IMPACT OF DISRUPTION ERA ON ORGANIZATION PERFORMANCE SUSTAINABILITY: A CASE STUDY

Dina Fitrisia Septiarini 1*, Dian Filianti 2, Noven Suprayogi 3

1,2,3 Economics and Business Faculty, Airlangga University, Surabaya, East Java, Indonesia

E-mails: 1 dina.fitrisia@feb.unair.ac.id (Corresponding author)

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Abstract. The research aims to determine factors that most influence company's sustainability and form the family business model of travel agent company in this disruption era using SEM-PLS analysis. Data used is primary data, which is obtained through questionnaire on travel agent company, based on the family business that is spread in Indonesia and incorporated into Travel Agent association. Data collection using questionnaire by Likert scale. The population of this research are entire member of AMPHURI, which is one of travel Agent association in Indonesia, consisting of 427 travel agent companies in the entire Indonesian area. The results of this study show that company's sustainability is determined positively by at least three factors, namely leadership succession, mission and vision between generations, and development of technology management. Meanwhile, product life cycle is found to be insignificant in determining sustainability of a family company.

Keywords: sustainability of family business; transitional leadership; mission; vision; generations; development of technology management; product life cycle


JEL Classifications: M1, M12, M21

1. Introduction

Sustainable development of any society is impossible without viable small and medium enterprises, to be it developed or developing country (e.g Kowo et al., 2019; Baltgailis, 2019; Vigliarolo, 2020). In Indonesian Institute for Corporate and Directorship (IICD, 2010) data, more than 95 percent of business in Indonesia is family owned and controlled company. That means that family business activities have long contributed to the national economic development. In fact, in the time of economic crisis in years 1997/1998 and 2008, family business continues to demonstrate its existence as a support as well as a capital of power in the recovery of national economy. As a family owned and controlled business, management and performance of the company, both small and large, are heavily influenced by the vision and mission of the family.

However, the family business certainly does not escape the various issues that are sometimes difficult to solve. For example, of distrust among fellow family members, conflicts in leadership succession, conflicts in decision-making, the issue of the Crown Prince (the successor of the company's throne), the difference in managerial mindset between the first generation and the next generation, and so on. Consequently, not infrequently the family business suffered deterioration, even forced to close, due to prolonged conflict in the family's internal.

Family business represents the world's toughest business model. The success of a sustainable family company from generation to generation depends on motivation of the successor generation, who will take over the family
business, to face challenges. Family business also has a strong culture to execute. Parents galvanize the successor generation to have a sense of responsibility and also a desire to determine an ambitious target.

Family business is a timeless business. This is demonstrated by the number of family companies that emerge and move in various fields and scattered in many areas in Indonesia. The survey results of Jakarta Consulting Group in 2004 showed that apparently the rise of the family company back in Indonesia occurred between the years 1992–2002. This is because in the span of the year a lot of emerging family companies. Speaking of the turnover range of family companies, the company has a range of turnover between 50 billion to 100 billion rupiah; and also the majority have an employee count of more than 150 people. This condition indicates that the family company has a concern for unemployment reduction and the national economy.

Company is said to be a family company when it consists of two or more family members who supervise the company's finances. According to Donnelley (2002) in his book “The Family Business”, an organization is named family company when at least there are two generations of involvement in the family and they affect the company's policy. In business terminology there are two types of family companies. First is a family owned company but managed by professional executives coming from outside the family circle. The second type of family company is a company owned and managed by its founder family members (Susanto et al., 2008).

In Indonesia, most family companies are the second type where family members also become managers. In his travels, not infrequently family companies metamorphosed from the second type of family companies into the first type of family company. However, in Indonesia, the percentage is still small and not significant. The company belongs to a family but is managed by professional executives who come from outside the family circle, have a competitive advantage when the company is aligning between the aspects of family and business activities so that the company becomes more professional and mutually supportive (Carlock, 2009).

The unique qualities of family business are key to their competitive advantage. Characteristics of family business are: thinking in a long-term business perspective, making decisions more quickly and flexibly, there is an entrepreneurial mindset, there is a great commitment to job creation and the welfare of the surrounding communities, as well as having a more personal approach in business. The combination of family aspect and business aspect make the family business has toughness and uniqueness. Alas, not all of family's business is able to realize its toughness and uniqueness until it continues to the next generation. One of the disadvantages that are often owned by companies in Indonesia is the weakness of human resources development Pattern 3 at intermediate level and management of succession preparation for long-term purposes (Susanto et al., 2008).

Only a handful of family companies succeeded in succession and continued to the second generation even third generation. Amazingly, the companies that succeeded in making the succession, evolved into a company with a national scale and global. Unfortunately, the succession in the family business has so far yet become an integral part of the long term plan. From survey results of Jakarta Consulting Group in 2004, it was found that only two-thirds of the middle-class family companies were up in Indonesia, which prepared a successor through succession planning to lead the company.

2. Theoretical background

In Indonesia, business people are dominated by family business. Although there is no definite number but a rough estimate suggests that more than 90% of business people in Indonesia are family business. In the realm of management, the family business is a field of study with the body of knowledge that is separate from business studies in general. Family businesses have their own characteristics that other types of business do not have in common.
The family business is a business founded by one of the family members, controlled by the family and handed over to the next generation of family members. The family business is owned, controlled, and controlled by several family members involving two or more generations. For example, husbands and wives involve children (two generations), and can also involve grandchildren (three generations) (Casillas & Acedo, 2007; Ward et al., 2007; Núñez-Cacho, Lorenzo-Gómez, 2020). Meanwhile Litz (1995) said that a business can be called a family business if management and ownership are concentrated in one family unit and if family members try to maintain or enhance a family's presence in a business activity.

A family business involves three distinct, interrelated entities: the company itself, business-involved families, and ownership. These three entities represent families in a business that are portrayed by using a triple circle: one representing a family, one representing a company, and one representing ownership. This illustration highlights the interdependence nature of the three circles as well as the resulting gains and problems that may be encountered. The characteristics of family business as Susanto (2005:6) can be seen from some of following aspects. Among them (a) family involvement is the involvement of a second or third generation into business management; (b) enthusiasm of the successor generation to quickly learn in business activities; (c) level of trust and mutual reliability among family members; (d) power of emotions in conducting business activities; (e) level of flexibility in business life; and (f) dual leadership in the sense of every head of the family is usually the business leader. This shows when compared to corporate businesses in general, the family business has both advantages and disadvantages.

Among the strengths/excess of the company's family (Susanto, 2005:10): (1) The high level of self-reliance (independence of action) in understanding the company's survival rate is not determined by the exchange market as most or all financial resources are supported by the family; (2) There is no concern if the company's wealth will run out so that the company has high financial power; (3) There is a firm stability guarantee because it is supported by a strong corporate culture; (4) The willingness to reinvest profit in accordance with mutual agreement to develop the company; (5) The process of acculturation to the business world that occurs since childhood allows family members to have excellent business knowledge; and (6) Informal approaches with minimum bureaucracy usually color a family company in carrying out business activities.

Based on these strengths, many family companies continue to exist even though the macro economic situation is experiencing a crisis. The family company can persist and contribute significantly to the state's income (Susanto, 2005:4). However, family companies also have some disadvantages. Among them are: (1) lack of organizing in family companies is demonstrated by uncertainty of organizational structure, lack of management development due to excessive intervention of the owner; (2) Family involvement in a company that is too large has resulted in company's very emotional life and risk of conflicts of interest. The bonds of tradition and family history also cause the company became difficult to change; (3) Family companies are vulnerable to internal conflicts, as they tend to incorporate personal affairs with company affairs. Not a few family companies fail in the middle of the road for not being able to compete with other family companies, not operating worthily, and laying many of its workforce.

In general, there are three phases of growth in a family company (Susanto, 2005:45-54), namely: (1) Development phase. In this phase the main drivers of the business are the founders and family members. The existence of family companies is also determined by other stakeholders such as customers, employees, and the surrounding community. (2) Management phase. In this phase there are seven important issues that arise, namely: value conflict; Succession Organizational structure; Compensation Competence income distribution; Business and family alignment. (3) Transformation phase. Business transformation should be done by entering new elements into the company.
Business model is a term that has been known since the 1970s (Faber et al., 2003). It is only that understanding when it is not the same as the definition of BM in question today. As we understand today BM embryos start from the writings of Keidel (1984) Baseball, Football, and Basketball: Models for Business. Keidel said that certain types of sports could be a model for running organizational activity. Keidel says: Three major professional team sports in the United States baseball, football and basketball exhibit profoundly different dynamics and exemplify three organizational patterns common in business (and other sectors). Each represents a model a coherent set of relationships that captures the essence of an organizational form. By studying these models, managers can gain new insight into their own cognitive orientations.

The three types of sports that are very popular in America i.e., baseball, football and basketball show different dynamics and illustrate the three common patterns of business organizations (and other sectors). Each type of sport represents a model that is a coherent set of relationships describing the essence of a single organizational form. By studying these models, managers are believed to be able to gain an understanding of how to run organizational activities.

Simanjutak (2010) in his journal titled Family Business Management Principles (Family business) is associated with the company's independent position Limited (PT). The study stated that the family commitment to the principles of honesty, fairness, consumer safety, and environmental sustainability in business management will positively impact the family Limited Company’s (PT) liability in Realizing the independence of PT. Article No. 40 year 2007 about PT has ensured the independence of PT in the form of Board of Directors in conducting the company in a professional manner, without any illegal intervention or unethical behaviour from Family (owner). Therefore, PT also apply those principles in internal and external to the company (government, competitors, and consumers). So, the boundaries of the family business Management in PT is located on the function of each organ of PT (GMS, Directors, commissioners) in which there are members of the family owner.

The succession, in theory and practice of Organization refers to the process of transferring managerial control from one generation of leaders to the next generation. The succession or transition of leadership is closely related to the performance and sustainability of family company. Akpan and Ukpai et al. (2017) in his research found the result that family companies need to make a succession plan to achieve sustainable business. Further, Morris et al. (1996) states if the dimensions of work experience in the family business and self-preparation have a positive effect on the smoothness of succession or transitional leadership. The next generation experience can benefit the performance of improving the family business. Adedayo et al. (2016) also found a positive relationship between the succession plan and the sustainability of the family company, namely when the founder or first generation brings and shares his experience to the next generation of business management. The family will be later transferred.

H₁ = Succession or transitional leadership has no significant effect on the sustainability of family business

Neff (2015) said that the best practice for family business sustainability in the long term is to determine the purpose, vision and mission of family, family values, and motivation as the basic thought to continues the family business. A family company that maintains its vision and mission will be seen as having consistency in performance of its company, especially a family company that has a unique vision and mission and culture. In line with Neff (2015) study, which suggests that shared vision has positive influence on the effectiveness of family company's culture that will further affect the family's performance. Calantone et al. (2002) also stated if the vision of intergenerational (shared vision) has a positive influence on the orientation of next-generation learning, which will then affect the company's performance.

H₂ = The vision and mission between generations has no significant effect on the sustainability of family business
Research and development of technological innovations, consisting of basic and applied research activities and new product design and development process, to generate new technological knowledge and develop it in the form of products, services, and new techniques, which are subsequently produced, implemented, and distributed throughout the phase of technological innovation (De Massis et al., 2013). Both types of knowledge are technological and market knowledge have a positive influence on the performance of family business, even at different levels. Knowledge of technology plays an important role in facilitating the development of new products, but knowledge about the market has a much more important role.

H3 = The development of technology management has no significant impact on family business sustainability

The product lifecycle is influenced by innovation, where innovation is the process by which companies identify new opportunities for change, and make it happen and capture the resulting value (Tidd & Bessant, 2009) quoted in (Massis et al., 2013). Alberti and Pizzurno (2013) found if new product development is one form of innovation that has positive relationship with family business performance, compared with other forms of innovation. Alberti and Pizzurno (2013) also finds similar results, where the typical characteristics of family companies (vs. non families) have a positive influence on the managerial factors that will further impact the success of New product development.

H4 = Product life cycle has no significant effect on the sustainability of family business

3. Research objective and methodology

This study uses quantitative, qualitative and descriptive approach as well as the creation of business models on family business. An exportated quantitative approach was chosen to test the hypothesis, with measured data and resulted in a depudialized conclusion. The objective of quantitative research is to test the theory, put theory in deductive to be a cornerstone in terms of discovery and problem solving research. In this study, quantitative approach using inferential statistical methods (analysis tools), it is parametric statistics that analyze interval and ratio data (Sugiyono, 2008:206). The data used is the primary data, which is obtained through the questionnaire on travel agent companies, based on family business that is spread in Indonesia and incorporated into Travel Agent association. Data were collecting using questionnaire using Likert scale with a value of 1-5 where 1 is very low, 2 low, 3 medium, 4 high, and 5 very high.

This study has single endogenous construction, the family business sustainability measured through the achievement of sales targets, investment returns, profit growth targets and the 5-year business continuity. With 4 exogenous constellations, namely: (1) The succession or leadership shifts measured by the successor generation capability of education, work experience, employment, initial office, planning, loyalty, commitment, value or tradition, compulsion, and Competition between successors. (2) Inter-generational vision and mission with gauge indicators, among others, the ability of successor generation to maintain strategy, culture, leadership style, relationship between generations, and business management. (3) The development of technology management related to the ability of a successor generation in identifying opportunities, creating a passion for transformation, establishing priorities, building digital capabilities, and creating innovations in line with the development Technology. (4) Product lifecycle that includes the rate of change in customer needs and technology, the intensity level of the war price and new competitor, the level of disruptive innovation in the application and business model.

The population of this research is the entire member of AMPHURI, which is one of the travel Agent association in Indonesia, which is a model of 427 travel agent companies in the entire Indonesian area. AMPHURI is the only special travel agent Association of Hajj and Umrah which has achieved certificate of ISO 9001:2008 (Quality Management System) from Bureau Veritas and implement governance oriented services with Tagline "Risen to Serve" (AMPHURI, 2019). Sampling in this study used purposive sampling techniques, i.e. sampling with certain
criteria. The samples obtained were as many as 50 travel agent companies from the entire questionnaire which was distributed and the number of family companies’ members of AMPHURI, which is approximately 120 companies.

The analytical Model used is the influence of the exogenous (independent) construction of the endogenous (dependent) construction measured by several indicators. So the analysis model of this study can be described as follows:

![Analysis Model](image)

**Figure 1. Analysis Model**

*Source: Produced from various sources, authors*

Figure 1 above describes the model of analysis built in this study, with the following description:

1. Round Blue: Construct
2. Yellow box: Indicator (Questions)

In this study, there was a construction of endogenous (dependent), corporate sustainability that has four indicators. And four exogenous (independent) Constructions: i) leadership succession with 10 indicators; ii)
vision and mission between generations with eight indicators; iii) development of technology management with eight indicators; and iv) product life cycle with 10 indicators.

Direction of the arrows comes from construct to indicator, because indicators in this research are reflection of the construct used. However, eliminating an indicator does not diminish the meaning of a construct because the construct can still be mirrored by another indicator. This study uses Structural Equation Modelling – Partial Least Squares (SEM-PLS) analysis methods based on Garson (2016) and Hair, Hult, Ringle, and Sarstedt (2014).

Based on the construction used, the relationship between variables can be expressed in the following function:

\[ Y = f(X) \]  

The regression equation form can be formulated as follows:

\[ Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + e \]  

Description:

- **Y**: Sustainability of Family Business
- **X1**: Transitional Leadership
- **X2**: Vision and Mission Between Generations
- **X3**: Development of Technology Management
- **X4**: Product Life Cycle
- **\(\beta_0\)**: Constant
- **\(\beta_1, \beta_2, \beta_3, \beta_4\)**: Regression Coefficient
- **e**: Coefficient of Error

Moleong (2006:4) defines qualitative research as a research procedure that generates descriptive data of written or spoken words from people and behaviors that can be observed. Descriptive research according to Arikunto (1998:309) is a study intended to collect information about the status of existing symptoms, namely condition of symptoms according to fact when research is conducted. The purpose of descriptive research is to create a description, a systematic, actual and accurate representation of the facts, properties and relationships between phenomena. Based on the above sense, it can be argued that descriptive research is research based on the fact during research progress, linking phenomena occurred, and analyze based on concepts that have been developed in the past to facilitate the researchers solving the problems.

Creating business model in the family business, by upgrading from existing model of Three Circle Model, it is a circle that describes the position of family party, business interests and ownership rights (see figure 2).
1. Family Circle
   The family puts a high priority on emotional capital—a family experience shared between generations. Family members are also concerned with social capital or reputation of the family in society. In addition, there is a financial capital or dividend and wealth creation. Family values, relationships formed, and communication styles are all elements belonging to the family circle. Everyone in the family (in the whole generation) is clearly part of the family circle, but some family members (for some reason and one other thing) will never have a stake in the family business, or work on it.

2. Business Circle
   Executives in a business are concerned about strategy and social capital—the reputation of the company in the marketplace. Business circles typically include non-family members employed by the family business. Family members are also included in this circle. An employee who has a role in social capital and financial capital (the performance of the business because it will affect career opportunities, bonuses and fair performance measurement system). Business systems are similar to those found in organisations seeking other benefits; is driven by the company's mission and strategy applied by the management team. Business circles include the structure (reporting relationship), system (information and human resources), and process (quality and communication).

3. Ownership Circle
   The company owners are interested in financial capital—performance in the creation of wealth (performance business and dividend). Proprietary systems are driven by a shareholder-value proposition that emphasizes the importance of expectations of owners/shareholders' ability to generate profits (profitability), investment risk, growth and industry type. The objectives of shareholders are often expressed in writing through the governance process of Board of directors, legal structure and distribution of ownership. The ownership circles may include family members, investors and or owners who are also employees within the company.

Based on introduction, theoretical background, and research objective and methodology that has been explained, step by step of this research is written as follows:

1. Seek out and discover ideas that are fundamental to determining sustainability factors of the family business.
2. Determining factors that cause a family business can take place from generation to generation.
3. These factors are succession or transitional leadership, vision and mission between generations, development of technology management, product life cycle and perspective of accounting and finance.
4. Perform multiple linear regression.
5. Find the right model for the family business.

4. Results and Discussion

4.1. Results

4.1.1. Outer Loadings
   The Outer Loadings value is the size that specifies the entry or absence of an indicator in the advanced analysis (inner model analysis). The values of outer loadings ranging from 0 to 1 with decision-making regarding the entry in advanced analysis are as follows (Table 1):
Table 1. Indicator in Advanced Analysis

<table>
<thead>
<tr>
<th>Range Value of Outer Loading</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;0.4</td>
<td>Not included in advanced analysis</td>
</tr>
<tr>
<td>0.4 - 0.7</td>
<td>Further examined, pay attention to the value of new Outer Loadings and the value of reliability tests and validity of the construction</td>
</tr>
<tr>
<td>≥0.7</td>
<td>Included in advanced analysis</td>
</tr>
</tbody>
</table>

After going through a series of experiments, an entire indicator that has fulfilled the requirements of the outer loadings value at the previous stage was retested to ensure the value of the outer loadings of indicators to be included in the advanced analysis. The result of the outer loadings value can be seen in the following table.

Table 2. The result of third Test Outer Loadings value calculation

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>X1.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X2.01</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>X3.07</td>
<td></td>
<td></td>
<td></td>
<td>0.703</td>
<td></td>
</tr>
<tr>
<td>X3.08</td>
<td></td>
<td></td>
<td></td>
<td>0.745</td>
<td></td>
</tr>
<tr>
<td>X4.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.738</td>
</tr>
<tr>
<td>X4.07</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0.881</td>
</tr>
<tr>
<td>Y.02</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Y.03</td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

In table 2, the entire indicator included in the third experiment already has an outer loading of more than 0.7 (green color) so it can be used in advanced analysis. The structural model scheme used in this research in the next phase of analysis is as follows.
Figure 3. Structural Model Theme

After going through the process of outer loadings testing, an indicator is obtained on transitional leadership and vision and mission between generations, and two indicators on development of technology management, product life cycle, and sustainability company. List of questions as follows:

1. Transitional leadership
   a. Successor generation continues the company due to family coercion
2. Vision and mission between generations
   a. Ability to clearly define the company vision
3. Development of Technology Management
   a. Every generation has the ability to build digital culture
4. Product Life cycle
   a. Customer request related to new product
   b. Level of price war intensity
5. Sustainability Company
   a. Investment return achievement
   b. Achievement of profit growth target
4.1.2. Reliability and validity test of construction

The reliability and validity tests of construction are conducted to ensure that construction that is formed in this research model is reliable and valid. The reliability test is conducted by observing the value of Composite Reliability, with the minimum value being 0.6. Meanwhile, the validity of the construction test is carried out by observing the Average Variance Extracted, with the minimum required value of 0.5 (Hair et al., 2014). The reliability and validity testing of construct only used an indicator that already had an outer loadings value of 0.7 on the last try. The results the reliability and validity testing of these studies can be seen in the table below.

<table>
<thead>
<tr>
<th>Construct</th>
<th>Composite Reliability</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional Leadership</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Vision and Mission Between Generations</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Development of Technology Management</td>
<td>0.688</td>
<td>0.524</td>
</tr>
<tr>
<td>Product Life Cycle</td>
<td>0.794</td>
<td>0.660</td>
</tr>
<tr>
<td>Sustainability of Family Business</td>
<td>0.810</td>
<td>0.683</td>
</tr>
</tbody>
</table>

In table 3, all of the construction is formed from the indicators that qualify the outer loadings, has fulfilled the reliability and validity aspects. The reliability aspect of construct is indicated by the value of the composite reliability of all the construction with required value of more than 0.6. While the validity aspect of the construct is indicated by the AVE required value of all the construction above 0.5.

4.1.3. Validity Test of Discriminant

Discriminant validity testing is made to ensure that each construction is unique when compared to other construct. In this study, testing of discriminant validity was conducted using Fornell-Larcker Criterion, provision stating that the uniqueness of construct can be seen from squared root value of the construct. If AVE squared root value of construct is greater than the correlation of the construction with the other, then the construct is unique (Hair et al., 2014). The results of the Fornell-Larcker Criterion test of the construct in this research can be seen in the table 4 below.

<table>
<thead>
<tr>
<th>Construct</th>
<th>AVE Squared Root</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional Leadership</td>
<td>1</td>
<td>Higher than the value of correlation with other construction higher than the value of correlation with other construct</td>
</tr>
<tr>
<td>Vision and Mission Between Generations</td>
<td>1</td>
<td>Higher than the value of correlation with other construction higher than the value of correlation with other construct</td>
</tr>
<tr>
<td>Development of Technology Management</td>
<td>0.724</td>
<td>Higher than the value of correlation with other construction higher than the value of correlation with other construct</td>
</tr>
<tr>
<td>Product Life Cycle</td>
<td>0.812</td>
<td>Higher than the value of correlation with other construction higher than the value of correlation with other construct</td>
</tr>
<tr>
<td>Sustainability of Family Business</td>
<td>0.826</td>
<td>Higher than the value of correlation with other construction higher than the value of correlation with other construct</td>
</tr>
</tbody>
</table>

In table 4 above, the AVE quadratic root value of the whole construction is higher than the value of the correlation with other construction. In other words, constructs used in this study is unique to each other.
4.1.4. *R-Square*

The value of R-Square is one of the important indicators in model PLS analysis, it is expected that the R-square value or coefficients of the latent construction or endogenous construction can be maximised (Hair et al., 2014). In this study, the R-square value reached 0.417. This means that the four exogenous constellations in this study can account for 41.7% variances or changes in the endogenous "Sustainability of Company" construction.

4.1.5. *F-Square*

The F-square value is a coefficient used to measure the impact of an exogenous construct against endogenous construct (Hair et al., 2014:186). The classification of exogenous construct affection against endogenous construct based on the F-square value is as follows (Table 5):

<table>
<thead>
<tr>
<th>Range Value of F-Square</th>
<th>Impact Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 0.02</td>
<td>No impact</td>
</tr>
<tr>
<td>0.02-0.15</td>
<td>Weak</td>
</tr>
<tr>
<td>0.15-0.35</td>
<td>Moderate</td>
</tr>
<tr>
<td>≥ 0.35</td>
<td>Strong</td>
</tr>
</tbody>
</table>

The F-square value of each exogenous construction in the study is as follows:

<table>
<thead>
<tr>
<th>Exogenous Construct</th>
<th>F-Square Value</th>
<th>Impact Properties</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transitional Leadership</td>
<td>0.252</td>
<td>Moderate</td>
</tr>
<tr>
<td>Vision and Mission Between Generations</td>
<td>0.107</td>
<td>Weak</td>
</tr>
<tr>
<td>Development of Technology Management</td>
<td>0.111</td>
<td>Weak</td>
</tr>
<tr>
<td>Product Life Cycle</td>
<td>0.016</td>
<td>No Impact</td>
</tr>
</tbody>
</table>

Table 6 above shows that the highest F-square value belongs to the exogenous construction "transitional leadership" with the F-square value reaching 0.252, indicating that leadership succession has a moderate impact on corporate sustainability as the endogenous and H1 construction is rejected. It was followed by the "development of technology management" and "vision and mission between generations" which each had an F-square worth 0.111 and 0.107, indicating that two of the constructs had a weak impact on the company's sustainability so that H2 and H3 were also rejected. The "Product life cycle" only has an F-square value of 0.016 or less than 0.02. In other words, this exogenous construction has no impact on the company's sustainability and H4 is accepted.

4.1.6. *Q-Square*

The value of Q-square is a coefficient that aims to determine the ability of exogenous construction in predicting certain endogenous construction. When the Q-square value is greater than 0, it can be said that exogenous construction is relevant to predict endogenous construction (Hair et al., 2014). In this study, it was obtained that the value of Q-square was 0.204. The figure is greater than 0, so it can be concluded that an exogenous construction is relevant to predict the endogenous "Sustainability of Company" construction.
4.1.7. Colinearity Statistics

Collinearity statistics are used to ensure that there is no problem of colinearity of the structural model built. Measurement of colinearity statistics using Variance Inflation Factor (VIF) figures provided that the indicators in the structural model should not be more than 5 (Hair et al., 2014). The results of the VIF measurements on the indicators on the structural model in this study are indicated by the following table 7.

<table>
<thead>
<tr>
<th>Indicator</th>
<th>VIF Value</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.07</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>X2.01</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>X3.07</td>
<td>1.002</td>
<td></td>
</tr>
<tr>
<td>X3.08</td>
<td>1.002</td>
<td></td>
</tr>
<tr>
<td>X4.02</td>
<td>1.122</td>
<td></td>
</tr>
<tr>
<td>X4.07</td>
<td>1.122</td>
<td></td>
</tr>
<tr>
<td>Y.02</td>
<td>1.166</td>
<td>There are no problem of colinearity</td>
</tr>
<tr>
<td>Y.03</td>
<td>1.166</td>
<td></td>
</tr>
</tbody>
</table>

Table 7 Above shows that the entire indicator has a VIF value below 5, so it can be concluded that the problem of colinearity is not found in the structural model built in the study.

4.1.8. Path coefficient

Path coefficient or direct effect analysis is the instrument used in the hypothesis test on PLS method. It is used to view the significance impact of an exogenous construction against endogenous construction. Path coefficient is obtained through the bootstrapping process of SmartPLS software. A significant path coefficient value is indicated by P-Values of the coefficient which is worth less than 0.05 (Hair et al., 2014). The value of path coefficient between the construct in the structural model of this study can be seen in the table 8 below.

<table>
<thead>
<tr>
<th>No</th>
<th>Line</th>
<th>Original Sample (O)</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Transitional Leadership -&gt; Sustainability of Family Business</td>
<td>0.413</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>Vision and Mission Between Generations -&gt; Sustainability of Family Business</td>
<td>0.279</td>
<td>0.009</td>
</tr>
<tr>
<td>3</td>
<td>Development of Technology Management -&gt; Sustainability of Family Business</td>
<td>0.267</td>
<td>0.029</td>
</tr>
<tr>
<td>4</td>
<td>Product Life Cycle -&gt; Sustainability of Family Business</td>
<td>0.105</td>
<td>0.496</td>
</tr>
</tbody>
</table>

Based on table 8 above, majority of the exogenous construct indicates positive and significant path coefficient, indicated by P-values less than 0.05, namely: i) "transitional leadership" with the path coefficient reaching 0.413; II) "vision and mission between generations" with the path coefficient reaching 0.279; and III) the "development of technology management" with the path coefficient reaching 0.267. Exceptions are found in "product lifecycle" exogenous construct which has a positive path coefficient (0.105) but insignificant.
4.2. Analysis

The analysis of the path coefficient between constructs indicates that majority of the exogenous construct is positive and significant against the endogenous construct of "sustainability of family business". The factors that most influence the company's sustainability of the main transitional leadership of the 10 variables only 1 of the most influential variables is the succeeding generation of forwarding the company due to family compulsion. This is because the next generation is inherited by the previous generation to continue the effort so that they must be willing to carry the inheritance. Second, from vision and mission between generations that have 8 variables only 1 of the most influential variables is the ability to clearly define the company's vision. Although from transitional leadership factor indicates that the successor generation continues the effort due to compulsion but as long as they clearly understand the vision of the family company then they are biased to maintain sustainability of the business. Third, in terms of development technology management there are 2 most influential variables of 8 variables that each generation has technological innovation capability in the company and each generation has the ability to build digital culture.

The succeeding generations are supported by understanding the clear vision and innovation skills and building a digital culture will help the sustainability of family company. In other words, corporate sustainability can be sustained if the company has smooth transitional leadership, vision of an inter-generation mission that is conveyed and well understood, and development of ongoing technology management. Akpan and Ukpai (2017) in his research found the result that family companies need to make a succession plan to achieve sustainable business. Furthermore, Morris et al. (1996) quoted in Buang et al. (2013) states if the dimensions of work experience in the family business and self-preparation have a positive effect on the smoothness of succession or transitional leadership. The next generation experience can benefit the performance of improving the family business. Adedayo et al. (2016), also found a positive relationship between the succession plan and the sustainability of the family company, when the founder or first generation brings and shares his experience to the next generation of family business management that will later be handed over.

The vision and mission between generations has a positive relationship with family enterprise sustainability. A family company that maintains its vision and mission will be seen as having consistency in the performance of its company, especially a family company that has a unique vision and mission and culture. This is in line with Neff (2015) study, which suggests that shared vision has a positive influence on effectiveness of family company’s culture that will further affect the family company's performance. Calantone (2002) also states if the shared vision has a positive influence on the orientation of next-generation learning, which will then affect the company's performance.

The development of technology management has a positive influence on the sustainability of family companies. This result is supported by Alberti and Pizzurno (2013) study, which conducts an exploration of which type of knowledge is more affecting innovation between knowledge about technology and knowledge of the market. The results show if both types of knowledge have a positive influence on family company performance, even at different levels. Knowledge of technology plays an important role in facilitating the development of new products. Similar opinion is also expressed by De Massis et al. (2013), where technological innovations are associated with the size of a company. Larger companies have superior technology management, making it easier to introduce new products and services compared to small-size family companies. Small-size family companies tend to have a more viscous family relationship and have more limited resources including the development of technology management, so it can cause difficulties in Introducing new products or services.

Meanwhile, product life cycles have an insignificant impact on corporate sustainability. From the side of the product lifecycle has 2 variables of 10 variables that do not have significant influence, that is customer related to
the new product and the intensity level of price war. The family company in this research is a travel agent company usually having loyal customers that even though new product innovations are not much and do not follow the price war, does not affect the ability of the company to survive. In other words, although the company's products have a life cycle that runs smoothly, it does not guarantee the company's sustainability. This is in accordance with the study conducted by Buang et al. (2013) that the life cycle has no significant influence on the corporate sustainability of the family.

Figure 4. Family Business Model in Disruption Era

Figure 4 showed the family business model in the disruption era based on the results of this study, which found that the exogenous construct of succession or transitional leadership, vision and mission between generations, and development of technological management affected the endogenous construct of sustainability of firms gained after the process of calculating the outer loadings value, and a series of statistical tests. To obtain an indicator constructs on transitional leadership and vision and mission between generations, and two indicators on development of technology management and sustainability of family business.

Conclusions

The research aims to determine the factors that most influence the company's sustainability and to form the family business model of the travel agent company in this disruption era using SEM-PLS analysis. After Testing of indicators and the construct in the structural model of this research, the results of this research show that company’s sustainability is determined positively by at least three factors, namely transitional leadership, mission and vision between generations, and development of technology management. From transitional leadership factor that most influence is the next generation forward the company due to family compulsion. The most influential vision and mission between generations is the ability to clearly define the company's vision. There are two variables that affect development of technology management, namely every generation has technological innovation capability in the company and every generation has the ability to build digital culture. Meanwhile, the product life cycle is found to be insignificant in determining the sustainability of a family company.
Suggestions

Based on the results of this study, there are recommendations for a number of parties, either practitioners, regulators, or further researchers. For practitioners, the management of the company, should create a system that enables smooth transitional leadership and minimizes conflict. This is particularly indispensable to family companies whose conflicts of interest among the members of the company's controlling family are enormous. The system should also be supported by good inter-generation mission vision communication efforts so that there is sustainability between the ideals of the founders and the predecessor generation with the succeeding generation. Management should also always update the technology used in its business activities so as to compete with the innovations of competitors.

For the government as a regulator, in addition to the regulation of business that one of which is sought to overcome the conflict between the company's elite, also have to create an investment climate that provides incentives for companies to develop technology the current business practices. It is also a form of effort to support the competitiveness of the national economy. For researchers, subsequent studies should be possible with a larger number of samples (> 50 respondents) and using different construction so that there is a more comprehensive research result.

References


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Short biographical note about the contributors at the end of the article (name, surname, academic title and scientific degree, duties, research interests):

Dina Fitrisia SEPTIARINI is a lecturer of Universitas Airlangga, Indonesia. His current research focuses include Islamic economics, sustainability development, and Islamic banking.
ORCID ID: orcid.org/0000-0001-5486-1971

Dian FILIANTI is a lecturer of Universitas Airlangga, Indonesia. His current research focuses include corporate sustainability issues in business and Islamic economics.
ORCHID ID: orcid.org/0000-0001-8943-0899

Noven SUPRAYOGI is a lecturer of Universitas Airlangga, Indonesia. His current research focuses include corporate sustainability issues in business and Islamic economics.
ORCHID ID: orcid.org/0000-0002-3649-7325

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