

MNC GROUP'S TRANSGENERATIONAL ENTREPRENEURSHIP DYNAMICS: CROSS-SECTOR INNOVATION AND ADAPTATION STRATEGIES TO MAINTAIN FAMILY BUSINESS SUSTAINABILITY

Nazala Ayu¹, Aliva Laisyatul Zahra², Siti Kholipah³ and Dede Kurnia⁴

Entrepreneurship Study Program, Indonesian University of Education, Jl. Dadaha No.18 Kahuripan

E-mail: nazala10@upi.edu; alivazahra14@upi.edu; sitikholipah@upi.edu; dedekurnialagi@upi.edu

ABSTRACT

This study aims to analyze the dynamics of transgenerational entrepreneurship within the MNC Group, one of the largest media and business conglomerates in Indonesia, with a focus on cross-sector innovation and adaptation strategies to maintain family business sustainability. Using a qualitative approach using case study literacy methods, this study explores how family entrepreneurial values are transferred between generations and how this process plays a role in addressing digital disruption, business diversification, and the challenges of modern corporate governance. The results indicate that the MNC Group's success in maintaining its business relevance lies in its ability to combine inherited family values with an innovative orientation that adapts to changes in the external environment. The strategies implemented include strategic sector diversification, operational digitalization, and the formation of a collaboration-based business ecosystem. This study emphasizes the importance of balancing familialism and professionalism in corporate governance practices to support cross-generational business sustainability. These findings provide theoretical contributions to the study of family business and entrepreneurial succession, as well as practical implications for family businesses in Indonesia in the era of digital transformation and a sustainable economy.

Key words: transgenerational entrepreneurship, family business, innovation, cross-sector adaptation, MNC Group, business sustainability.

INTRODUCTION

Family businesses constitute the dominant organizational form in Indonesia, representing approximately 95% of all registered enterprises and contributing substantially to national economic activity. Their influence extends beyond aggregate statistics; family firms function as engines of employment generation, drivers of domestic investment, and stabilizers of regional economic systems. In many provinces, family-owned enterprises form the backbone of local supply chains, sustain small and medium industries, and maintain long-term capital commitments that are less susceptible to short-term market volatility. At the conglomerate level, large family-controlled groups shape industrial structures through diversified portfolios, vertical integration strategies, and cross-sector resource allocation. Their long-term orientation often enables strategic patience and resilience that publicly traded corporations may struggle to sustain.

However, despite their economic prominence, family businesses face a persistent structural vulnerability: the challenge of intergenerational continuity. Empirical evidence consistently shows that only a small proportion of family firms successfully transition beyond the second or third generation. The fragility of succession processes highlights a fundamental tension between legacy preservation and strategic renewal. While founding generations establish entrepreneurial identity, organizational culture, and risk-taking philosophy, succeeding generations must reinterpret these inherited values within new technological, institutional, and competitive landscapes. The sustainability of family enterprises therefore depends not merely on ownership transfer but on the regeneration of entrepreneurial capacity.

One of the central challenges confronting multigenerational family enterprises is maintaining entrepreneurial orientation while safeguarding socioemotional wealth. Socioemotional wealth—encompassing family identity, reputational capital, emotional attachment, and transgenerational intent—often shapes strategic decisions in ways that differ from purely profit-maximizing logic. This dual orientation creates both strength and rigidity. Within large conglomerates such as MNC Group, which operates across media, financial services, property development, tourism, and digital platforms, this tension becomes particularly complex. In rapidly evolving markets characterized by digital disruption, regulatory transformation, platform competition, and global capital flows, mere preservation of legacy is insufficient. Organizational survival demands adaptive renewal, technological capability building, and cross-sector innovation.

In this context, Transgenerational Entrepreneurship (TE) emerges as a critical analytical framework. TE conceptualizes succession as an entrepreneurial process rather than a managerial replacement (Zellweger & Nason, 2012). It emphasizes how families create new streams of value across generations by recombining inherited resources with innovative strategic initiatives. TE encompasses renewal of entrepreneurial orientation, reconfiguration of social and human capital, and alignment of long-term family aspirations with dynamic market

opportunities (Capolupo & Petruzzelli, 2024; Iturrioz-Landart & Aragón-Amonarriz, 2023). Unlike traditional succession models that focus on leadership transition mechanics, TE highlights the ongoing creation of entrepreneurial value as the core of sustainability.

Nevertheless, innovation motivation across generations is not automatic. Founders frequently emphasize centralized control, stability, and protection of established assets, particularly when firms have achieved dominant market positions. Successor generations, by contrast, often operate in contexts shaped by digital transformation, global connectivity, and intensified competition. They may prioritize platform strategies, ecosystem building, data analytics, and diversification into emerging sectors (Diaz-Moriana & Clinton, 2020). This generational divergence can generate strategic conflict or catalyze renewal, depending on how effectively governance mechanisms mediate value transfer. Family social capital—manifested through trust, shared norms, collective identity, and long-term commitment—plays a pivotal role in aligning generational perspectives and facilitating knowledge transmission (Monticelli et al., 2020).

The Indonesian economic landscape further intensifies these dynamics. Rapid digital penetration, the growth of fintech and digital banking, media convergence, and changing consumption behavior require established conglomerates to continually reinvent their business models. MNC Group represents a particularly compelling case within this environment. As one of Indonesia's largest family-owned conglomerates, its leadership transition from Hary Tanoesoedibjo to Angela Tanoesoedibjo signifies not merely succession but strategic repositioning. The transition coincides with expanded investment in digital platforms, ecosystem integration, cross-sector synergy, and innovation-driven diversification. The case illustrates how entrepreneurial identity can be preserved while strategic direction evolves toward digital competitiveness.

Despite expanding scholarly interest in family business innovation and succession, limited research has examined how large emerging-market conglomerates operationalize transgenerational entrepreneurship through cross-sector diversification and digital ecosystem strategies. Much of the literature remains concentrated on small and medium-sized family firms in Western contexts, thereby overlooking the complexity of diversified conglomerates operating in rapidly transforming economies. Furthermore, the interplay between familiness, digital transformation, and hybrid governance structures within large-scale corporate groups remains underexplored.

Therefore, this study aims to analyze the dynamics of transgenerational entrepreneurship within MNC Group by examining three interrelated dimensions: intergenerational value transfer, cross-sector innovation strategies, and governance adaptation. By integrating theoretical perspectives on TE with empirical insights from a major Indonesian conglomerate, this research seeks to develop a contextualized framework that explains how family-controlled conglomerates in emerging markets sustain competitiveness amid digital transformation. In doing so, the study contributes to advancing transgenerational entrepreneurship theory beyond Western SME contexts and provides practical insights for family businesses navigating generational transitions in increasingly complex and technologically driven environments.

METHOD

This research employs a qualitative case study approach centered on MNC Group as a representative multigenerational family conglomerate operating across diverse industrial sectors in Indonesia. The qualitative design was chosen because it allows for deep contextual understanding of complex organizational dynamics that cannot be adequately captured through purely quantitative measures. Case study methodology is particularly appropriate when examining phenomena embedded within historical processes, social relationships, and evolving institutional contexts (Kriyantono, 2016). Transgenerational entrepreneurship (TE) is inherently shaped by family history, leadership transitions, socioemotional values, and strategic adaptation to environmental change, making an in-depth case approach methodologically suitable.

The unit of analysis in this study is the organizational and governance transformation process of MNC Group across generational transition. The case was purposively selected based on several criteria: (1) its status as one of Indonesia's largest family-controlled conglomerates; (2) its cross-sector diversification spanning media, digital platforms, financial services, property, and tourism; (3) a clearly observable leadership succession from founder to successor generation; and (4) active engagement in digital transformation and ecosystem-based business strategy. These characteristics provide a rich empirical setting to explore how entrepreneurial values are transferred, renewed, and institutionalized across generations.

Data collection was conducted through methodological triangulation to enhance analytical depth. First, an extensive literature review was undertaken to construct the theoretical foundation on transgenerational entrepreneurship, familiness, hybrid governance, and digital adaptation. Second, documentary analysis was performed using corporate annual reports, investor presentations, official company publications, regulatory disclosures, press releases, and reputable media coverage. These documents were systematically examined to identify evidence of strategic repositioning, diversification initiatives, digital platform development, and governance restructuring.

Third, semi-structured interviews were conducted with purposively selected informants, including managerial-level representatives, corporate communication officers, and individuals knowledgeable about the company's

strategic evolution. The interview protocol focused on themes such as intergenerational value transmission, leadership succession processes, innovation decision-making, governance adjustments, and responses to digital disruption. Interviews were conducted using guided open-ended questions to allow flexibility while maintaining thematic consistency.

Data analysis followed a thematic analysis procedure. The process began with data familiarization through repeated reading of transcripts and documents, followed by open coding to identify key concepts. Codes were then grouped into broader thematic categories, including value inheritance mechanisms, cross-sector innovation strategies, governance hybridization, and sustainability orientation. Pattern matching techniques were applied to compare empirical findings with established TE frameworks.

To ensure credibility, triangulation was conducted by cross-validating interview data with documentary evidence and secondary sources. Dependability was maintained through systematic documentation of coding decisions and analytical memos. Member checking was applied where possible to confirm interpretative accuracy. Although the study focuses on a single case, its analytical generalization aims to contribute conceptual insights applicable to other large family conglomerates in emerging markets.

Through this rigorous methodological framework, the study seeks to generate a comprehensive and contextually grounded understanding of how transgenerational entrepreneurship operates within MNC Group amid digital transformation and economic volatility.

RESULTS AND DISCUSSION

The MNC Group exemplifies transgenerational entrepreneurship through the structured leadership succession from Hary Tanoesoedibjo, as the founding entrepreneur, to Angela Tanoesoedibjo, who currently serves as Co-CEO. This transition represents more than a symbolic generational handover; it reflects a deliberate strategic recalibration of corporate direction in response to accelerating digital disruption, shifting consumer behavior, and structural transformation within Indonesia's media and financial sectors. Within the framework of transgenerational entrepreneurship, succession is conceptualized not as a mere transfer of managerial authority, but as a renewal of entrepreneurial orientation and strategic intent. The successor generation's ability to preserve core family values—such as long-term commitment, centralized strategic control, reputational safeguarding, and risk awareness—while simultaneously embedding innovation-driven, data-oriented, and technology-focused strategies illustrates the dynamic capability required for sustaining business longevity (Monticelli, Garrido, & Machado, 2019).

This intergenerational renewal is evident in the Group's systematic investment in digital ecosystem development. Platforms such as RCTI+, VISION+, and MNC Portal Indonesia represent more than digital extensions of traditional media; they function as integrated content distribution hubs aligned with mobile-first consumption patterns and on-demand streaming preferences. In an era characterized by media convergence and platform competition, digitalization enables MNC Group to capture audience analytics, personalize content delivery, optimize advertising revenue models, and create cross-platform synergies. As emphasized by Li et al. (2024), digital transformation strengthens internal efficiency and external competitiveness by enhancing connectivity, scalability, and innovation capability. In the MNC Group case, digital adaptation is not reactive but strategic, positioning the firm within a broader digital value chain.

Beyond digital media transformation, MNC Group's diversification strategy into financial services, digital banking, fintech integration, and tourism—particularly through the large-scale development of MNC LIDO City—demonstrates cross-sector innovation as a deliberate adaptation mechanism. This diversification reduces dependency on cyclical advertising revenues and strengthens financial resilience. The integration of media exposure, property development, hospitality, and financial services reflects an ecosystem-based growth model in which multiple sectors reinforce one another. Such cross-sector integration exemplifies the entrepreneurial recombination of inherited organizational assets, social capital, and market positioning with emerging economic opportunities, which is central to transgenerational entrepreneurship theory.

From a governance perspective, MNC Group operates through a hybrid model that balances familiness with corporate professionalism. The founding generation maintains oversight of strategic vision and value continuity, ensuring the preservation of socioemotional wealth and long-term orientation. Meanwhile, the succeeding generation introduces data-driven governance structures, digital performance metrics, professional managerial recruitment, and innovation-focused decision-making processes. This balanced governance approach mitigates the stagnation risks commonly associated with excessive legacy preservation while avoiding the identity erosion that may result from over-professionalization detached from family values. The equilibrium between inherited strategic principles and adaptive managerial practices enhances organizational resilience and strengthens competitive positioning within Indonesia's increasingly volatile and digitally competitive market (Yogas & Hidayah, 2024).

Theoretically, these findings reinforce and extend established transgenerational entrepreneurship frameworks emphasizing intergenerational value transfer, strategic renewal, and long-term orientation as core determinants of sustained entrepreneurial performance (Livandy & Nuringasih, 2022). However, the MNC Group case also illustrates that TE within large family conglomerates involves ecosystem orchestration, sectoral integration, and

digital capability accumulation on a scale beyond typical small and medium family firms. Sustainability in such contexts depends not on static preservation of legacy, but on the continuous reinterpretation and institutionalization of entrepreneurial identity across generations.

By integrating digital innovation, cross-sector diversification, ecosystem synergy, and hybrid governance structures, MNC Group demonstrates how transgenerational entrepreneurship can function as a strategic mechanism for long-term adaptability. This case underscores that enduring competitive advantage in emerging markets requires the dynamic alignment of family heritage with technological transformation and strategic recombination of resources. Through this ongoing renewal process, MNC Group sustains its relevance and competitive strength within Indonesia's rapidly evolving economic landscape.

CONCLUSION

This study demonstrates that MNC Group's sustainable performance is not the result of static legacy preservation, but rather the outcome of a dynamic implementation of transgenerational entrepreneurship through three interrelated mechanisms: systematic intergenerational value transfer, strategic cross-sector innovation, and balanced hybrid corporate governance. The effective transmission of entrepreneurial values across generations ensures continuity of long-term vision and socioemotional commitment, while strategic diversification and digital transformation enable adaptive renewal. The integration of familiness with professional management practices allows the organization to preserve its identity while simultaneously enhancing competitiveness in increasingly digital and convergent markets.

Theoretically, this study contributes to the transgenerational entrepreneurship literature by contextualizing TE within large-scale Indonesian family conglomerates. While much of the existing literature focuses on small and medium-sized family firms in Western contexts, this research highlights how TE operates within complex, diversified corporate structures in emerging markets. The findings advance an integrated framework that links value inheritance, digital adaptation, and governance evolution as mutually reinforcing drivers of sustainability.

From a practical standpoint, the study provides actionable implications for family businesses navigating generational transitions amid technological disruption. Formalized knowledge transfer systems, structured leadership preparation, and governance models that integrate familial legacy with corporate professionalism are essential to maintaining strategic coherence and organizational resilience.

Furthermore, this research suggests that sustainable family business performance depends on continuous reinterpretation of entrepreneurial identity rather than mere preservation of tradition. Future research should examine the applicability of this integrated TE model across different industry sectors and family business scales in Indonesia, and develop multidimensional performance indicators capable of capturing both economic outcomes and socioemotional wealth preservation. Longitudinal studies may also provide deeper insight into how digital transformation reshapes transgenerational entrepreneurial dynamics over time.

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