1 Sample Selection: For this research, the interviewees include 10 of selected sample of the younger generation both who already take full responsibility of their own business and who just be the part of the business. Someone uses to work in other company outside the family and someone started working in family since graduated.

Table 3.1: Sample Selection list

Code	Position in company	Duration of this position	Full responsibility (No parents)	Use to work outside before	Age	Gender
A	General Manager	4 Year	Half, Parents only see overview	No	26	Male
B	Assistant Manager	1 Year	Half, Parents only see overview	No	22	Female
C	Assistant Manager	1 Year	Under Parents	Yes	26	Female
D	Hotel Manager	4 Years	Yes	No	27	Male
E	Assistant Manager	3 Years	Under Parents	No	26	Male
F	Assistant Manager	1 Year	Under Parents	Yes	26	Female
G	Customer Service	1 Year	Under Parents	No	25	Female
H	Assistant Manager	1 Year	Under Parents	Yes	26	Male
I	Assistant Manager	2 Years	Under Parents	Yes	26	Female
J	Project Coordinator	1 Year	Under Parents	Yes	27	Female

3.2.2 Open ended question: To find out the family business plan and how the successor's action, the open-ended question would be the good method to reflect the result. The open-ended questions are allowing the interviewee to have freedom to answer, sharing their experience which can related to the key idea or the situation that

they actually faced during family working life. There are some keys main point and the questions is listed as following;

Table 3.2: Open-ended questions list

Finding Factor	Interview Question
Succession planning and development	<p>(1) Do the older generation have plan for you?</p> <p>(2) Do they have any development plan for you? Such as career path in the company or just in charge in the highest position?</p> <p>(3) How long do you know before you take in the position?</p> <p>(4) What is your personal motivation to take over the family business? (Interest in the business or obligation to the parents, or other reason?)</p>
Transfer knowledge	<p>(1) How the older generation transfer knowledge (coaching) to you? Any special method?</p> <p>(2) Is it the standard method or special method (different from others) because you are the family members?</p>
Relationship in family	<p>(1) How many family members whom you currently work with and how do you divide your responsibilities?</p> <p>(2) Is there any conflict in family? If yes, how do you handle it? If no, why not – how do you make sure everything runs smoothly?</p>

Table 3.2: Open-ended questions list (cont')

Finding Factor	Interview Question
The innovation along time	(1) Do you see the innovation in your family business over time? (2) How your family business improves the technology during time? (3) What will you do differently after you take full in charge of the company? (4) What will you change and keep from the previous generation?

3.2.3 Probing Technique: To ensure the validity of data, the probing technique is adopted. According to the technique of McDaniel & Gate (2015) by asking further questions, more examples, result or reasons of the given answer. In order to get the information from the interview with this technique, two-way communication is used.

3.2.4 Interview: The most effective way to interview is to have face-to-face conversation to each interviewee. The venue of the interview has been selected as the private place to the interviewee, to let them feel more convenience, comfortable and more relaxed to the conversation and make it smoother. Moreover, from the venue, the authors will also have observed the interviewee reactions, their body language, gestures and facial expression, all of the reactions will show the real meaning than the words. The interview took approximately 45 minutes to 1 hour including introduction, open-ended and probing questions.

3.2.5 Research Framework: The research framework will cover to find out the real information and the experience from the interviewee in term of the succession planning, the challenge to take the position. With the data collected from both literature review and in-depth interview, the final conclusion of this research will be the combination of the primary data and the secondary data which will be organized based on the experience of the interviewees. The relationship of the answer is showed in the figure 2.

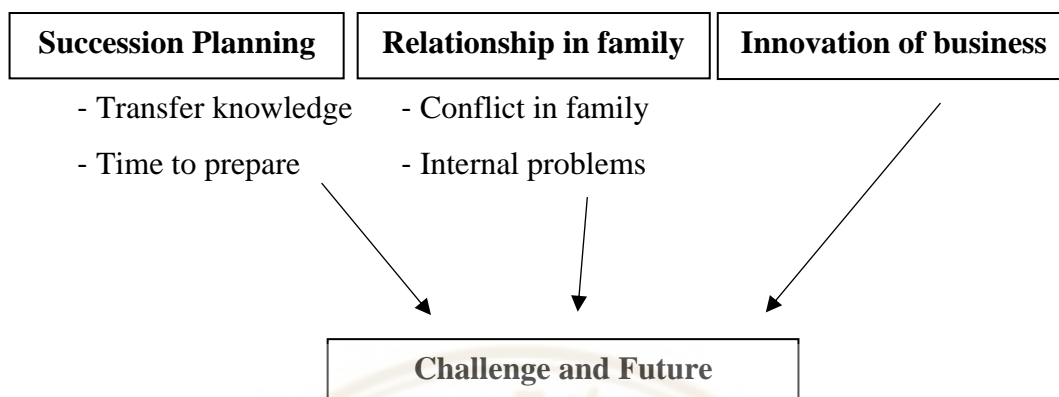


Figure 3.1 Research Framework



CHAPTER IV

DATA ANALYSIS

After collection the qualitative research, the summary and analysis of data finding from sample 10 interviewees are grouping into 5 main topics, the characteristics of the interviewees and another 4 topics will be the same as the interview questions which are succession planning and development, relationship and conflict in family, and the innovation of family business and the challenge and future management of younger generation.

4.1 Characteristics of interviewees

In this section, personal characteristics of interviewees are summarized in to 2 section which are background of interviewee and the personality of the interviewees.

4.1.1 Background of interviewees

There are 10 interviewees from difference background, difference industry, the most kind of family business is the wholesale and retails. The average age of all interviewees are 26 years old within the range of 25-30 years old. Most of them, 9 out of 10, are still younger generation who does not handle the family business by themselves but still have support from their parents or older generation, as in summary 7 out of 10, the position is assistance which they all helping their older generation and still learning from them. The main job for all assistance is to help their older generation to do all job that they want to do such as to do the documents job but all of the female who graduate in bachelor of business trend to worked under the financial team with some of other department's knowledge such as sale department and also research and development. There is one interviewee that already working alone which are the hotel manager, Mr.D, who have the experience in this industry around 4 years, another one

which has the position as project coordinator, as her family business run by project, she tends to help the project manager in operation job and also, she can show her opinion because they work as a team which is smaller scale compare to the whole company. For others they just started their family business in the smaller position. The average of working duration in family business is 2 years, most of them still do not know every detail in their business, needed support from the older generation but in difference details of industries, some part they can handle by themselves, the older generation allow them to managed and changed but all of the action still observed and advised. It is the learning center for all the younger generation more than to be the employee.

4.1.2 Behavior changes of interviewees in management position

In this part, the personality of the interviewee is clearly seeing from the position that they stand. Example from the hotel manager case, the manner and technique of speaking will be difference from other, he seems to be very claim and give deep detail in their business it told that he is professional in talking, know how to answer direct to the point which is one of skills that CEO should have. For other, some have changed their behavior to fit with their company culture such as Ms.F, the one who have to control her employee because her family is workers recruiting company or in easier called finding labor company, she changes to be fiercer which help her to do better in her own job because she must have power to control her employees and fierce is one action that show the power immediately. All of them change to be better for their business, they change their behavior to fit with their business, which help them to understand more about the CEO position, show their ability to older generation and build trust to them.

4.2 Succession planning and development

In this section, the succession planning and development are summarizing by each 2 topics (1. Planning, 2. Development) and the data from the interviewee will dig down and separate as following.

4.2.1 Succession planning

The succession planning was not quite clear because 6 of 10 have no idea on succession planning from older generation, no plan informed before they come in family business, and they just follow the order from older generation which help them to increase their experience and understanding more about their current jobs because when the interviewee came into their family business, they have to started from the lowest point and try to understand the culture and the duty of their position. Moreover, 5 out of 10 just jumped in to their position after they graduated, all 5 persons still do not have any job offer and try not to stay still by helping their family business and still in the position until now. Only 2 of 5 that their older generation have plan because their parents set them to be the direct successor. There is no other plan such as hire outside employee to be in charge during the younger generation is still the newbie in family business. Also, the position of assistance manager, from the interview, one of them, Mr.E, who currently worked for 3 years in the cartons manufacturer and still does not change his position because of the same reason, to be the successor and the older generation still full in charge of the company.

In term of preparation before take family business's position, half of them start since they graduated bachelor degree and others just find their own job first and after that they come back to their business. One of interesting case is from Ms.C that her family does not ask her to come back but told her that she can have her own way of working life but she chooses to come back to family and using her knowledge to improve her family business rather than using it elsewhere.

Another issue is how the older generation transfer knowledge to their younger generation. From the interview, all of the answer showing in the same direction which is starting from the lowest position in their business but separate to male and female. The answer from male interviewee is starting to be their worker or blue collars,

helping them to know the process and know more about their product and service. Some of female got the same opportunity but they also got the duty to do financial and more of documents than in male.

4.2.2 Development plan

In the part development plan for younger generation, all of the interviewees are the second generation of the family business, so the development plan from the older generation is to be the successor or in the position assistance manager or the right hand of the older generation but 5 out of 10 does not think like that. The 5 older generation does not force their younger to take the position, but let they find more experience from the outside first. They also give advice when the younger ask about the outside job, put their child in the right path way such as Ms.C, she used to work outside in the digital marketing position, she can use her experience for her family. Another example is Mr.H who has experience in customer service, which it helped him to develop himself when he has conversation to customers. Both told that they ask their older generation for opinion to join outside company which can help them to develop themselves and the skill can also use in their family business. The result show that 6 out of 10 already assign to be this position, learning about the structure and the way of their family business. Example as the case from the interviewee who is currently the project coordinator, Ms.J, which her family business is camping organizer for education, her father gives her this position because it can be promote to be the project manager which is the highest position under her father or the owner of the company. Moreover, for others, there are some plans that help them to create more knowledge in their field such as for Mr.D, hotel manager, he shows that he can do the job same as the older generation in the 2nd year and he got to work by himself after that. Another is the one who is customer service position from Ms.G, she controlled all the customer service department, but actually she starting from the beginning, knowing company products, storage position, and the blue collar's job, to see and know the business first and it helps her to promote to this position. Moreover, all of the older generation also treat their younger generation more special than normal employees. At first, they might do the same job as normal employee in the lowest position but after 3-4 months, they bring more information which only

internal family members will know and with this knowledge it will help the younger generation to grow like a successor or the next CEO of their company.

4.3 Conflict in Family

In term of conflict in family, every business has conflict, especially the conflict of idea due to every job but the important is how to action after family business got conflict. 9 of 10 of the interviewees told that in their conflict will also affect to relationship because of yelling and the furious emotional but to get the best result of project or work, the conflict help them to understand each other more. After fight, both talking and trying to find the best solution to solve the company problems, helping each other to continue work. Only one interviewee that have no conflict in family is Mr.H, the textile company, this family currently run by his parents, his father is the biggest in the company but he is a good listener and also good adviser, he open his mind for younger generation idea and try to improve it together with Mr.H such as new online sales channels, he told that his father know the situation well and let the younger generation do his best due to he is not that professional. Moreover, the transportation way which Mr.H try to present new type of transportation such as Kerry but they all brainstorming, checking the cost together and know that their current transport supplier can give better service and the lowest price. So, they still use this way. In conflict situation such as in the engineering powerplant company of Mr.A, if they face the conflict or difference idea in the team, they will talk face to face, talking and clearing the problem in every point, clear both side's mind set together before continue work because they do not want any more conflict during the project again.

There is one interesting case from the cosmetic company of Ms.C, currently she is one of the assistances to her CEO or both parents. During the covid-19 situation, she asks her family to adopt the sanitizer to sell in the market but the family not see that it is the opportunity because her mother thought that the sanitizer is not long-term products, only produce for internal family use, Ms.C also said that it is big mistake considering from current situation that the sanitizer still be the needed equipment now which make the company lost the opportunities to enter the market with this product.

Another issue for this company is Ms.C wants to educate and launch the new product of the body lotion including the perfume smell to follow current market. Her mother and aunt deny this project but she still has her father to support because currently this product also in the trend for teenager or it might say that she knows the targeting group very well. All ingredients are ready but her mother and aunt pause it because both see that this new product is too risky. After brainstorming, all older generation who not agree to her body lotion project request to build up new company which the younger generation can handle by herself, it can help them to reduce the conflict and also let her shows skill and knowledge after learning from current generation, this plan will start after her graduated Master degree. This conflict leads to build up the new company, but she wants to know more about all product and now she still in the only family company to learn and wait for the time to be ready. So, it would be better if they can clear the conflict with the reasons.

4.4 Innovation in Family business

According to all innovation in every family business from the research, it can be divided into 2 part which is the innovation of business and the technology adaptation.

4.4.1 Innovation of business

During the time that all interviewee sees their family business, some told that their business still be the same since they remember but some told that there are improvements from all departments. The case is nearly the same from Mr.A and Ms.J, engineering powerplant company and camping organizer for education, both are the job doing as a project. So, most of the time, the innovation will adapt following to the customers' needed, such as customer want to use the new design for their powerplant, the team have to find the strategies to make the project happen and develop themselves to serve customers, but the project must be the one they can do which they decide to take since the bidding or the beginning. Another example from Ms.J, when she have to contact to her customers, every school have their own culture and they want to give

something special differently from normal project, she have to adapt and help the school to get attention from children such as following the trend in that time, upgraded company's equipment, iPad, new activity with more technology.

The most interest case of innovation is from hotel manager, Mr.D, this business actually start from his father as the first generation, when the family build up this business, the hotel got only 3 stars which before he takes the position, his father innovate the hotel, and upgrade it to be 3.5 stars by following to the hotel standard criteria, investing in some equipment or utensil such as the hair towel and hair dryers to build more facilities to their customers, also add up game room to make the customers feel more relax. All of the change is better but still not reach to 4-stars criteria but the younger generation hope to continue developing, to become more famous and more service in the future.

4.4.2 Technology Adaptation

Nowadays, the technology seems to be useful in our daily life, and it also can use with the business. All of the younger generation which have the age during 25-30 years old grew up with digital era including social media. They all professional in social media more than the older generation. So, 100% of the interviewee mention to social media, they want to expand their family business in the social media. Most of the business is commercialize, so they create the social media channels such as Facebook to reach more customers. Moreover, as the interview questions “What will you do differently after you take full in charge of the company?” and “What will you change and keep from the previous generation?” showing that the social media still be the important point to every kind of business. There is only one business, hotel business which already have the social media because they have to reach customers from Agoda.com, Booking.com, etc. since start the business. Moreover, in every company of interviewees have to work with Microsoft office program, all of them adapt to use the service from google or the google document, sheet, slide because the function is the same with Microsoft office but it is easier to see together and know that who is currently doing the work. The online system improves the operation to all companies.

4.5 Future Management

As in the future management after all the information that interviewee gave, they will use their knowledge, skills, and the technology to improve their family business, to better in operation, follow to the current situation or present world, bring the newest technology to the companies. Moreover, some will change the culture and set some standard of choosing the employees because sometime they saw that current employee sometime quite a bit lazy, maybe set up the regulation to control them and give them advice to help company to be better both in term of products and services.



CHAPTER V

RECOMMENDATIONS AND CONCLUSION

5.1 Conclusion

In this paper, as research question of How younger generation manage their family business from the older generation are investigated in term of the planning, conflict and innovation. The challenge that they faced and their next strategy if they in charge to the highest position. The sample including 10 younger generation with range age 25-30 years old who already join their family business on the fulltime job. There is some different issue that they face due to the difference of industry but the solution of transfer knowledge and how the younger generation improve are nearly the same. Most of the factors that older generation gave to younger generation is quite very important, something that help the sample to push their performance up, they will see the older as the model, in the other hand, something that does not make sense or younger generation can improve they will change in the future. But the factors that not very effective to younger generation is time preparation, it seems like preparation time before jump in to family business is not necessary because all of interviewee still can work without older generation told them to prepare.

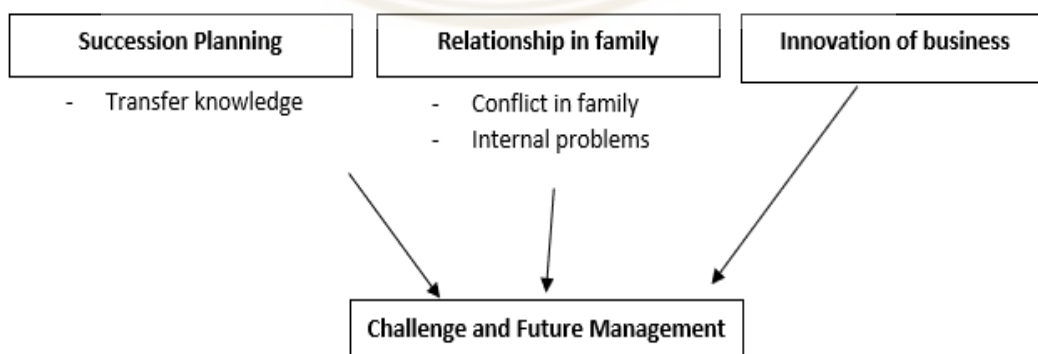


Figure 5.1 Conclusion Framework

5.2 Recommendation

Base on the conclusion that we derived from the research, we can conclude by understanding the younger generation more and knowing that which factors they should focus if they want to be the good successor.

The first factor that I would recommend is preparation, it not about time preparation but it is to prepare to take the biggest opportunity to join your family business. They should change their mindset, to growth their family which can affect to yourself in the future. Some of them already worked outside family company, they only work for knowledge and salary but after you came in to family business, every mistake will be cost to family and it may be a lost to all members.

The second factor is to avoid conflict in family, one of the most important factors. From the interview, if it is conflict in work or idea, it can be clear with the solution from each company, but the conflict that should avoid is the behavior or bias conflict because this kind of conflict can affect to the company performance. Try to create positive action, having good manner to all family members, creating more trust to the older generation. It may useful when you faced the problem and ask for help from the experienced one. Actually, this avoids conflict can use to all employees not only family members.

The last recommendation is to find new channels to family business, this suggestion is not only in social media or the technology but also include friends, old colleague, or someone whom you can create new channel to business. You may see that current customer of your company is still enough but actually the business run very fast, you may have to find new channel or new customers to boost the company up more than in present. Younger generation will have easier way to find the new customers because we all grew up in the digital world.

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