

## The Role Of Entrepreneurship Education In Ethnic Chinese Family Business Succession

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**Abstract:** Entrepreneurship education is an entrepreneur's effort to have a foundation in entrepreneurship. With entrepreneurial education, an entrepreneur can effectively solve business problems with solutions. This research aims to reveal the role of entrepreneurship education in ethnic Chinese family business succession. The research method was a systematic literature review (SLR) with 576 articles from the Scopus, Emerald, and Sage databases. Then, the articles were identified by inclusion and exclusion with a final number of 2 articles. The research results show that Chinese ethnicity provides opportunities for all their children to continue the family business because all children, both girls and boys, have the same rights in owning the family business. Preparing a successor to an ethnic Chinese family business starts with family entrepreneurship education, guiding potential successors, viting potential candidates to know more about the family business, and involving potential successors in their business activities. The limitation of this research is the lack of articles related to ethnic Chinese family businesses.

**Keywords :** Entrepreneurship Education, Business Succession, Family Business, Chinese Ethnicity

### INTRODUCTION

Entrepreneurship has become increasingly trendy to meet every need in life (Elinuari & Marlana, 2021). Entrepreneurship can be carried out in various fields, such as agriculture, plantations, mining, and trade (Susilaningsih, 2015). It is no secret that most of the trade sector in Indonesia is controlled by ethnic Chinese (Elinuari & Marlana, 2021). Chinese is an ethnic group whose ancestors originate from China (Bashko, 2022). Initially, the Chinese were a people who liked to migrate and were a minority whose habit of migrating required them to train themselves to survive through trading activities, against the background of avoiding natural disasters and the difficult economy in their ancestral countries (Said, 2019).

Ethnic Chinese have inherent trade knowledge, which was brought from the Chinese plains and then applied in overseas areas for business development to survive (Zakariya, 2013). According to Rahayu and Mayasari (2021), ethnic Chinese have various characteristics, such as power and ochlocracy, relationship networks, self-esteem and authority, flexibility and survival, and kinship. Autocracy here has management that is more centralized in one power. A network of relationships for ethnic Chinese is the first step in starting a business. Self-esteem and authority for ethnic Chinese are very important things in business, especially trade; they

do not want the public to know about failures, for example, in negotiations and promotions. Flexible and survival: In developing management knowledge, flexibility was also influenced by traditional cultural values and strong additions in management.

Developing a trading business by ethnic Chinese illustrates success (Maulida et al., 2022). Ethnic Chinese business culture has indeed been entrenched from generation to generation, and it is known to this day that ethnic Chinese are synonymous with business. Chinese culture passed on from generation to generation, significantly influences the continuity of the family's business, with the trade 'reason' inherent in ethnic Chinese (Halimah et al., 2024). Giersch (2020) explains that business success for ethnic Chinese can only be enjoyed by their children and descendants. Other people cannot interfere because entrepreneurship is their family's legacy. This indicates that businesses managed by ethnic Chinese are completely family businesses. In its development, a family business is managed by family members who together fully own and manage it without any non-family workers (Vermer, 2020). When family members manage a company, a company is classified as a family company.

As a business owned and controlled by the family, the management and performance of the company, both small and large scale, are greatly influenced by the family's vision and mission. However, family businesses certainly do not escape problems that are sometimes difficult to solve (Calabro et al., 2021). For example, there is distrust or distrust between fellow family members, conflicts in leadership succession, conflicts in decision making, the issue of the crown prince (successor to the throne in the company), differences in managerial thinking patterns between the first generation and the next generation, and so on. As a result, it is not uncommon for family businesses to experience decline or even be forced to close due to prolonged conflict within the family. It is difficult to run a family company because the succession process is difficult (Cardella et al., 2020).

Entrepreneurs need to have an education in entrepreneurship as a foundation for entrepreneurship. Entrepreneurship education is one of the encouragements in generating business interest to achieve business success. It is also important to form a society that can think creatively and independently to overcome poverty and unemployment by becoming entrepreneurs who succeed in opening many jobs to meet life's needs (Hahn et al., 2020). Some people state that they believe that higher education plays an important role in success in business. Ethnic Chinese groups view or assess aspects of education as part of the basic values of life that are informal through applying education to beliefs and preserving ancestral culture from China (Ting & Ting, 2020).

## **RESEARCH METHOD**

This research uses a Systematic Literature Review (SLR) to determine the implementation of entrepreneurship education in ethnic Chinese family businesses. The SLR review combines relevant previous research findings using the prism method in a systematic literature review (SLR). The prism method will provide a methodological framework for searching, assessing, and synthesizing relevant literature to understand the latest research results (2023) comprehensively. In addition, this research will determine the objectives and relevant literature, use appropriate literature, synthesize and analyze the results, and present a discussion.

Researchers conduct the first stage to determine the aspects to be observed or analyzed based on the research topic. Then, the researcher will review relevant literature on the aspects observed or analyzed in the research. Relevant literature was collected from the most reputable and comprehensive databases, such as Scopus, Emerald Publishing, and Sage Journal. The following is relevant literature collected from a comprehensive database, namely “Entrepreneurship Education”, “Business Succession”, and “Ethnic Chinese Family Business”.

Researchers use inclusion and exclusion criteria in selecting literature that will be a source for writing. Literature that meets the inclusion criteria is related to entrepreneurship education, business succession, and ethnic Chinese family business. Then, literature that meets the exclusion criteria, such as literature from books, literature that is not in English, literature that is not accessible, and literature that is not part of the research topic. All literature will undergo a review process by researchers starting from the title, abstract, content, and conclusions.

## **RESULT AND DISCUSSION**

The researcher attempted to collect relevant articles for analysis starting from 2019 to April 2024. The researcher collected 84 Scopus database articles, 73 Emerald database articles, and 419 Sage database articles. After identification, 576 articles were collected. Then, this was done. Filtering based on inclusion and exclusion criteria for the remaining 18 articles. Next, selection was carried out based on the research objectives of the remaining two articles.

**Table 1 Resume of Articles in Accordance With Research Objectives**

Year	Autors	Aims
2020	Grisna Anggadwita, Werda Bagus Profitoyo, Dini Turipanam Alamanda, Anggraeni Permatasari	The purpose of this paper is to discuss ethnic Chinese cultural values and their implications in the succession process of small family businesses in Bandung, Indonesia.
2019	Jacob Donald Tan, Hendrawan Supratikno, Rudy Pramono, John Tampil Purba, Innocentius Bernarto	This article aims to explore and explain how the predecessors (incumbents) of ethnic Chinese family small and medium enterprises (SMEs) in Indonesia or what is more accurately called Chinese-Indonesian family SMEs coach their successors in producing transgenerational entrepreneurship.

### **The Role of Entrepreneurship Education in Business Succession**

Based on the identification results of the selected articles, entrepreneurship education is a reference for business success and an important factor in forming a society that can think creatively and independently to overcome poverty and unemployment by becoming entrepreneurs who open up many job opportunities to meet life's needs. Entrepreneurial success is when a business or enterprise experiences progress through an increase in previous results. However, business success is also about the inner satisfaction experienced by each person in charge. Entrepreneurship education is very influential and also determines a person's success in entrepreneurship; if the level of entrepreneurship education obtained is higher, the insight gained will also be more, and vice versa, if the knowledge gained is not too much, then the insight gained will also be less about entrepreneurship (Elinuary & Marlana, 2021).

The incumbent's mindset is very important in this case for the sustainability of family companies, and the most challenging process is developing family companies with the role of entrepreneurial education as mentoring for their successors. Therefore, both formal and non-formal entrepreneurship education must be studied by ethnic Chinese family business successors. Considering its important role in supporting business succession, entrepreneurship education must deepen its theory and practice. In Chinese family businesses, trusting their successors to manage their business is carried out in selective stages.

According to Anggadwita (2020), succession activities in which the founder provides opportunities for his successors to learn business activities and provides guidance and direction to increase the successor's knowledge and motivation in learning to do business. The involvement of future successors in business activities also begins at this stage. This research identified that the founder did not directly relinquish the company's authority to his successor but had to obtain permission first from the previous generation. The next stage is the desired results, which are carried out by evaluating success in succession activities, including the implementation of development programs that have been implemented to improve the performance of the family business. At this stage, an evaluation is also carried out on internal

problems that trigger employee turnover and the problem-solving abilities of successors when facing business competition. This research also identified that his successors still experienced weaknesses in problem-solving; they have not been able to resolve the problems that have occurred, so the founder cannot fully give authority.

### **Ethnic Chinese Family Business Succession**

The growth of a family business cannot be separated from the transformation and transition from generation to generation. In addition, strong leadership, family values, organizational transformation, succession, culture, and attracting talent are needed to build longevity from generation to generation and develop family businesses (Tan et al., 2019). A strong kinship system is a prominent feature of Indonesian culture and the main motivation for Indonesian people to build family businesses. Culture has an important role in shaping the work system in a family company because it can function as a glue that integrates the ownership, management, and family subsystems.

Family values in the company cannot be separated from the culture brought and created by the family. Culture will show the values, norms, and attitudes that apply within the company. The prevailing family business values usually become the basis for reflecting the family's identity and values. Family companies that can survive and develop instill a good culture in every change so that company stakeholders can accept it. Therefore, understanding a family business's culture is necessary to develop more insight and knowledge into running a family business.

Based on the research results of Tan et al. (2019), Chinese ethnicity provides opportunities for all children to continue the family business because all children, both girls and boys, have the same rights to own the family business. Regardless of who becomes the next leader, the most important thing is that the successor, whether male or female, must have a strong will, intention, determination, and sufficient ability to control the business. However, based on data obtained and supported by observations, the four Chinese family businesses from the first generation were mostly led or controlled by a man, usually the eldest son of the previous generation. In contrast, the rest of the family held positions as managers or other heads of departments. Gender relates to psychological, social, and cultural differences between men and women.

Since the beginning, all respondents have been involved in business activities. So, at this stage, the previous generation has done well, from guiding potential successors to inviting potential candidates to learn more about the family business and involving potential successors in company activities. Chinese parents teach these things to their children by involving them

in business and involving their children in the business work that they are currently doing. Successors are required to understand the theory and be directly involved, see, and experience it in practice. In this way, Chinese children learn their parents' business philosophy. Children who can manage their parents' business will be allowed to develop a business under their parent's supervision.

Meanwhile, children whose parents consider them less capable of managing a business tend to be limited to being executors. Policy and decision-making remain in the parents' hands, and it is not uncommon for daughters to have the authority if they are deemed capable of managing it. Based on the research results of Tan et al. (2019), this authority can only be done with permission from the previous generation.

## **CONCLUSION**

Entrepreneurial success is when a business or enterprise experiences progress through an increase in previous results. However, business success is also about the inner satisfaction experienced by each person in charge. Entrepreneurship education is very influential and also determines a person's entrepreneurial success. Entrepreneurial success is when a business or enterprise experiences progress through an increase in previous results. However, business success is also about the inner satisfaction experienced by each person in charge. Entrepreneurship education is very influential and also determines a person's entrepreneurial success.

Chinese ethnicity allows all children to continue the family business because all girls and boys have the same rights to own the family business. Previous generations have done well at this stage, from guiding potential successors to inviting potential candidates to learn more about the family business and involving potential successors in company activities. Chinese parents teach these things to their children by involving them in business and involving their children in the business work that they are currently doing.

Research on family businesses in China is still limited, so the government and business practitioners can provide their perspectives to understand better the role of Chinese families in the business world, especially in Indonesia. Ethnic Chinese have an important role in the Indonesian economy, so the government plays a role in making policies regarding the sustainability of Chinese family businesses. This research can be developed further by conducting a survey focusing on Chinese family businesses, thereby providing an understanding of business expectations, challenges and obstacles, and efforts to increase business value.

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