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Designing Key Succession Planning Priorities for a Family-Owned Facility Service Company: A Case Study of PT EI in Indonesia

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Abstract

This study aims to identify the critical barriers influencing succession planning readiness at PT EI and to convert these barriers into strategic priorities for developing a practical succession planning roadmap. This research uses a qualitative method with a single case study approach. Data were gathered through semi-structured interviews with seven important informants from the family ownership and operational management levels. The interview results were analyzed using the Gioia Methodology through a three-stage coding process, where the aggregate dimensions were connected to the four premises of the Parallel Planning Process (PPP) framework developed by Carlock and Ward (2001). The findings were then prioritized using the Impact–Effort Matrix to determine the order of implementation. The study found nine critical barriers within the four PPP premises, which were mainly about an informal company culture, an ongoing leadership transition, a strong reliance on the founder, a vision and strategy that were not yet aligned, and a lack of formal systems for governance, operations, and human resources. These barriers were transformed into nine proposed strategies and grouped into six strategic priorities such as institutionalizing company culture, formalizing organizational structure, aligning shared vision, developing family governance, redesigning operational procedures, and creating a leadership development pipeline. Based on the Impact–Effort Matrix, the first three priorities were categorized as Quick Wins, while the other three were classified as Major Projects, creating roadmap priorities to improve PT EI's succession readiness and long-term sustainability.

INTRODUCTION

Family-run businesses play an important role in the global economy. According to the Global Family Business Index, the world's largest family firms generate trillions of dollars in revenue and employ tens of millions of people, and they have shown strong resilience during crisis periods such as the COVID-19 pandemic (EY & University of St. Gallen, 2023). More recent reporting also indicates continued growth and optimism among family business leaders, especially in Asia and other emerging markets, where digital transformation and diversification are seen as key strategies for future growth (KPMG & STEP Project Global Consortium, 2024). These trends suggest that family businesses remain a stable and adaptable pillar of global economic development (Abdelaziz 2021; Siregar 2024; Wu et al. 2022).

Family businesses also dominate Indonesia's economy. Around 95% of businesses in Indonesia are family-owned or family-managed, and they contribute close to 80% of the national gross domestic product, making them a key driver of growth and employment (Putra & Suryani, 2023). Beyond their economic value, these firms carry cultural importance by promoting values such as hard work, legacy, and long-term commitment (Aronoff et al. 2016; Gil et al. 2025; Rossato et al. 2020). Their dominance is also visible in the manufacturing sector, where family ownership remains high and contributes a substantial share of national output (Boston Consulting Group, 2023).

Despite their strength, family businesses face a major long-term problem in succession. National surveys show that only about a third of Indonesian family firms have a written succession plan (PwC, 2021), while fewer than one in three businesses successfully transfer leadership to the second generation, and this number drops sharply for later generations (Family Firm Institute, 2017). Many firms therefore understand succession in theory but fail in practice, mainly because of weak leadership development, unclear successor competency standards, and poor preparation for transition. Succession is thus not only about changing leaders but also about maintaining culture, decision-making systems, and organizational continuity (Anos 2025; Rothwell 2015; Siambi 2022).

These issues are especially relevant in Indonesia's facility services industry, which is growing rapidly but also depends heavily on stable leadership. The facility management market in Indonesia was valued at around USD 12.86 billion in 2025 and is expected to grow to USD 17.78 billion by 2031, with the soft services segment growing even faster (Mordor Intelligence, 2026). Because this sector relies on long-term client trust and workforce stability, leadership continuity becomes critical (Sari & Nugroho, 2022). Since most businesses in Indonesia are family-owned, many operators in this industry are also family firms, and poor succession planning can directly reduce service quality and disrupt operations in such labour-intensive businesses (Yusuf & Lestari, 2023).

The novelty of this research lies in several aspects. First, this study provides a comprehensive application of the Parallel Planning Process (PPP) framework specifically to a mid-sized family-owned facility service company in Indonesia, an area that has received limited attention in prior research. Second, the study adapts the Gioia Methodology by deliberately anchoring the aggregate dimensions to the four premises of the PPP framework, strengthening the theoretical structure while preserving the inductive nature of the analysis (Carlock & Ward, 2001). Third, the research combines qualitative thematic analysis with practical prioritization using the Impact-Effort Matrix to create a phased implementation roadmap (Nethamba & Grobbelaar, 2023). Fourth, the study identifies nine critical barriers and translates them into six strategic priorities, providing both theoretical and practical contributions to succession planning literature. The findings are expected to contribute to the limited literature on family business succession in the Indonesian service sector and provide practical guidance for PT EI's leadership transition.

PT EI is a relevant example of a family business in the facility services sector that faces these challenges. The situation became urgent after the founder passed away, which led to an unplanned leadership transition without a formal succession system. The company is now led by a member of the next generation, who had been involved in daily operations from a young age. However, this preparation was mainly operational and did not yet include formal strategic training. As a result, several succession barriers appeared, mainly because the company did not have a structured planning system.

Although many studies discuss family business succession, there is still limited research on how mid-sized facility service firms in Indonesia can examine their main barriers and design a suitable succession plan. Most existing studies focus on large companies or general frameworks that do not fully reflect the Indonesian service-sector context. This study therefore aims to (1) identify the critical barriers that influence succession planning readiness at PT EI, and (2) translate these barriers into strategic priorities for developing a practical succession planning roadmap. To do so, it applies the Parallel Planning Process (PPP) framework of Carlock and Ward (2001) as the analytical lens and the Gioia Methodology (Gioia et al., 2013) as the coding approach.

METHOD

This study used a qualitative single case study design, which is appropriate for assessing the real business situation at PT EI. Qualitative research investigates natural conditions with the researcher as the key instrument (Sugiyono, 2022). The study is descriptive, presenting data in narrative form, and exploratory because it aims to identify and explain succession barriers that are not yet clearly understood within the organization. The research subjects were family members, leaders, and key stakeholders, while the research objects were the critical barriers underlying succession planning readiness and the resulting strategic prioritization.

In line with the qualitative nature of the case, the study used both primary and secondary data. Primary data were collected through semi-structured interviews, while secondary data included internal company documents, industry reports, and academic references. Participants were selected using purposive sampling, a non-probability technique in which the researcher determines the sample based on specific criteria that provide the most relevant information (Sugiyono, 2022). Management informants were required to meet five criteria: a minimum tenure of five years under the founder's leadership; holding a key operational or supervisory role; involvement in cross-functional communication or decision support; recognized credibility or informal influence; and the ability to reflect constructively on organizational change.

The study involved seven informants, divided into two groups based on the two dimensions of the PPP Framework. The family dimension consisted of the family members who hold tacit knowledge of the founder's values and vision. The business dimension consisted of five remaining informants from management staff who met the five criteria. Table 1 summarizes the informant profile.

Table 1. Informant Profile

Code	Tenure	Dimension
I1	–	Family
I2	–	Family
I3	8 years	Business
I4	11 years	Business
I5	7 years	Business
I6	13 years	Business
I7	12 years	Business

Source: Author's Analysis, 2026

Informed consent was obtained from all informants, and the insider role of the researcher is acknowledged as a limitation. Data analysis followed two sequential stages. First, the interview data were analyzed using the Gioia Methodology (Gioia et al., 2013) through a three-stage coding process: first-order concepts in the informants' own words, second-order themes at a more abstract theoretical level, and aggregate dimensions. Unlike the standard inductive Gioia approach, this study deliberately anchored the aggregate dimensions to the four premises of the PPP framework, namely Values, Strategic Thinking, Shared Future Vision, and Formulating Plans (Carlock & Ward, 2001), to strengthen the theoretical structure while preserving the inductive nature of the analysis. Second, after the critical barriers were confirmed, the Impact-Effort Matrix was used to determine the priority order of strategic interventions by evaluating each initiative on its level of impact and its implementation effort (Nethamba & Grobbelaar, 2023).

To ensure validity, the study applied source, technique, and time triangulation, and also addressed dependability through an independent audit of the research process by the thesis supervisor. Because the researcher is an insider, holding the dual role of investigator and a senior leader in the company, reflexivity was maintained throughout, and the PPP framework was used as a consistent analytical lens to structure interpretations against an established theory rather than personal judgment alone.

RESULTS AND DISCUSSION

Thematic Coding and Critical Barriers

The first-order analysis produced 45 concept categories taken directly from the seven informants. Through the second-order analysis these were grouped into nine themes, which were then organized under the four PPP premises as aggregate dimensions. From this data structure, nine critical barriers were identified. A barrier was treated as critical for two reasons: empirically, because it appeared consistently in the informants' own words (Gioia et al., 2013); and theoretically, because it disrupts one of the four foundations of succession planning in the PPP framework (Carlock & Ward, 2001). Table 2 maps the second-order themes to their PPP premise and the corresponding critical barrier.

Table 2. PPP Premise, Second-Order Theme, and Critical Barrier

PPP Premise	Second-Order Theme	Critical Barrier
P1 – Values	Informal Culture	The company culture was not yet formalized.
P1 – Values	Cultural Change	The new leadership relational authority was not yet established across the organization.
P2 – Strategic Thinking	Post-Succession Structural Gap	Operational processes ran on the founder as an individual, not on systems.
P2 – Strategic Thinking	Leadership Gap	The new leadership was not yet recognized across the organization.
P3 – Shared Future Vision	Undocumented Vision	The founder's original vision disappeared because it was never documented.
P3 – Shared Future Vision	Unintegrated Vision	Growth vision pathways were not yet integrated into one strategic direction.
P4 – Formulating Plans	Family Governance	No formal family governance documents defined the succession plan, ownership agreement, and governance role.
P4 – Formulating Plans	Logistics	The process and system of this function depended on a single person.
P4 – Formulating Plans	Human Resource	No structured HR pipeline existed to develop and retain internal talent.

Source: Author's Analysis, 2026

At the time of the study, during the leadership transition, the data showed several point-in-time characteristics across the four premises. Under the Values premise, the data showed that the company's values were never written down. Instead, they were passed on through the founder's example and daily talks. Many long-serving employees still felt a strong attachment to the founder's way of working, so new changes needed more time to be accepted. Under Strategic Thinking, informants described an organization that ran more on people than on systems. After the founder passed away, roles and authority were not yet clear, and trust was still linked to a person rather than to a formal leadership position.

Under Shared Future Vision, the founder had a clear long-term direction, such as bringing the business closer together under one direction. However, this vision was only spoken and was never written down. At the same time, stakeholders had different views about how the company should grow. This was not a conflict of vision but an unintegrated vision, because all informants agreed that the company should grow and become more professional, but they had not agreed on how. Under Formulating Plans, the data showed a lack of formal family governance documents, unclear roles within the family, some key functions that still depended on a single person, and no structured human resource pipeline to develop future managers.

Three patterns appeared across the premises. First, dependence on the founder is the root cause. Values, systems, vision, and governance were all centered on the founder and were never moved into organizational systems. These characteristics are common in founder-led family firms after an unplanned succession and can be addressed through structured planning, as the proposed roadmap demonstrates. Second, the number of informants for each barrier shows how widespread it is, from two informants for top-level issues such as family governance to six informants for company-wide issues such as the unintegrated vision and the human resource gap. Third, the barriers are connected and affect one another, so weaknesses in the basic premises of Values and Strategic Thinking make it harder to solve problems in Shared Future Vision and Formulating Plans. This connection is important for deciding the order of solutions.

Proposed Strategies and Strategic Priorities

Each critical barrier was transformed into a proposed strategy addressing its root cause rather than only its visible symptoms. The nine strategies were then consolidated into a smaller set of strategic priorities for three reasons: methodologically, following the principle of thematic consolidation in the Gioia Methodology (Gioia et al., 2013); theoretically, in line with the integrated planning logic of the PPP framework, which treats each premise as an interconnected condition rather than an isolated checklist item (Carlock & Ward, 2001); and practically, given the limited organizational capacity of a family business in transition, where implementing too many initiatives at once risks implementation fatigue. This produced six strategic priorities (SP1–SP6), as shown in Table 3.

Table 3. From Critical Barriers to Six Strategic Priorities

Critical Barrier	Proposed Strategy	Strategic Priority
The company culture was not yet formalized.	Documenting and formalizing the company's values and culture in daily practice	SP1 – Corporate Culture & Values Institutionalization
The new leadership relational authority was not yet established across the organization.	Strengthening recognition of the new leadership through active and consistent involvement	
Operational processes ran on the founder as an individual, not on systems.	Rebuilding, formalizing, and communicating end-to-end business processes and structures	SP2 – Formalizing Organizational Structure & Business Process
The new leadership was not yet recognized across the organization.	Formalizing the leadership transition process and building organizational trust	
The founder's original vision disappeared because it was never documented.	Reformulating the founder's vision and aligning a shared organizational roadmap	SP3 – Documentation & Alignment of Shared Vision
Growth vision pathways were not yet integrated into one strategic direction.	Conducting internal alignment to unify the strategic direction	
No formal family governance documents defined the succession plan, ownership agreement, and governance role.	Establishing governance rules on succession, ownership, and the governance role	SP4 – Family Governance & Successor Documentation
The process and system of this function depended on a single person.	Redesigning the logistics SOP and delegation system	SP5 – Redesign Logistics SOP & Delegation System
No structured HR pipeline existed to develop and retain internal talent.	Developing and standardizing recruitment and employee development programs	SP6 – Create Formal Pipeline for Knowledge Transfer & Leadership Development

Source: Author's Analysis, 2026

Prioritization through the Impact-Effort Matrix

The six strategic priorities were evaluated using the Impact-Effort Matrix (Nethamba & Grobbelaar, 2023). Impact was defined as the extent to which a priority directly addresses key barriers to succession readiness and long-term sustainability, while effort was defined as the total requirement of time, human resources, financial resources, and organizational complexity. Each priority was assessed using the empirical evidence from the seven informants, the recurring patterns in the barrier analysis, and the interdependencies among priorities. The resulting placement is shown in Figure 1 and Table 4.

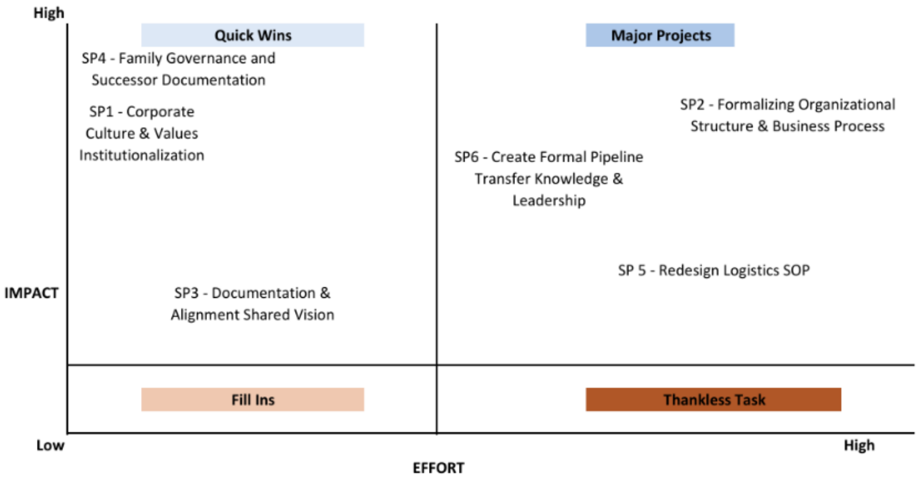

Figure 1. Result of the Impact-Effort Matrix Analysis

Source: Author's Analysis, 2026

Table 4. Result of the Impact-Effort Matrix Analysis

Quadrant	Strategic Priorities	Characteristic
Quick Wins	SP1 (Culture & Values), SP3 (Shared Vision), SP4 (Family Governance)	High impact, low-to-moderate effort; build foundational legitimacy, vision, and governance clarity
Major Projects	SP2 (Structure & Process), SP5 (Logistics SOP), SP6 (HR Pipeline)	High impact, high effort; require structured project management, coordination, and sustained investment

Source: Author's Analysis, 2026

Strategic Priorities 1, 3, and 4 fall into the Quick Wins quadrant because they deliver high organizational impact while requiring relatively low to moderate effort. SP1 establishes the cultural and leadership reference point for the whole organization; SP3 relies mainly on facilitated dialogue to produce a documented and shared vision; and SP4 can be addressed through structured family discussions and formal documentation, for which the data already indicate readiness. Strategic Priorities 2, 5, and 6 fall into the Major Projects quadrant because, although they are equally high in impact, they require significantly higher effort. SP2 is a system-wide transformation that rebuilds end-to-end processes and authority structures across all departments; SP5 requires deep process redesign of the logistics function; and SP6 is the most resource-intensive, building long-term systems for recruitment, induction, and leadership development.

Implementation Roadmap

The sequencing logic places the three Quick Wins first to establish foundational conditions, followed by the three Major Projects sequenced according to interdependencies and the readiness created by the Quick Wins. The roadmap is phased across short-, medium-, and long-term horizons, as summarized in Table 5.

Table 5. Summary of the Implementation Roadmap

Order	Strategic Priority	Horizon	Category
1	SP4 – Family Governance & Successor Documentation	Short Term	Quick Win
2	SP1 – Corporate Culture & Values Institutionalization	Short to Long Term	Quick Win
3	SP3 – Documentation & Alignment of Shared Vision	Short Term	Quick Win
4	SP2 – Formalizing Organizational Structure & Process	Medium Term	Major Project
5	SP6 – Pipeline for Knowledge Transfer & Leadership	Medium to Long Term	Major Project
6	SP5 – Redesign Logistics SOP & Delegation System	Medium Term	Major Project

Source: Author's Analysis, 2026

The roadmap rests on four layers of justification. First, the initial phase begins after the study is completed, because the company needs time for internal acceptance, early legal advice on the governance documents, the setting up of the team, and further budgeting. Second, the long-term horizon reflects an experienced, long-tenured workforce for whom change works best when introduced gradually. Third, the sequence is driven by founder dependency, which prioritizes governance, values, and shared vision first; by the interconnection among barriers, in which each priority enables others; and by the firm's limited capacity, which calls for phased implementation. Finally, the Quick Wins are placed first to rebuild trust and shared understanding, since low trust can weaken a leadership transition in family businesses (Carlock & Ward, 2001).

CONCLUSION

This study identified nine critical barriers to succession planning readiness at PT EI across the four premises of the Parallel Planning Process. Under Values, the company had no formal culture, and the authority of the new leadership was not yet fully established. Under Strategic Thinking, there was a strong dependence on the founder, and the new leadership was not yet widely recognized. Under Shared Future Vision, the vision was undocumented and not yet integrated. Under Formulating Plans, there was a lack of formal governance, a reliance on a single person for a particular function, and the absence of an HR pipeline development. These barriers share one root cause such as the strong centralization of knowledge and decision-making in the founder, without proper transfer into the organization. The barriers were translated into six strategic priorities. These cover culture institutionalization, structure and process formalization, shared vision documentation, family governance, process redesign, and leadership pipeline development. The Impact-Effort Matrix grouped these into three Quick Wins (SP1, SP3, SP4) and three Major Projects (SP2, SP5, SP6). They were arranged into a phased roadmap across short-, medium-, and long-term horizons. This roadmap considers readiness, the long-term nature of the transition, how the actions depend on one another, and the importance of building trust early. In theory, the study offers a context-based use of the PPP framework in an Indonesian service-sector family business. It also offers a methodological adaptation that links Gioia aggregate dimensions to established theory. In practice, it gives PT EI a structured guideline for its transition. The main limitations are the single-case design, the insider role of the researcher, and the focus on human resource governance. Future research could apply the framework to other Indonesian family firms and pay more attention to non-family key managers.

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