

Problems in Family Business : Systematic Literature Review (SLR)

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Abstract

This family business is very important for survival and influential in the country, the high unemployment rate that exists in this country makes family business one of the opportunities in creating jobs. Several studies on family businesses have noted the very significant role of family businesses in a country's economic growth. Gender roles in family companies, especially in Indonesia, are very important. In addition to gender, there are other indicators related to problems in a family business, from several articles that have been found including business strategy, communication and the role of a woman in a family business. From several articles reviewed, the majority of the research used a qualitative approach in discussing problems in family businesses. This is because in this theme detailed research is needed through interviews conducted with respondents who know and have a family business.

Keywords : Family Business, Problem

A. INTRODUCTION

In this era, many families create their own businesses, the goal is to prepare for the future for their family members. This family business is very important for survival and influential in the country, the high unemployment rate that exists in this country makes family business one of the opportunities in creating jobs. Several studies on family businesses have noted the very significant role of family businesses in a country's economic growth. Family businesses are able to contribute between 45% to 70% of gross domestic product (GDP) and absorb a lot of labor in many countries (Glassop, 2005).

Based on data from the *International Family Enterprise Research Academy* (2003), family businesses occupy an important position in a country's economy. Based on data from BPS (2007) which has conducted the National Economic Survey (Susenias) in 2006, in Indonesia there are 48,929,636 companies. Of that number, as many as 90.95% can be categorized as family companies. The susenias data also states that family companies contribute 53.28% of GDP and absorb 85,416,493 people as workers or 96.18% of the entire labor force.

Some world-class companies such as Motorola, Nordstrom, Bakrie, Gudang Garam, are remain as family companies even though they have become companies that have been listed as companies that go public in the capital market exchange. Miller and Miller (2005) state that, although it has become a public company, Nordstrom, Inc. remains as a company with family company characteristics. Nordstrom, Inc. is a retail trading company specializing in clothing, shoes, cosmetics, accessories and fashion products. Not much different from Nordstrom, Inc., the Gudang Garam Group also still maintains its characteristics as a family company. According to Basri and Eng (2004), PT Gudang Garam as one of the four largest companies in Indonesia is the largest cigarette manufacturer in Indonesia, and the second largest public company on the floor of the Indonesia Stock Exchange. PT Gudang Garam was established in Kediri, East Java in 1958 by the late Surya Wonowidjojo and then continued by his son named Rahman Halim. Share ownership by the Wonowidjojo family decreased, in 1985 it was recorded that 94% of the company's shares were owned by the family, decreased to 80% in 1996 and continued to decline to 76% in 2000. Despite the continued decline in share ownership, PT Gudang Garam as a business entity still has a good performance. Until 2004, PT Gudang Garam was still one of the most profitable companies in Indonesia,

especially when viewed from the indicators of return on assets (ROA) and return on equity (ROE) which each pointed at more than 20% to 30%.

In addition to playing an important role, family businesses also have their own feelings. Not all family businesses can run as desired, there are several problems or problems that must be resolved. In this study, we will discuss some problems that might occur in family businesses. One of the problems that often occurs in Indonesia is gender issues, in Indonesia it also tends to be biased, because in some places such as in Minangkabau West Sumatra and in some villages in Lamongan still use the concept of matrilinear which places women as heirs to heirlooms. In Indonesia, especially in East Java, we still easily find many businesses operated by women, ranging from traditional markets, hawkers, coffee and rice shops, to restaurants, hotels and other services. Therefore, in this study I put gender as one of the factors in looking at the effect of succession on the performance of family companies.

In addition to gender, many people use inter-sexual marriage as the successor of this family business, this marriage tends to be carried out by fellow families who have family businesses. The existence of this marriage is expected to be able to develop more broadly related to relationships and other things related to business. Some examples who carry out this business strategy for example, Prajna Murdaya, son of Hartati Murdaya – owner of Berca Group, who is married to Irene Tedja, daughter of Alexander and Melinda Tedja – owner of property company from Surabaya Pakuwon Group. Later, Adisatria Suryo Sulisto, son of the owner of Satmarindo, who married Dewi Alice Lydia, daughter of businessman Peter F. Gontha. Similarly, the family son of the Wings group, a detergent soap manufacturer from Surabaya, tied the knot with the owner of a large cigarette company from Kudus, Djarum Group

B. LITERATURE REVIEW

1. Family Business

Shyu (2011) states that family companies have individual capital ownership above 5% and ownership from closed companies, not ownership of SOEs and SOEs, public companies or financial institutions. Along with the development of the economy and capital markets, many of the closed family companies became open family companies so that the profits from the company became divided with outsiders. The open family

company can be seen based on the percentage of equity ownership of the founder's family members in the company. Family companies can also be seen from the company's annual report in the company history section that describes the company's founders. In addition, it is also seen in the share ownership section by looking at the last name of the shareholder who tends to be the same as the surname. Damayanti (2017) if there is more than one director or commissioner with the same last name in the same company is a characteristic of family relationships between these people. In addition, family ownership is also visible in the description or profile of each shareholder. Among shareholders who have family relationships are generally equipped with information about having relationships or affiliations. In addition, it can also be seen from the company's official website in the profile section of the company's board of directors.

2. Family Business Problems

In a business, there are also problems that can hinder the development and activities of the business. This problem is something that can hinder the running of the business in accordance with its goals. Problems arise because there are several factors such as inconsistent thinking and lack of ability possessed by a family in applying business knowledge to other family members. This problem, of course, can hinder business development and can even lead to bankruptcy because the successor of the family business does not have the ability to develop his family business. Based on Daya Qarsa's report that 95% of businesses in Indonesia are still categorized as family businesses. This family business in Indonesia is able to contribute 82% to Indonesia's gross domestic product. However, it is known that 13% of family businesses survive to the 3rd generation and 70% of family businesses are also unable to survive to the 2nd generation. One of the causes of failure in a family business is due to lack of education or knowledge related to business by business successors in the family. Some cases state that the failure of family businesses is caused by a significant decline in business, difficulties in digital transformation, planning and implementation of management that has not been optimal, and the implementation of a less professional corporate governance system.

C. RESEARCH METHODS

This research is a systematic literature review (SLR) that discusses problems in family businesses. Literature study research is a process or activity of collecting data from various literature such as books and journals to compare the results of one research with another (Nowell et, al, 2014).

The purpose of this literature study research is to obtain a theoretical foundation that can support the solution of the problem being studied and reveal various theories that are relevant to the case, more specifically in this study researchers examine problems in family business. This literature study is a thorough summary of several research studies determined based on a particular theme. The data used in this study are secondary data obtained not from direct observation, but obtained from the results of research that has been carried out by previous researchers.

Secondary data sources obtained are articles from nationally reputable journals with predetermined themes. The literature search in this literature study uses Emerald Insight and Scientdirect databases. The search for publication articles on search engines (Search Engine) above uses keywords, namely: "Family Business Problems". Search process or search process is used to obtain relevant sources to answer problem formulation / Research Question (RQ) and other related references using Search Engine Dimensions (<https://www.emerald.com/insight/>). From the identification results, more than 2000 articles were obtained from Emerald Insight. Furthermore, article filtering is carried out according to access criteria, year, type of content and abstract analysis. As a result, 55 article titles were obtained. From the title of the article, then filtered based on the feasibility of the problem topic in the family business through abstract analysis, the results of 5 articles were obtained . For more information, it looks like in the following image:

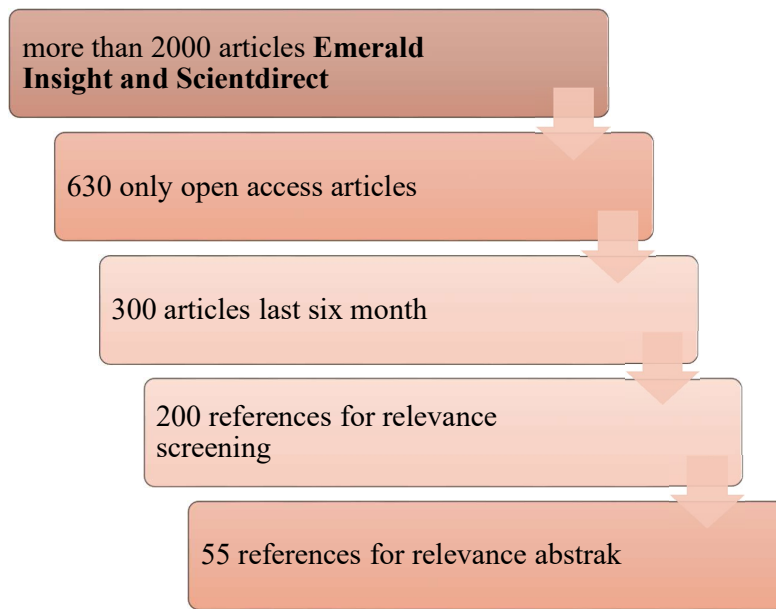


Figure 1. Article Filtering Flowchart

D. RESEARCH RESULTS

1. Problem Statement 1

How is the distribution of journals that discuss business issues in the family? The results of the selected article review answer the formulation of problems regarding the distribution of journals that discuss business problems in the family with the following results:

Table 1. Journal Distribution About Family Business

No	Named of Journal	Journal Link	Indeksasi	Frekuens
1	Journal of Assian Business and Economics Studies	Journal of Asian Business and Economic Studies Emerald Insight	Emerald Insight	2
2	International Journal of Gender and Entrepreneurship	International Journal of Gender and Entrepreneurship Emerald Insight	Emerald Insight	1
3	Journal of Family Business Management	Journal of Family Business Management Emerald Insight	Emerald Insight	2

No	Named of Journal	Journal Link	Indeksasi	Frekuens
4	Journal of Open Innovation: Technology Market, and Complexity	Journal of Open Innovation: Technology, Market, and Complexity ScienceDirect.com by Elsevier	Scientdirect	4
5	Procedia Economics and Finance	Procedia Economics and Finance Journal ScienceDirect.com by Elsevier	Scienrdirect	3

There are 12 articles related to problems in the family business, these 5 journals will be used in answering the next problem formulation.

2. Problem Statement 2

How is the problem in the family business? The results of the selected article review answer the formulation of problems regarding problems in the family business with the following results:

Table 2. Problems in the Family Business

No.	Indikator	Researchers and Years	Research Title	Object of Research
1	Business Ownership	Martha J.A et al (2021)	Parental Involvement in Growing Children's Interest in Continuing the Family Business	consisted of 3 legendary culinary business owners
		Rui Silva et al (2021)	Family Business Management: A Case Study in the Portuguese Footwear Industry	Five CEOs of family businesses in Portugal

No.	Indikator	Researchers and Years	Research Title	Object of Research
2	Business Strategy	Spyros Vassiliadis and Achilleas Vasiliadis (2019)	The Greek Family Businesses and the Succession Problem	Family business in Europe and Greece
3	Differences in Understanding	Pramodita Sharma (2021)	An Overview of the Field of Family Business Studies: Current Status and Directions for the Future	217 article of family business

It can be concluded that there are various problems in the family business, including business ownership discussed by Rui (2021) & Martha (2021), business strategies discussed by Sypros (2019) and differences in understanding discussed by Pramodita (2021). This problem will naturally be seen in terms of causal indicators and described in the next problem formulation.

3. Problem Statement 3

What indicators are the problems in the family business? The results of the selected article review answer the problem formulation regarding indicators in family business problems with the following results:

Table 3. Indicators of Problems in Family Business

No.	Indikator	Researchers and Years	Research Title	Object of Research
1	Gender	Raquel Breitenbach et al (2023)	Should I stay or should I go? Gender differences and factors influencing family farm business succession in Rio Grande do Sul, Brazil	743 young potential successors was conducted in the Rio Grande do Sul state, Brazil.
		Shqipe Gashi Nulleshi (2023)	Gender roles or gendered goals? Women's return to rural family business	Nine (9) life course narratives of women entrepreneurs in a rural region of Southern Sweden who have returned to rural areas to join their family business.
		Minh Hoang Nguyen (2022)	Gender issues in family business research: A bibliometric scoping review	224 documents from 1991 to 2020 extracted from the Web of Science database.
2	Women's Roles	Allan Discua Cruz et al (2022)	Women's entrepreneurial stewardship: The contribution of women to family business continuity in rural areas of Honduras	Study case in Honduras Amerika Latin

No.	Indikator	Researchers and Years	Research Title	Object of Research
3	Communication	Chanun Somboonvechakarn (2022)	Communicating innovation and sustainability in family businesses through successions	Nine innovative manufacturing family SMEs in Thailand
		Pramodita Sharma (2021)	An Overview of the Field of Family Business Studies: Current Status and Directions for the Future	217 article of family business
4	Business Startegy	Maria Jose Parada et al (2020)	The adoption of governance mechanisms in family businesses: an institutional lens	1,488 Spanish family firms
		Lucija Mihotic (2022)	Bouncing forward or bouncing back? How family firms enact resilience in times of crisis	Explore how Croatian family-run businesses navigated market and operational disruptions
		Herman Frank (2022)	The enterpriseness of business families: Conceptualization, scale development and validation	451 business families
		Martha J.A et al (2021)	Parental Involvement in Growing Children's Interest in Continuing the Family Business	consisted of 3 legendary culinary business owners

No.	Indikator	Researchers and Years	Research Title	Object of Research
		Spyros Vassiliadis and Achilleas Vasiliadis (2019)	The Greek Family Businesses and the Succession Problem	Family business in Europe and Greece
		Rui Silva et al (2021)	Family Business Management: A Case Study in the Portuguese Footwear Industry	Five CEOs of family businesses in Portugal

From several journals that have been reviewed, there are several indicators of the causes of problems in family businesses including gender, communication, business strategies and the influence of women's roles in family businesses.

4. Problem Statement 4

What types of research, data collection techniques and research tools are used to research problems in family businesses? The results of the selected article review answer the formulation of problems regarding the type of research and data collection techniques in family business problems with the following results:

Table 4. Types of Problem Research in Family Business

No.	Types of Research	Researchers and Years	Research Title	Object of Research
1	Quantitative	Raquel Breitenbach et al (2023)	Should I stay or should I go? Gender differences and factors influencing family farm business succession in Rio Grande do Sul, Brazil	743 young potential successors was conducted in the Rio Grande do Sul state, Brazil.

No.	Types of Research	Researchers and Years	Research Title	Object of Research
		Herman Frank (2022)	The enterpriseness of business families: Conceptualization, scale development and validation	451 business families
2	Qualitative	Allan Discua Cruz et al (2022)	Women's entrepreneurial stewardship: The contribution of women to family business continuity in rural areas of Honduras	Study case in Honduras Amerika Latin
		Shqipe Gashi Nulleshi (2023)	Gender roles or gendered goals? Women's return to rural family business	Nine (9) life course narratives of women entrepreneurs in a rural region of Southern Sweden who have returned to rural areas to join their family business.
		Minh Hoang Nguyen (2022)	Gender issues in family business research: A bibliometric scoping review	224 documents from 1991 to 2020 extracted from the Web of Science database.
		Maria Jose Parada et al (2020)	The adoption of governance mechanisms in	1,488 Spanish family firms

No.	Types of Research	Researchers and Years	Research Title	Object of Research
			family businesses: an institutional lens	
		Lucija Mihotic (2022)	Bouncing forward or bouncing back? How family firms enact resilience in times of crisis	Explore how Croatian family-run businesses navigated market and operational disruptions
		Chanun Somboonvechakarn (2022)	Communicating innovation and sustainability in family businesses through successions	Nine innovative manufacturing family SMEs in Thailand
		Martha J.A et al (2021)	Parental Involvement in Growing Children's Interest in Continuing the Family Business	consisted of 3 legendary culinary business owners
		Spyros Vassiliadis and Achilleas Vasiliadis (2019)	The Greek Family Businesses and the Succession Problem	Family business in Europe and Greece
		Rui Silva et al (2021)	Family Business Management: A Case Study in the Portuguese Footwear Industry	Five CEOs of family businesses in Portugal
		Pramodita Sharma (2021)	An Overview of the Field of Family	217 article of family business

No.	Types of Research	Researchers and Years	Research Title	Object of Research
			Business Studies: Current Status and Directions for the Future	

From several articles that have been reviewed, most of them in the theme of family business use qualitative research methods. Because in this research, in-depth accuracy and detail are needed for respondents or sources.

E. Discussion

This family business is very important for survival and influential in the country, the high unemployment rate that exists in this country makes family business one of the opportunities in creating jobs. Several studies on family businesses have noted the very significant role of family businesses in a country's economic growth. Some world-class companies such as Motorola, Nordstrom, Bakrie, Gudang Garam, are remain as family companies even though they have become companies that have been listed as companies that go public in the capital market exchange.

From several articles reviewed, the majority of the research used a qualitative approach in discussing problems in family businesses. This is because in this theme detailed research is needed through interviews conducted with respondents who know and have a family business. The articles used in this study include Raquel Breitenbach et al (2023), Allan Discua Cruz et al (2022), Shqipe Gashi Nulleshi (2023), Minh Hoang Nguyen (2022), Maria Jose Parada et al (2020), Lucija Mihotic (2022), Hangyao Wu (2022), Herman Frank (2022) and Chanun Somboonvechakarn (2022)

F. CONCLUDING

Several studies on family businesses have noted the very significant role of family businesses in a country's economic growth. Family businesses are able to contribute between 45% to 70% of gross domestic product (GDP) and absorb a lot of labor in many countries (Glassop, 2005). Gender roles in family companies, especially in Indonesia, are

very important. Many successful family companies turn out to be controlled or controlled by women. There are also many family companies in Indonesia that provide opportunities or wide access for women to show their achievements. In many big cities in Indonesia, women's participation in managing family companies is also large, especially for highly educated women. Similarly, in terms of the benefits of women in family company management is quite high, because women have the characteristics of patience, painstaking, tenacious and thrifty.

In addition to gender, there are other indicators related to problems in a family business, from several articles that have been found including business strategy, communication and the role of a woman in a family business. This research knows how problems can be caused in a business, especially in the family.

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