

## **THE CHALLENGE OF GENERATIONAL SUCCESSION IN THE TRADITIONAL FOOD FAMILY BUSINESS: A CASE STUDY OF KNOWLEDGE TRANSFER AT KERIPIK KACA SADULUR**

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### **ABSTRACT**

This study analyzes the factors influencing the success of succession and tacit knowledge transfer in the traditional family business Keripik Kaca Sadulur in Tasikmalaya. A qualitative approach with a case study design was employed. The research subjects consisted of five individuals: the founder and successor family members actively involved in production and business management. Their varied ages and genders reflected cross-generational roles in sustaining the business. Data were collected through in-depth interviews, direct observation of the production process, and internal company documentation. Data analysis followed Miles and Huberman's interactive model, including data reduction, data display, and conclusion drawing. Triangulation was applied to enhance the reliability and validity of the findings. The results indicate that effective tacit knowledge transfer, strong emotional communication between generations, and adaptive capacity toward innovation are key factors supporting successful succession. Knowledge transfer through hands-on practice enables successors to internalize the founder's values, skills, and work philosophy. Maintaining a balance between preserving traditional practices and adopting modern innovations strengthens business resilience. Theoretically, this study contributes to the application of the SECI model and family systems theory in the context of traditional food SMEs in Indonesia. Practically, it recommends formal mentoring systems, digitization of knowledge documentation, and adaptive marketing strategies to enhance the long-term sustainability of family-owned traditional enterprises.

**Key words:** *succession; tacit knowledge; intergenerational communication; innovation; family business.*

### **INTRODUCTION**

Family enterprises play a crucial role in Indonesia's economic structure, particularly within the food-related micro, small, and medium enterprise (MSME) sector. These businesses contribute not only to employment and local income generation but also to the preservation of regional culinary identity and cultural heritage. However, one of the most critical challenges faced by family enterprises is succession—specifically, the transfer of leadership authority and tacit knowledge from the founding generation to successors. Susanto and Wijaya (2020) emphasize that poorly managed succession processes can result in the erosion of core values, operational skills, and inherited business philosophies. This risk is particularly significant in traditional food businesses, where production methods, recipes, and quality standards are often undocumented and transmitted informally through family practice.

Keripik Kaca Sadulur, a family-owned enterprise established by Mr. Jajang in Cisayong Village, represents a concrete example of this dynamic. Operating for six years, the business has grown from a small-scale home production unit into a supplier serving markets beyond Java. Its success is rooted in maintaining authentic taste and traditional processing techniques. Nevertheless, as the business expands, it faces the dual challenge of preserving culinary heritage while adapting to contemporary market demands, particularly in packaging innovation, branding, and digital marketing strategies.

Previous studies have highlighted the complexity of intergenerational transitions in family businesses. Setiawan and Wibowo (2022) found that value differences between founders and successors often generate tension regarding strategic direction and innovation. Meanwhile, Lestari (2023) underscored the importance of effective knowledge transfer in ensuring business sustainability across generations. Despite these insights, empirical research focusing specifically on the practical mechanisms of succession and tacit knowledge transfer in traditional food MSMEs remains limited. Most prior studies emphasize general succession factors or examine large-scale corporations, offering limited understanding of the lived realities and adaptive processes within small family enterprises.

Furthermore, research integrating tradition preservation with digital transformation strategies in traditional food businesses is still scarce. This gap results in an incomplete understanding of how local family enterprises balance cultural continuity with modernization pressures. Therefore, this study seeks to address these limitations by conducting an in-depth case analysis of inheritance practices and knowledge transfer patterns within Keripik Kaca Sadulur. It aims to identify both supporting factors and obstacles in the succession process while examining how the business navigates innovation, digital adaptation, and tradition preservation within the Indonesian MSME context.

## METHOD

This study employs a qualitative research approach using a single case study design. The selection of a qualitative method is grounded in the objective of gaining an in-depth and contextual understanding of intergenerational succession and knowledge transfer processes within a family-owned enterprise. Rather than seeking statistical generalization, this research aims to explore meaning, experience, interpretation, and interaction patterns that shape the continuity of leadership in the Keripik Kaca Sadulur Family Business. A single case study design is considered appropriate because it allows the researcher to focus intensively on one bounded system, thereby capturing complex social dynamics, tacit knowledge exchange, emotional dimensions of succession, and contextual business practices that cannot be adequately explained through quantitative measurement.

The qualitative approach is particularly suitable for examining leadership transition in family businesses, where values, traditions, informal routines, and relational trust often play a critical role. In the context of Keripik Kaca Sadulur, knowledge is not merely documented in manuals or formal procedures, but is embedded in daily practices, production techniques, supplier relationships, and decision-making habits developed over years of experience. Therefore, this method enables the researcher to uncover implicit meanings, personal perceptions, and potential tensions experienced by both the Previous Leader and the Future Leader during the succession process. Through this approach, the research captures not only what happens in the transition process, but also how and why it unfolds in a particular manner.

The research was conducted at Keripik Kaca Sadulur, located on Cisayong Main Street, Cisayong Village, Cisayong Sub-District. The site was selected purposively due to its relevance to the research objectives. Keripik Kaca Sadulur represents a traditional family-owned food enterprise that has demonstrated operational continuity across time. Its ongoing business activities provide a suitable context for examining long-term sustainability challenges, leadership succession patterns, and the mechanisms of intergenerational knowledge transfer. As a small-to-medium family enterprise operating within a local economic environment, it offers a realistic setting to explore how traditional production knowledge and managerial authority are passed from one generation to the next.

The selection of research participants was conducted using purposive sampling. This technique involves deliberately identifying individuals who possess direct experience and deep knowledge relevant to the research focus. The primary informants in this study consist of: (1) the Initial Founder/Previous Leader (Bapak Jajang), who serves as the central knowledge holder, decision-maker, and current controller of the business; and (2) the Future Leader, namely the designated family successor who is actively involved in learning, internalizing, and preparing to assume leadership responsibilities. These participants were chosen because they are directly engaged in the succession process and are able to provide rich, firsthand insights into leadership transfer, operational management, and challenges encountered during the transition phase.

Data collection was carried out through multiple techniques to ensure depth and triangulation. First, in-depth interviews were conducted to explore participants' perspectives, experiences, motivations, concerns, and expectations regarding the succession process. These interviews allowed the researcher to capture personal narratives and subjective interpretations. Second, direct observation was undertaken to examine production processes, workplace interactions, communication patterns, and informal mentoring activities between the Previous Leader and the Future Leader. This observational method enabled the researcher to identify tacit knowledge transmission that may not be explicitly articulated during interviews. Third, documentation analysis was conducted to collect supporting information such as business history records, production notes, operational documents, and other relevant materials that provide contextual background.

The data analysis process follows the interactive model proposed by Miles and Huberman (1984), which consists of four interconnected stages: data collection, data reduction, data display, and conclusion drawing/verification. Data collection and analysis occur simultaneously in an iterative manner. During the data reduction stage, the researcher organizes, codes, and categorizes raw information to identify emerging themes related to succession dynamics, knowledge transfer mechanisms, leadership challenges, and sustainability strategies. In the data display stage, findings are structured systematically in the form of thematic matrices or narrative descriptions to facilitate interpretation. Finally, conclusions are drawn and continuously verified by revisiting field data to ensure consistency, credibility, and analytical rigor.

Through this comprehensive methodological design, the study seeks to generate a nuanced understanding of how leadership succession and intergenerational knowledge transfer are enacted within a traditional family business context. Rather than reducing the phenomenon to abstract variables, this research prioritizes contextual richness, lived experience, and the relational complexities that shape business continuity across generations.

## **RESULTS AND DISCUSSION**

The findings of this research reveal that several interrelated factors significantly influence the effectiveness of leadership succession in the Keripik Kaca Sadulur family business. The most dominant factor is the mechanism of tacit knowledge transfer between generations. This form of knowledge, which is embedded in personal experience, intuition, routine practice, and deeply internalized skills, becomes the foundation of business continuity. Unlike explicit knowledge that can be documented formally, tacit knowledge in this enterprise is transmitted through daily production activities, shared problem-solving situations, and direct mentoring from the founder to the successor. The learning process occurs organically through hands-on involvement, repetitive practice, observation, and informal guidance within the family environment.

This transfer of knowledge demonstrates the internalization and socialization processes described in the SECI model developed by Nonaka and Takeuchi (1995). Through social interaction and shared experience, implicit knowledge is gradually absorbed by the successor and transformed into operational competence. The founder's approach in teaching the complete production cycle, from raw material selection to maintaining the original taste consistency, illustrates how experiential learning plays a central role in succession. What is transmitted is not limited to technical capability, but also core values such as integrity in ingredient selection, precision in production, discipline in quality control, and commitment to preserving the traditional flavor identity. These findings are consistent with Cabrera-Suarez et al. (2018), who emphasize that tacit knowledge continuity is a critical determinant of family business survival.

The second significant factor is the presence of strong emotional communication between generations. The succession process at Keripik Kaca Sadulur is characterized by open dialogue, mutual respect, and gradual involvement of the successor in strategic decisions. Emotional closeness helps minimize intergenerational value conflicts, particularly those related to differences in risk tolerance, innovation preferences, and management style. Constructive communication allows disagreements to be addressed without escalating into relational conflict. This dynamic aligns with Bowen's Family Systems Theory (1978), which explains how emotional interdependence within families influences decision-making and conflict resolution. The findings also support Julita et al. (2021), who found that harmonious intergenerational relationships are essential in sustaining traditional food MSMEs.

The third factor influencing succession effectiveness is openness to innovation. The business does not reject change outright, but adopts new ideas cautiously and incrementally. Adjustments in packaging design, marketing methods, and limited digital promotion are introduced without altering the product's core identity. This gradual adaptation reflects Rogers' Innovation Diffusion Theory (2003), where innovation adoption occurs through careful evaluation and compatibility assessment. Setiawan and Wibowo (2022) similarly observed that successful traditional enterprises integrate modernization without compromising authenticity. At Keripik Kaca Sadulur, innovation is treated as refinement rather than replacement, ensuring that the balance between heritage and modernization remains stable.

Compared to earlier studies such as Dewi and Suharyono (2020) and Julita (2021), this research contributes by explicitly integrating the SECI model and Family Systems Theory within the context of Indonesian culinary MSMEs. Previous research has largely focused on large corporations or Western family business environments, whereas this study demonstrates how these theoretical frameworks operate in small-scale, culturally embedded enterprises. The findings indicate that succession in traditional food businesses is not solely a managerial transition, but a socio-cultural process involving identity preservation and value continuity.

From a strategic perspective, the tacit knowledge held by the founder represents a unique and valuable resource consistent with the Resource-Based View (RBV). This knowledge is rare, difficult to imitate, and deeply embedded in organizational routines, thereby serving as a source of sustained competitive advantage. At the same time, the successor's willingness to incorporate limited digital practices enhances the firm's adaptive capability, allowing it to respond to market shifts. The interaction between tradition and adaptation becomes the key mechanism supporting long-term sustainability.

Despite these strengths, the study also identifies several vulnerabilities in the succession process. First, the heavy reliance on undocumented tacit knowledge poses a continuity risk if knowledge transfer is incomplete. Second, latent value differences between generations may intensify if communication weakens. Third, selective successor designation within a narrow family circle may limit managerial diversity. Fourth, limited digital integration and absence of structured mentoring systems may restrict future scalability. If these risks are not addressed through deliberate planning, documentation practices, and gradual system formalization, business continuity could be threatened.

In summary, the success of leadership succession at Keripik Kaca Sadulur is primarily shaped by effective tacit knowledge transfer, strong emotional bonds between generations, and cautious openness to innovation. However, sustainability requires not only relational harmony but also strategic structuring of knowledge management and adaptive systems to mitigate emerging risks in a changing business environment.

## CONCLUSION

This study concludes that the success of generational succession at Keripik Kaca Sadulur is not merely the result of leadership replacement, but rather the outcome of a structured social and learning process rooted in tacit knowledge transfer, emotional cohesion, and adaptive capacity. The continuity of the business is strongly supported by the effective transmission of implicit knowledge through direct mentoring, hands-on practice, and continuous interaction between the founder and the successor. This experiential learning process enables the successor to internalize not only technical production skills but also deeply embedded values such as discipline, integrity, consistency in taste, and commitment to quality. These elements form the cultural and operational foundation that sustains the authenticity of the business across generations.

In addition, strong emotional communication within the family plays a crucial role in minimizing intergenerational tension and facilitating collaborative decision-making. Mutual trust, open dialogue, and gradual involvement of the successor in managerial responsibilities create a transition environment that is stable and constructive. The findings demonstrate that leadership succession in traditional family enterprises is inseparable from relational dynamics and shared value systems. The ability to negotiate differences in perspectives while maintaining respect for inherited traditions becomes a key determinant of smooth succession.

Furthermore, this study highlights the importance of maintaining a strategic balance between tradition preservation and innovation adoption. Keripik Kaca Sadulur demonstrates that modernization does not necessarily require abandoning core identity. Instead, incremental and carefully evaluated innovation—particularly in packaging, branding, and limited digital marketing—strengthens business resilience without eroding its traditional character. This adaptive approach enhances the firm's capacity to respond to market changes while safeguarding its culinary heritage.

However, the research also identifies structural vulnerabilities that require attention. The heavy reliance on undocumented tacit knowledge poses long-term sustainability risks if formal knowledge documentation systems are not gradually developed. Limited digital integration and the absence of structured mentoring mechanisms may constrain scalability and competitiveness in a rapidly evolving market environment. Therefore, the study recommends the institutionalization of mentoring systems, gradual documentation of key operational knowledge, and strategic digital adaptation to ensure future continuity.

Theoretically, this study extends the application of the SECI model and Family Systems Theory within the context of Indonesian traditional culinary MSMEs, offering empirical insight into how these frameworks operate in small, culturally embedded enterprises. Practically, the findings provide guidance for family-owned traditional food businesses seeking to navigate succession challenges while maintaining cultural authenticity and economic sustainability. Ultimately, sustainable succession in traditional family enterprises depends on the integration of experiential knowledge transfer, emotional stability, and adaptive innovation within a structured yet flexible management approach.

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