



Analysis of Parent and Child Involvement Regarding the Entrepreneurship Education Process in Family Business Management to Ensure Sustainability

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ABSTRACT

In a family business, the family, especially parents, have an important role in providing entrepreneurship education to children for the sustainability of the business in the future. The purpose of this research is to find out (1) how parents instill and shape entrepreneurial values in children, (2) the involvement and contribution of parents and children in family business management, (3) how parents build children's interest in continuing the family business. This research was carried out in 3 places, namely Sate Klopo Ondomohen, Rawon Setan, and Nasi Campur Mbah Cikrak, which are legendary culinary delights in the city of Surabaya. This research uses a qualitative type of research with a descriptive approach, where the researcher collects data through an informant interview process. The results of the research show that: (1) education and instilling entrepreneurial values is carried out by involving children directly in daily business operations so that children naturally learn business from their experiences, (2) there is involvement of parents and children shown in their respective roles -Respectively, in the management of the family business, (3) children's interest in continuing the family business does not fully grow due to direct involvement from an early age, but is influenced by the status of the business which is already legendary and well known to the public.

Keywords: *Entrepreneurship Education, Family Business, Business Management*

1. INTRODUCTION

In the business world, family businesses are an interesting phenomenon that is present in almost all industrial and service sectors. The presence of a family business makes many positive contributions that have an impact on a country's social and economic problems. According to research by Daya Qarsa, globally, family-owned businesses account for 60% of the total businesses in the world and contribute 50-75% to Gross Domestic Product (GDP). In Indonesia, family companies have also contributed 82% to Indonesia's GDP. Apart from that, family companies also play an important role in various industries in Indonesia, contributing 40% to market capitalization. Therefore, the existence of family companies has a significant influence in Indonesia [1].

As time goes by, competition in the business world, including Indonesia, is getting tighter. Based on the results of Daya Qarsa's research on family businesses, only around 30% are able to survive until the second generation and only around 13% are able to survive until the third generation [1]. Meanwhile, in general, a businessman who builds his business from scratch will always hope that his business can survive, develop and continue until the next generation [2]. To be able to make this happen, thinking and succession planning is needed so that it can produce results output a competent successor. In order for the family business to continue, the succession process must be planned well and systematically. This succession process is a stage that a family business must go through. [3]. To produce a good and competent successor, support and direction from the closest people is needed, in this scope the closest people are the family, because the family is the first basis of education for children.

The role of the family in the succession process here is to prepare the next potential leader by providing education about entrepreneurship. Entrepreneurship education in question is teaching and instilling entrepreneurial values and various other entrepreneurial competencies to shape a person's character and behavior so that they become creative and innovative entrepreneurs. In conclusion, entrepreneurship education is a deliberate and planned effort to improve individual abilities, change ways of thinking, and produce things with creativity to overcome various problems and achieve success [4]. The entrepreneurial learning process can be provided through a habituation process that is instilled as early as possible along with the child's growth and development. This can be done by involving children in existing business activities, so that children get used to running a business. By carrying out this habituation process, it can form an entrepreneurial mentality in children. Therefore, to give birth to family business successors who have an entrepreneurial spirit, parents need to care for and guide their children wisely and carefully. By conducting this research, it will be known how parents and children are involved in the entrepreneurial learning process in the family and its influence through a direct interview process with informants.

Based on the background above, this research will be carried out on three legendary culinary businesses in the city of Surabaya. The first is Sate Klopo Odomohen which is famous in Surabaya, which is the same age as the Indonesian people because this business began to exist in 1945. The word "Odomohen" itself comes from the name of the street where this business is located which has now changed to Jalan Mayor Mustajab. Then the name "Klopo" comes from the cooking process which uses additional coconut. The uniqueness of Surabaya's typical Klopo Odomohen satay lies in its processed spices. Currently, Sate Klopo Odomohen has changed leadership to Mrs. Asih, who is the second generation successor to the family satay business. The second research location is Rawon Setan, this rawon shop was started in 1953 by Mrs. Mursiyah. Initially it was named Rawon Nirom because it sat in front of the NIROM building (*Nederlands Indische Radio Omroep Maatschappij*) which currently no longer exists. It started being called Rawon Setan in the 90s because its operating hours were considered to be the same as the hours when the devil appears, namely from night to early morning. Then the most striking difference from other rawon shops is the larger cuts of meat. Currently, the shop is managed by Mrs. Lusiati, assisted by her son. The third research location is Nasi Campur Mbah Cikrak, which has become a typical and legendary culinary dish in the city of Surabaya since the 1960s. Even though he only sells on the front terrace of his house which is located in the village alley, the existence of Nasi Campur Mbah Cikrak is already well known among local residents and tourists from outside the city. Currently, this business is in the hands of the second

generation, namely Mrs. Yaoemi, who still maintains the taste that was inherited from her mother, namely her predecessor.

2. LITERATURE RESEARCH

The field of entrepreneurship education is a relevant issue in economic development that involves community participation at all levels and has the specific goal of advancing individual and social development globally [5]. Entrepreneurship education is defined as a deliberate and planned effort to improve individual abilities, change ways of thinking, and produce things with creativity to overcome various problems and achieve success. [4]. In a family business, the family has an important role in preparing children to have values and an entrepreneurial spirit within themselves so that they are able and ready to become the next successor to the business. This is because the family is one of the first sources of informal education for children. Informal education is a form of education that is not limited by time or certain circumstances, so it can take place flexibly anywhere and at any time, whether within the family, work or in everyday life [6].

The basic values of entrepreneurs are those who have a personality or soul with a high fighting spirit, empathy, honesty, trustworthiness, anticipatory, responsibility and innovation [7]. Self-confidence, courage to take risks, creativity and innovation, leadership, discipline and future orientation are also included in a person's values. *entrepreneur* [8]. According to [9], there are three stages in the value internalization process, namely: (1) Value transformation stage, where educators provide information about good and bad values to children through verbal communication; (2) Value transaction stage, where value education is carried out through two-way interaction between educators and children; (3) The transinternalization stage, is a deeper stage than the transaction stage, where apart from verbal communication, it is also carried out through mental attitudes and personality. Basically, the education pattern consists of the stages of teaching values, instilling concepts and then expressing or practicing what has been learned. According to [7], there are 7 elements called PATRIOT that every person must have when they want to become a professional in their field and are divided into 3 operational stages, namely the basic scientific mastery stage, the empirical orientation stage in the field and the stage of carrying out business actions to make goods products. as well as services or behavior that refer to certain actions. The seven elements consist of principles, rules, theories, reality, information, objects and actions. Therefore, it would be better if children were involved in the process of managing the family business so that they could learn directly from the successes and failures they experienced.

By carrying out the process of internalizing entrepreneurial values and spirit in children, it will have an impact on the management of the family business itself. Management is a process that involves planning, coordination, integration, assignment, organization, control, and use of resources to achieve predetermined goals [10]. To mark an organization as a family company, there are at least two generations of the family involved in the company and having an influence on the policies taken [11]. [12] suggests that family companies refer to companies managed by members of the same family or a small number of families in a way that has the potential to be sustainable across generations within the family. This shows that in family business management, there is involvement of parents and children so that children are trained to be able to follow business developments from time to time. Apart from that, entrepreneurial values and the formation of an entrepreneurial spirit are also given to children from an early age to ensure business sustainability in the future.

The succession process is an effort made to prepare the next generation to replace the existing leadership. According to [11] succession is one of the most crucial issues in a family company because it will affect the company's survival in the future. The succession preparation process to prepare the next generation requires a fairly long series of stages considering the differences in era and the abilities possessed by each generation and individuals involved in the process [13]. Currently, a common phenomenon is the lack of interest from children in continuing the family business. This is supported by the results of Daya Qarsa's research on family businesses, only around 30% are able to survive until the second generation and only around 13% are able to survive until the third generation [1].

Therefore, the succession process in a family business must be carried out by parents to motivate and build children's interest in continuing the family business in the future. Interest is an inner drive that arises from within a person to start and carry out an activity or business with long-term goals [14]. Interest in entrepreneurship can arise when someone acquires knowledge and information about entrepreneurship which then builds a desire to be actively involved in business and develop experience, until ultimately they have aspirations to become a leader of their own business. Armed with the knowledge and skills they already have, they will feel more confident in carrying out their roles.

Referring to the Human Capital Entrepreneurship theory (*Human Capital Entrepreneurship Theory*), where human *capital* refers to the view that human resources are the main capital in a company, which have unlimited value and potential, can be managed in a process, and ultimately produce added value for the company's stakeholders (*stakeholders*). Since the time of Adam Smith (1776) to other classical theorists before

the 19th century such as Heinrich Von Thunen (1875), the concept of human resource investment has been present. They emphasize the importance of investing in human skills as the main capital in achieving success [15]. From the expert's point of view, it can be concluded that human *capital* is a combination of various aspects, including knowledge, skills, innovation, and an individual's ability to perform assigned tasks and create value to achieve certain goals. Therefore, humans are an important asset and greatly influence the development and growth of an organization or company. In its development, human capital theory has helped decision making in focusing on human resource development by emphasizing investment in education and training as part of nation building and improving organizational quality [15].

3. METHOD

This research uses a qualitative approach with descriptive methods and involves researchers as the main instrument for collecting data through field observations, interviews and official documentation. In qualitative research, researchers are present in the field to interact directly with informants and observe conditions, activities, phenomena and psychological symptoms that occur in the field. Qualitative research emphasizes meaning rather than generalizations, and its success depends greatly on the researcher's ability to collect and interpret data in the real context [16]. The informants for this research consist of parents and children who also act as owners and prospective business successors of three legendary culinary objects in the city of Surabaya, namely Sate Klopo Odomohen, Rawon Setan, and Nasi Campur Mbah Cikrak. So the total number of informants is 6 people.

4. RESULTS AND DISCUSSION

4.1. Results

From the results of research conducted on 3 legendary culinary businesses in the city of Surabaya, researchers collected data related to Entrepreneurship Education in families as an effort to maintain the business. Research findings regarding the instilling of entrepreneurial values and an entrepreneurial spirit in children from parents are as follows: 1) the process of introducing business is carried out by parents by involving children from an early age to help and observe their parents' daily habits in business; 2) the way parents instill entrepreneurial values in their children through direct experience, namely when they are involved in business operational activities; 3) the entrepreneurial spirit in children is formed from business experience and from experience in their social environment; 4) children have implemented entrepreneurial values and spirit when involved in helping the family business.

Research findings regarding the involvement of parents and children in family business management include: 1) parents involve children from an early age in the overall running of the family business and currently each has their own role; 2) parents invite children to exchange ideas about future business planning; 3) parents invite children to discuss decisions; 4) children have taken part and taken over a lot of the overall business operations since the children chose to focus on helping the family business.

Research findings regarding how parents build children's interest in continuing the family business include: 1) parents always involve children in the family business to motivate children to continue the family business; 2) the child has an awareness that he must continue the family business considering that the business is already known to many people; 3) children's interest in continuing the family business arises because of circumstances that require it.

4.2. Discussion

Based on research findings related to the process of instilling entrepreneurial values and spirit, parents carry out this by involving children directly in daily business operational activities. Starting from observing, practicing what was seen or taught, until finally jumping directly into taking on heavier responsibilities. According to [9], there are three stages in the value internalization process, namely: (1) Value transformation stage, where educators provide information about good and bad values to children through verbal communication; (2) Value transaction stage, where value education is carried out through two-way interaction between educators and children; (3) The transinternalization stage, is a deeper stage than the transaction stage, where apart from verbal communication, it is also carried out through mental attitudes and personality. As was done by informant 5 who said, "Since my child was small, I have often helped you, sis, while I also let you know, so when I was still with my sis, she was already watching, and was often told to do so. He was invited to do it, so he knew and could do it. When he was little, he was sent to the stalls to deliver rice. In the past, Sis still used to go to the stalls. Now that I'm older, help me shop, fry food, sell it, that's all, sis." It was confirmed by informant 5's child that since he was small, because he was always at home with his parents, he saw every process carried out, from shopping, making spices, cooking, to sales. So he gets used to it and can do it on his own. This also happened to informants 1 and 3, where both of them started inviting their children from an early age to help in running the family business. Parents educate their children by providing verbal advice or direction and real examples when children are directly involved in business. In accordance with the statement by [4] which states that to prepare children to become good entrepreneurs, parents need to provide treatment that is

appropriate to the child's stage of development. Likewise, with the formation of individuals with an entrepreneurial spirit, this cannot happen in a short time, but takes time as the child develops [17]. Character and entrepreneurial spirit are also formed through habituation in daily business activities, so they form naturally. As said by the child of informant 1, "Yes, basically learning *by doing* So, just watch and let me know. Oh, this is how you do it, keep helping, for example, oh, this is peeling onions. In the past, it wasn't as exciting as it is now, it's still an overhang there, so I'm preparing the onions and then the chili peppers have started to help out. As for the specific theory, no, so you'll learn it as you go along and practice it. So yes, it's natural, nothing special like this or whatever. I've been peeling it for a long time, oh, I now know what the raw ingredients are, so I remember that, right? From those who have done it before, they will always remember it." He also stated that the entrepreneurial spirit was formed due to the high level of involvement in the family business and from his life experiences in previous work environments. The research results also show that children have applied the entrepreneurial spirit they have acquired in their daily activities, especially in helping the family business.

It is also known that the pattern of entrepreneurship education given by parents to children in the three legendary culinary businesses is the same as the stages of the education pattern according to [7] which is described as follows:

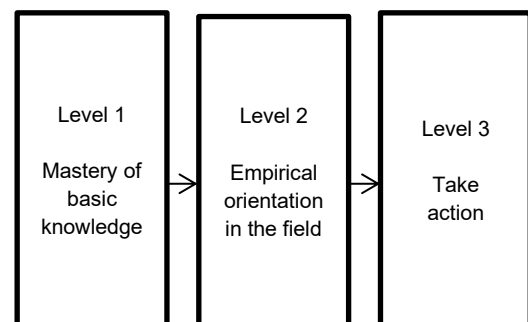


Figure 1. Education pattern according to Suharsono

It was also found that the pattern of education from parents to children begins with involving children directly from an early age to see the running of the business and see what their parents do in the business. Next, parents give verbal instructions to children to help with business operations by providing real examples and children practicing them directly. At this stage, children learn from what they are directed at, see and do, to the point where they can do it themselves with full confidence. Then parents involve children in all aspects of family business management so that children understand all the processes that occur in the business and can take control of every existing process. As time goes by, children continue to learn naturally from their experiences in the field until they can give their parents

the confidence to take over control of the business. Where parents have entrusted the business to their children by freeing the children to innovate and manage the running of the business so that the children become more dominant and their success can be seen in managing the family business. Next, after it is seen that the child is truly ready, the business leader is changed from the parents to their child. This can be described as follows:

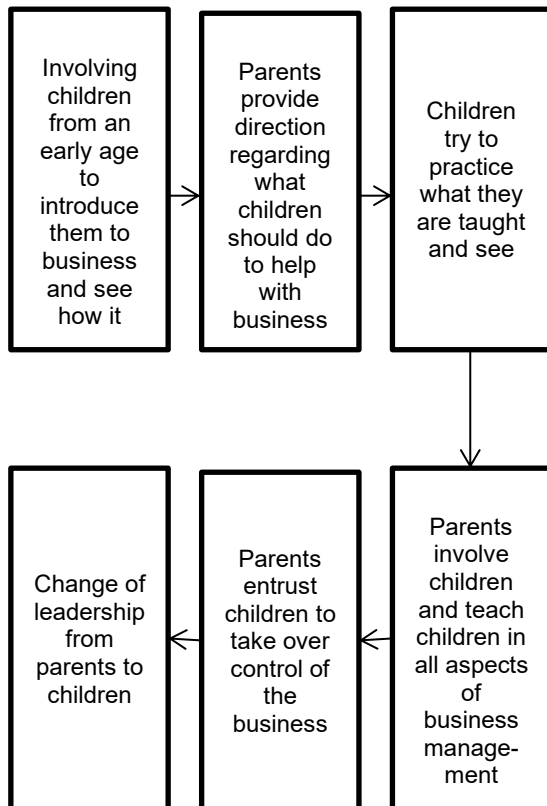


Figure 2. Parental education patterns for children in the family business environment

Based on research findings regarding the involvement of parents and children in family business management, it shows that parents involve children in the overall running of the business. As informant 1 said, "My son started really helping here when he was thirteen years old, so he followed me for thirteen years. Now he is in charge of everything, my son is the one who manages everything. If I just finance the spices, then the father will do the shopping." This was confirmed by informant 1's son with the statement that now he has more control over the running of the business, the procurement of goods is handled by his father and the financial part is managed by his mother. Referring to management theory according to [10], management is a process that involves planning, coordination, integration, assignment, organization, control, and use of resources to achieve predetermined goals. Parents always invite their children to discuss business planning and decision making, it is also proven that children have

played a part or even taken over more of the current running of the business. As informant 3 said, "Now I'm just behind the scenes, everyone who holds me is my child. If I say anything to my child, it's like this is a service problem or whatever, sis. It's just normal conversation, discussing sales or whether there's a problem, I really like to talk to my child. The goal is to let him know, and maybe there are suggestions, sis." This was confirmed by the child of informant 3 who stated that his mother often discussed business matters, such as daily problems or asked his opinion regarding business planning. The research results show that there is involvement of parents and children in the business management system and to mark an organization as a family company, there are at least two generations of the family involved in the company and have an influence on the policies taken [11].

Based on research findings regarding how parents build children's interest in continuing the family business, namely by involving children directly in daily business activities. Like the succession process carried out by the parents of the three objects studied to their children. The process of directly involving children aims to prepare their children in terms of education, skills and character to become the next successor to the family business. As informant 5 said, "Yes, I asked to see, I asked him what he wanted to do, so he knew everything. From zero, I taught him, his name is the same as my child, sis, so the hope is that he can continue to help. "It's better to do your own business, sis, you don't need to be ordered by someone, and people already know, wouldn't it be a shame if you didn't continue?" This was confirmed by the child of informant 5 who stated that his interest in continuing the family business arose after he took part in the running of the business, especially because currently he is no longer working in another field. So he wants to focus on continuing his family business. Because basically interest is an inner drive that arises from within a person to start and carry out an activity or business with long-term goals [14]. However, this is different from the statements of the children of informants 1 and 3, who stated that interest arose in them not simply because they were often directly involved in the family business, but because they realized that it would be a shame if a business that was already legendary and known to many people was let go. into the hands of other people just like that, especially since they are the parents' only hope. Informant 1's son said, "At first he had no interest at all, he enjoyed working with other people. Then over time it started to become famous, if my mother took care of it herself, it would be a shame. Well, finally I am resign from my work, *Ifull* help here. In other words, I have to, sis, because I'm an only child, so who else would I go to if not me?" Informant 3's child said, "Because you love it, sis, it would be a shame if you don't continue it. That's why I've tried holding this. But yes, it came back again, because no one wanted anything else. "Still help, only if you don't want to do that, sis." This leads to Daya Qarsa's

research regarding family businesses, only around 30% are able to survive until the second generation and only around 13% are able to survive until the third generation [1].

The three selected research objects are also included in the process of transitioning leaders from generation 2 to generation 3, this is what the three legendary culinary businesses studied have in common. The difference lies in the internal conditions which influence the research results regarding children's interest in continuing the family business. At the first research location, namely Sate Klopo Ondomohen, there was only 1 descendant from generation 2, thus requiring the child to continue the family business despite the child's interest in entrepreneurship. In the second location, namely Rawon Setan, there are 3 descendants from the 2nd generation but in reality none of them want to continue the family business, so inevitably the second child is the one who is required to continue it. Then at the third location, Nasi Campur Mbah Cikrak, there are 2 descendants from generation 2, of which only 1 child is interested in continuing the family business, and is focusing on the family business after the child was dismissed from his place of work during the Covid-19 pandemic. This finding shows that in fact it is not entirely possible for children to continue the family business because of their own desires, especially if a business that is well known to the community is not continued and maintained for the next generations.

5. CONCLUSIONS

The entrepreneurship education process is carried out by involving children directly in the daily operations of the family business so that children indirectly learn about business from their experiences. Apart from that, the entrepreneurial spirit in children also grows and sticks because of their experience in managing the family business for a long period of time. Children's skills in the field of entrepreneurship are formed naturally based on what they experience. There is involvement of parents and children in the three legendary culinary family businesses in the city of Surabaya, namely Sate Klopo Ondomohen, Rawon Setan, and Nasi Campur Mbah Cikrak. Children are always involved and even take on more roles than their parents. Legendary and well-known business factors make children aware that they have to continue the family business outside of the influence of parents' efforts to build children's interest in continuing the family business through direct involvement from an early age.

AUTHORS' CONTRIBUTIONS

The authors contribution of researches in this article is as a researcher who analyzes the involvement of parents and children regarding the entrepreneurship

education process in family business management to ensure sustainability.

ACKNOWLEDGMENTS

I thank Mrs. Rayie Tariaranie Wiraguna, S.E., M.M. as a supervisor who has provided direction and guidance to the author.

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