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THE INFLUENCE OF PERSONAL VALUE ON FAMILY BUSINESS PROFESSIONALISM (SME CASE STUDY IN BATAM)

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Abstract

The purpose of this research is to analyze the personal influence on the professionalism of the family business with a case study in the city of Batam. This research method is a quantitative approach method with a total of 111 respondents of SMEs in Batam. In this study, respondents were selected by filling out an online questionnaire. The criteria for selecting respondents are based on those who own a business or work in a family company. The results of this study were analyzed using the R version 4.0 program with the PLS-PM method. The test results show that three hypotheses are accepted, namely personal value has a significant effect on the variable decentralization, financial system and organization. Meanwhile, three hypotheses were rejected, namely personal values did not have a significant effect on the variable involvement of family members, human resource systems, and socio-cultural aspects.

Keywords: *personal values; professionalism; family business; Batam city; PLS-PM, R program*

Introduction

A family company is a company that is managed, controlled and run by several family members. However, this does not mean that all of these employees are members of the owner's family. According to Rock (1991), a family company can be said to be a company in which the majority of its shareholders are controlled by family members. A family company can be called a family company if it consists of two or more family members who oversee the company's finances (Aronoff & Ward, 1995). According to Brokow (1992), there are several positive factors about family companies in particular, namely family team cohesiveness, positive customer perceptions of family company ownership, willingness of family members to sacrifice for the family company, trust among family members, and family commitment to integrity for reputation of family company.

A non-family company is a company whose employees are not from the family owner of the company. The book entitled *Managing The Family Business Theory and Practice* written by Zellweger (2017), there are two main things we can look at in knowing whether it is a family company or a non-family company. The first is ownership, which means that a company can be declared a family company if the ownership of the company is owned by the majority of the family. For example, for a company / company with an SME scale, the ownership that must be owned by the family is at least 50% of the total share of company ownership. Meanwhile, for a company / company that is large or has gone public, at least family members must have a 20% ownership share in the company. Second, determining whether a company can be said to be a family company or not is the involvement of the family in the management of the company.

For companies with an SME scale, usually family members will occupy positions in the top management team, such as marketing director or finance director. This means that family members have full control over the management of the company. Meanwhile, for large companies or those that have gone public, the involvement of family members in company management is usually not required.

According to a survey from Pricewaterhouse (PCW) in 2014 about 95% of family companies in Indonesia are family owned and managed. In Indonesia, many companies are run by families and have become successful. Like the Sampoerna company, which is the largest cigarette company in Indonesia, founded by Liem Seeng Tee. Apart from the Sampoerna company, there is a cigarette company founded by Oei Wie Gwan, namely PT. Djarum.

In Batam, many companies are run by their own families. They only recruit a few employees who are not from their own family. For their own families, they will be given the position of chief accounting or manager. Meanwhile, employees who are not from their families will be given other positions. This is because they trust their own family more to take care of the finance department or manager.

It can be said that family companies are no longer something foreign/new to people in Indonesia, especially in Batam City. As we know, there are many family companies in Batam City that we can easily find today. Family companies that we often encounter in the form of companies and small businesses such as Limited Liability Companies (PT), Comanditaire Venootschap (CV) and other small companies. Based on Online Data System (ODS) data at the Ministry of Cooperatives and Small and Medium Enterprises (SMEs), Batam has 81,486 MSMEs in Batam, which means companies in Batam City are growing rapidly. However, family enterprises do not always run smoothly or without problems. Problems that occur in family companies can be various or varied. Like things that happen among other problems in the financial system, management, and other things.

Bird et al., (2002) said successful planning is believed to be one of the most challenging tasks faced by managers of family companies and one of the most researched topics since research on problem-specific companies whose families began some 30 years ago.

The topic of family enterprises in research is a familiar topic for researchers. There are several studies that raise the topic of family companies, such as Chittoor & Das (2007) and Dekker et al., (2015) who conducted research on the effect of professionalization on family firms. In recent years, there have been researchers who have reexamined the professionalization relationship in family firms, namely Camfield & Franco (2019).

Camfield & Franco (2019) conducted the same research as previous researchers by adding personal value variables in the study. The personal value variable in the research scope has often been studied by researchers such as Duh et al. (2010); Valenzuela (2014); McKinstry et al. (2014), however the research did not raise the topic of family enterprises.

Therefore, research from Camfield & Franco (2019) conduct research on family companies by adding personal value variables. Research results from Camfield & Franco (2019), Personal value and Openness to Change show a strong positive relationship with the dimensions of Financial Systems, Human Resources Systems, Decentralization, and Organizational Development. A very significant relationship was also found between the personal value of Self-transcendence and the dimensions of Effective top-level action, social

and cultural aspects, and between the personal value of Conservation and the dimensions of Family member involvement.

The results of previous research, stated that overall the professionalization variable had a significant effect on the personal value variable, but there were several relationships between the two variables that had not been fully confirmed. Based on the theory of Schwartz (1992), there is an insignificant relationship between the personal value of conservation and the dimensions of financial systems.

Research result Camfield & Franco (2019), human resources systems and decentralization, between the personal value of the self-transcendence variable and the social and cultural aspect dimensions, and between openness to change and family member involvement. There is no confirmation of the relationship between the personal value of self-transcendence and the professional dimensions of the social cultural aspects or between the personal value of conservation and the dimensions of organizational development.

Camfield & Franco (2019) concluded that personal value should be considered in the professionalization of family company management, as this will serve as a guide for the owner / manager in making decisions regarding actions to implement the process in each dimension of professionalization analyzed in this study. According to researchers in major journals, those variables should be re-tested in different countries.

Based on the explanation above, the research will close the research gap by conducting research on the professionalization and personal values of family companies in Batam. This study aims to re-examine the relationship between professionalism and personal value in family firms. The formulation of the problem in this study is, Does the personal value variable affect the Family Member Involvement (FMI)? Does the personal value variable affect Decentralization (DEC)? Does the personal value variable affect Financial Systems (FS)? Does the personal value variable affect Human Resources Systems (HRS)? Does the personal value variable affect Social and Cultural Aspects (SCA)? Does the personal value variable affect Organizational Development (OD)?

Literature Review

Previous Research Results

The results of research conducted by Camfield, namely personal value (PV) from openness to change (OC) show a strong positive relationship with the dimensions of financial systems (FS), human resources systems (HRS), decentralization (DEC) and organizational development (OD). Significant relationships were also found between the PV of self-transcendence (ST) and the dimensions of Effective top-level action (ETLA) and social and cultural aspects (SCAs), and between the PV of conservation (CO) and the dimensions of family member involvement (FMI).

Apart from that, we also found some relationships which were partially confirmed even though it was found through the structural coefficient of the opposite relationship between the values and the same dimensions of professionalization as the prediction of Schwartz's (1992) and Schwartz's (1994) theory which said it was not significant.

Camfield also found between the PV of the CO and the FS, HRS and DEC dimensions, between the PV of the self-enhancement (SE) and the SCAs dimensions, and between the OC and involvement of family members in the management system (FMIS). However, there was

no confirmation of the relationship between the PV from SE and the professionalization from SCAs, or between the PV from the CO and the OD dimensions.

In addition, Camfield's research results also say that PV should be reconsidered in the professionalization of family companies because it will serve as a guide for owners or managers in making decisions and actions to realize processes in every dimension of professionalization.

Camfield concludes that PV has a dominant role in the professionalization of family companies, because the owners/managers of these companies are motivated by the PV they own and trust, leading to their commitment to developing the professional dimension of family companies.

Theory Study

Personal Value

Personal values are personal values that a person has in living life. These personal values have been inherent in them and have grown for a long time. Personal values can be found at work, or in someone's company. Examples of personal values are honesty and commitment.

In a company, values serve to convey a sense of identity to its members, increase the stability of its social system, direct managers attention to important issues, guide subsequent decisions by managers and facilitate commitment to something greater than oneself.

Researcher Camfield & Franco (2019) said Schwartz's theory has been widely used in various studies to explain the systematic relationship pattern between priority values and various beliefs and behaviors, such as consumer purchases. Regarding the conceptual aspects of values, Schwartz & Bilsky (1987) concluded that values are concepts or beliefs about desired behaviors or circumstances that transcend a particular situation and which serve as guides for behaviors and/or events. Values are like a guide for selecting and judging actions, situations and people (Schwartz, 2011).

Tamayo & Schwartz (1993) concluded that in the motivational structure of Schwartz's model, the five types of values that express individual interests (self-direction, stimulation, hedonism, achievement and social power) occupy the opposite area of those reserved for the three sets of values that express a common collective interest (virtue, tradition, and suitability). The types of motivation for security and philanthropy (universalism) that are formed from values that express individual and collective (mixed) interests lie at the border of these two fields (Schwartz & Bilsky, 1987)

According to theory of Schwartz (1992) predicts a dynamic structure between motivational types and people who tend to give high priority to compatible motivation types and low priority to conflict motivation types. Thus the priority given to the type of motivation is not randomly assigned, but in coherence with the motivational domain (Porto & Tamayo, 2006).

Schwartz (1992), throughout the life of the individual, their environmental values combine to limit their own behavior. Therefore, individual or PV represents general goals that aim to fulfill basic human needs, which are defined as desirable trans-situational goals with multiple interests that serve as guidelines in human life.

Professionalism in Family Companies

Research on management professionalism in family firms is varied or varied. According to research Camfield & Franco (2019), a model like this already exists and is validated in Belgium and other family companies. Chua et al. (2009) used the operational definition of a family company with family involvement in the company: ownership, management, and transformation.

Camfield & Franco (2019) said the professionalization of companies, when studied in the general corporate literature, tends to be understood in the context of organizational development. Thanks to the development of the company always through the organizational life cycle, the complexity of the company's operations continues to increase and the demand for better management and organizational systems. However, professionalism in the family company does not always run smoothly. There are times when the family company discriminates against employees who are not members of the company family. This, sometimes makes employees uncomfortable working because they are discriminated against.

Every family company is expected to professionalize when they are faced with a problem such as nepotism. To overcome problems like this, family enterprises can take agency cost control mechanisms, such as formal government systems, managerial control systems, and encourage the involvement of non-family members in government and managerial roles, which are all part of the professionalization process (Camfield & Franco, 2019).

Conceptual Framework

Based on the conceptual framework in Figure 1, it can be seen the relationship between personal values and professionalism. Where personal value consists of four aspects, namely self-transcendence, openness to change, self-enhancement, and conservation. Meanwhile, professionalism consists of six aspects, namely family member involvement (FMI), decentralization (DEC), financial systems (FS), human resources systems (HRS), social and cultural aspects (SCA), and organizational development (OD).

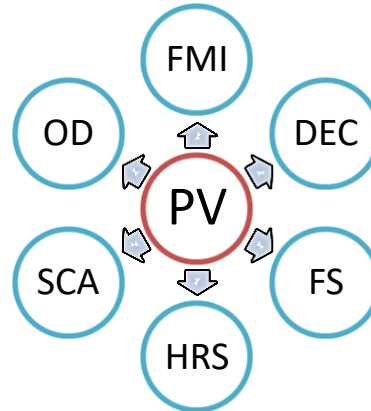


Figure 1 Conceptual Framework

Hypothesis and Model Development

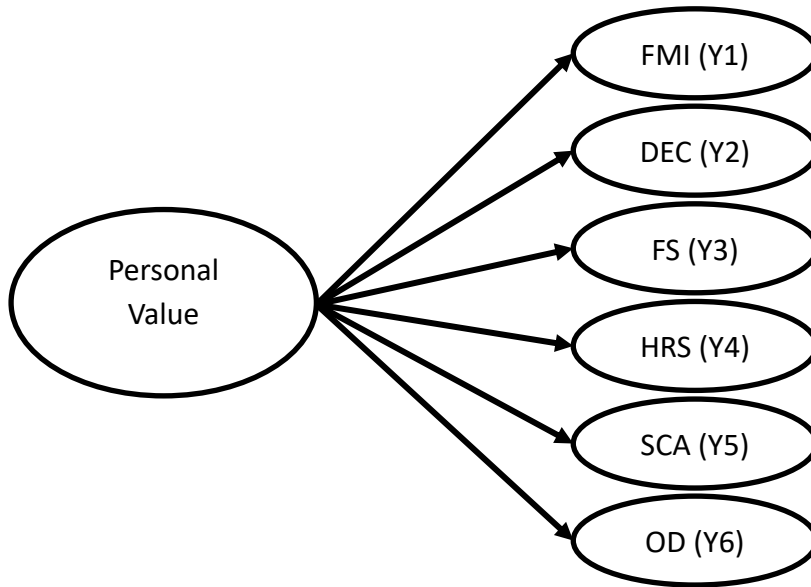


Figure 2 Research Model

Dyer (1986) also said that family firms rely more on informal methods of control, which may have been incorporated into the company for many years. This tacit knowledge is typical of family companies Habbershon (2006). Ricca (2002) highlights that for the professionalization of family firms, the first step is not to take professional administrators from outside the family. The attitude that families take about professionalization is fundamental. Ussman (2004) believed that corporate professionalization is the formalization of administrative processes to deal with more complex circumstances due to increased or diversified activities, and this can be achieved through professionalization of family members.

H1: Personal value has a significant effect on Family Member Involvement.

According to Dekker et al. (2013) and Dekker et al. (2015) decentralization of authority and delegation decisions is an important process in management professionalization. Decentralization of authority is related to the trust of the owner/manager of family companies, whether the founder or the next generation is able to provide provisions in decision making to others (de Freitas & Krai, 2010; Garcia, 2001).

In fact, management in family companies is not always easy to give trust to others. Because one of the characteristics stated in several studies is the authority/power centered on the family manager. This is what is said to disrupt the road to professionalization of family company management (Muchon & Campos, 1998).

H2: Personal value has a significant effect on Decentralsisation.

This is related to the use of a financial control system as part of the professionalization of family companies. Assessment is carried out through the use of financial tables, budgets, preparation of financial goals and objectives, formalization and formalization of the performance measurement system of Dekker et al. (2013) and Dekker et al. (2015). As said by Daily & Dollinger (1993); De Lema & Duréndez (2007) that this study will reveal that family firms tend to trust less in the use of financial control systems than non-family firms.

H3: Personal value has a significant effect on the financial system.

According to Dekker et al. (2013) and Dekker et al. (2015), the use of formal human resource systems such as recruitment systems, training, performance appraisals and formal work team meetings can help family companies to become more professional and resolve questions related to family nepotism or altruism. In fact, problems of family nepotism and altruism can hinder the performance of formal HR mechanisms and often suggest that traditionally in informal management systems such as human resources, there may still be the best adjustment methods for certain family firms, depending on their stage in the life cycle (Moore & Mula, 2000).

H4: *Personal value has a significant effect on human resources systems.*

SCA affects the professionalization of family companies and is just as important as other factors, could it be financial or other things that can cause the family company to go awry if they are disrupted or terminated (Astrachan et al., 2002). Hall & Nordqvist (2008) making additional contributions to the literature on the professionalization of family enterprises suggests that professional management should reflect on formal competences (formal education, training and experience and so on) and cultural competences, which assume reciprocity between parties and appropriate places for interaction and communication, facilitate and ensure continuity of meaning such as family values, norms and goals.

H5: *Personal value has a significant effect on social and culture aspects.*

The professionalization of companies tends to be understood in the context of organizational development, namely how they develop throughout the organizational life cycle, in the increasing complexity of company operations and in the search for more sophisticated organizational management systems (Dekker et al., 2013; Dekker et al., 2015).

Various studies show the changes that occur in companies during their lifetime as progress in all matters and continue to guide them towards greater professionalization (Flamholtz, E., & Randle, 2007; Gabrielsson, 2007; Gedajlovic et al., 2004; Hofer & Charan, 1984; Whisler, 1988). This view is convinced by Lussier & Sonfield (2004), who claim that professionalization in family firms is linked to the development of their management style. This can be seen from the paternalist approach, generally at an early stage and as time goes by the company grows and a more professional approach becomes necessary. From this point of view, the owner/manager must be open to change.

H6: *Personal value has a significant effect on organizational development.*

Operational Definition and Measurement of Research Variables

The operational definition of a variable is the definition of a variable (which is expressed in the concept definition), operationally, practically, and in real terms within the scope of the research/object under study. The variables used in this study are the independent variables and the dependent variable. The dependent variable is the variable that is influenced by the presence of the independent variable. The dependent variable used in this study is personal value (PV). Meanwhile, the definition of independent variable is the variable that affects, which causes the dependent variable to arise or change. The independent variables used in this study were FMI, NFMI, FS, HRS, SCA and OD

Table 1 Operational Definition and Measurement of Research Variables

No.	Variable	Definition	Indicator
1.	Personal Value (X)	<i>Personal value</i> defined as beliefs as standards that lead to actions and decision making (Rokeach, 2013).	<ul style="list-style-type: none"> ▪ Care for others. ▪ Get out of your comfort zone. ▪ Recognition of people around. ▪ Honesty.
2.	Family Member Involvement (Y1)	Family involvement in the family business is measured by the presence or absence of senior positions in the company filled by family members (Kim & Gao, 2013).	<ul style="list-style-type: none"> • Ownership. • Management structure.
3.	Decentralization (Y2)	Decentralization of authority is related to the trust of the owner/manager of family companies, whether the founder or the next generation is able to provide provisions in decision making to others (de Freitas & Krai, 2010; Garcia, 2001).	<ul style="list-style-type: none"> • Trust and authority. • Activity control.
4.	Financial Systems (Y3)	The main reason family firms use accounting system policies is a strategy to minimize taxes rather than performance decisions (Trostel & Nichols, 1982).	<ul style="list-style-type: none"> • Financial system assessment. • Use of the financial system.
5.	Human Resources Systems (Y4)	HR is an employee who works in a particular organization and is an important factor in an organizational development process (Masagung, 2011).	<ul style="list-style-type: none"> • Recruitment system. • Performance appraisal method.

6. Social and Culture Aspect (Y5)	Culture can be interpreted as the result of the overall mindset of each person and then put together into a collective agreement (Arbaugh, 2002).	<ul style="list-style-type: none"> • Values, norms and expectations. • Freedom.
7. Organizational Development (Y6)	They develop throughout the organizational life cycle and in the search for more sophisticated organizational management systems (Dekker et al. 2013; Dekker et al. 2015).	<ul style="list-style-type: none"> • Internal process. • Company development and growth.

RESEARCH METHOD

Research Approach

The approach used in this research is a quantitative approach. The data collection technique used is primary data (using a questionnaire) which is distributed online.

Research Location and Time

This research was conducted in Batam. This research took place from January 2020 to June 2020. For the month of July is the research calculation period.

Population and Research Sample

Population is a generalization area consisting of objects/subjects that have certain characteristic qualities that are determined by the researcher to study and then draw conclusions. (Sugiyono, 2014). The population used in this study are SME companies in Batam where the company is run by its own family.

In accordance with the statement Hair et al. (2010), determining the number of samples in this study depends on the number of samples used as respondents and must be adjusted to the number of statement indicators used in the questionnaire, assuming $n \times 5$ observed variable (indicator). The number of samples in this study was $17 \times 5 = 85$. So, the number of samples taken was 85 SME companies in Batam which are run by families.

Data Collection Methods

In this study, the data collection method used was a questionnaire, which is one of the methods of data collection by providing a list of questions to respondents. The data were collected by distributing online questionnaires. The criteria for respondents in this study are SME companies in Batam that are run by families or those who work in family businesses.

Testing Instruments

Validity Test

According to Sugiyono (2012) validity as a characteristic of the measure is related to the level of measurement of a test tool (questionnaire) to measure correctly the variables that the researcher wants to measure. The instrument is said to be valid if it is able to measure exactly what it wants to measure and want. In this study, the validity test used the R programming version 4.0. This validity criterion is seen from the correlation which is above 0.5 to be declared valid.

Reliability Test

Sugiyono (2014) said that reliability comes from the word reliability. The definition of reliability (reliability) is the consistency of measurement. Reliability refers to an understanding that the instruments used in research to obtain the information used can be trusted as data collection tools and are able to reveal actual information in the field. In this study, the reliability test used the R programming version 4.0. This reliability criterion is seen from Cronbach's α or DG rho where above 0.5 to be declared reliable in the collection of the sample data of this study.

Analysis Method

Descriptive Statistical Analysis Method

Descriptive statistical analysis is an analysis of research data used in general testing of the results of research conducted on the sample. Descriptive statistics are the process of transforming research data into tables that make it easier to understand and interpret. Harris (2017), descriptive analysis is carried out through descriptive hypothesis testing. This method is usually used by researchers to find out information about the number and percentage of the demographic characteristics of the respondents.

Inferential Statistical Analysis

Planning data analysis using inferential statistical techniques includes all methods related to the analysis of part of the data or also often referred to as samples to then arrive at forecasting or drawing conclusions about the entire parent data (population).

Partial Least Squares Path Modeling (PLS-PM) is a statistical data analysis method which includes using a data processing approach with PLS-SEM (Sanchez, 2013). PLS-PM statistical data processing in the R programming uses the *plsmpm* package developed by Sanchez and his team launched in 2009.

There are three stages of the PLS-PM process, including:

1. *Measurement Model Assessment*, will test three aspects of the outer model which includes testing:
 - o *Unidimensionality* of the indicators for each variable,
 - o Testing the closeness of the relationship and indicator reliability with its variables through the outer loading and communality test, where $\text{communality} = \text{loading}^2$,
 - o Testing cross-loadings of indicators for each variable in the model.
2. *Structural Model Assessment*, will test the inner model for:
 - o The regression equation for each endogenous variable.
 - o The coefficient of determination R^2 .
 - o *Redundancy*, the ability of the independent variable to measure the variation in its endogenous variables.

- *the Goodness-of-Fit (GoF) of the model.*
- 3. *Bootstrapping*, to test the significance of the effect of independent variables on endogenous variables.

RESULTS AND DISCUSSION

Overview of Research Objects

The general description of this research is the owner of a family business or who works in a family business in the city of Batam. The aim is to provide an overview of the author's research object, namely the influence of personal value on the professionalism of the SME family business in the city of Batam. Based on online data system data (ODS) at the Ministry and small and medium enterprises (UMK), Batam has 81,486 SMEs in Batam. Small and medium enterprises (UKM) is a term that refers to a type of small business that has a net worth of at most Rp. 200,000,000 excluding land and buildings for business premises. This research is quantitative in nature where the data collection by distributing questionnaires. The questionnaire data collected were 111 respondents.

Test Instruments

The instrument for measuring all variables in this study using a questionnaire or questionnaire, is submitted to the respondent to be able to provide a statement according to what they feel and experience. The questionnaire as an instrument must meet the main requirements, namely valid and reliable. Validity testing was carried out with the help of a computer using the R Version 4.0 program. In this study, the validity test was only conducted on 20 respondents.

Validity Test Evaluation

Ghozali (2009) states that the validity test is used to measure whether a questionnaire is valid or not. From the results of the calculation of the correlation will be obtained a correlation coefficient that is used to measure the level of validity of an item and to determine whether an item is suitable for use or not. In determining the feasibility of an item to be used, a significance test for the correlation coefficient is usually carried out at the 0.05 significance level, meaning that an item is considered valid if it is significantly correlated with the total score.

Table 2 Validity Test Evaluation

Indicator	Correlation	Information
PV1	0.528	Valid
PV2	0.669	Valid
PV3	0.669	Valid
PV4	0.745	Valid
FMI1	0.902	Valid
FMI2	0.909	Valid

DEC1	0.849	Valid
DEC2	0.834	Valid
FS1	0.863	Valid
FS2	0.825	Valid
HRS1	0.902	Valid
HRS2	0.882	Valid
SCA1	0.827	Valid
SCA2	0.841	Valid
OD1	0.913	Valid
OD2	0.918	Valid

Source: data processed by the author 2020

Reliability Test

Sugiharto and Situnjak (2006) stated that reliability refers to an understanding that the instrument used in research is to obtain the information used can be trusted as a data collection tool and is able to reveal real information in the field. Ghozali (2009) states that reliability is a tool for measuring a questionnaire which is an indicator of variables or constructs.

If the alpha value is > 0.7 , it means that the reliability is sufficient (sufficient reliability), while $\alpha > 0.80$ this suggests that all items are reliable and all tests consistently have strong reliability. If $\alpha > 0.90$, reliability is perfect. If alpha is between $0.70 - 0.90$, the reliability is high. If alpha is $0.50 - 0.70$, the reliability is moderate

Table 3 Reliability Test

Variable	Cronbach Alpha	Information
Personal Value	0.55	<i>Reliable</i>
Family Member Involvement	0.78	<i>Reliable</i>
Decentralization	0.59	<i>Reliable</i>
Financial Systems	0.6	<i>Reliable</i>
Human Resources Systems	0.74	<i>Reliable</i>
Social and Culture Aspects	0.56	<i>Reliable</i>
Organizational Development	0.81	<i>Reliable</i>

Source: data processed by the author 2020

Characteristics of Respondents

Respondents Based on Gender

Table 4 Respondents Based on Gender

Gender	Frequency	Percentage (%)
Male	47	42.4%
Women	64	57.6%
Total	111	100%

Source: data processed by the author 2020

Based on Table 4, it can be seen that of the 111 respondents, the characteristics of respondents based on gender were mostly women as many as 64 people or equal to 57.6% and men as many as 47 people or equal to 42.4%. This means that filling out the questionnaires distributed online, most of those who filled it out were women rather than men.

Respondents by Age

Table 5 Respondents by Age

Age	Frequency	Percentage (%)
19 to 25 years	56	50.4%
26 to 32 years	55	49.5%
Total	111	100%

Source: data processed by the author 2020

Based on Table 5, it can be seen that of the 111 respondents, the characteristics of the most respondents based on age were the range of age 19 to 25 years old with a total of 56 or 50.4% and the range of ages 26 to 32 years with a total of 55 or equal to 49.5%. This means that filling out the questionnaires distributed online are those who have a family business or those who work in a family business, mostly aged 19 to 25 years.

Respondents by Position

Table 6 Respondents by Position

Position	Frequency	Percentage (%)
Owner	68	61.2%
Leader	43	38.8%
Total	111	100%

Source: data processed by the author 2020

Based on Table 6, it can be seen that of the 111 respondents, the characteristics of the respondents based on the type of position were mostly held by owners with a total of 68 or equal to 61.2% and leaders with a total of 43 or equal to 38.8%. Owner is a person who establishes a business or business, while the leader is the person who controls the business or business. This means that filling out questionnaires distributed online is those who have a family business or those who work in the family business are mostly business owners.

Description of Research Variables

Variable description is a producer of data processing by scientifically describing and summarizing data in the form of tables or graphs. According to Nursalam (2008), the data shown are frequency, proportion and ratio, other measures (calculated mean, median, mode) as well as measures of variation (standard deviation, variance, range and quartile). Sugiyono (2014) gave categories such as the mean score of answers from 1.00-2.00, so the interpretation is low, the mean score for the answers is 2.01-3.00, the interpretation is medium and the mean score for the answers is 3.01-4.00. hence the interpretation is high.

Variable Description Personal Value

Based on 4 indicators of Personal Value, it can be recapitulated the answers of 111 respondents. The results can be seen in Table 7.

Table 7 Variable Description Personal Value

	N	Min	Max	Mean	Sd
Personal Value 1	111	1	4	3.42	0.792
Personal Value 2	111	1	4	3.46	0.723
Personal Value 3	111	1	4	2.98	1.026
Personal Value 4	111	1	4	3.45	0.871
Total				3.32	0.853

Source: data processed by the author 2020

Based on Table 7, it can be seen that the total mean value of the personal value variable is 3.32, which indicates that the personal value variable is included in the high interpretation category, meaning that the average respondent strongly agrees that theyIt is very important to help people around and think that everyone in the world is treated the same, they also like challenges and freedom to be successful and be honest. It can be seen that the total standard deviation is 0.853, which means that the choice of respondents still varies in answering the personal value variable questionnaire.

Description of Variable Family Member Involvement

Based on 2 indicators of Family Member Involvement, 111 respondents can recapitulate the answers. The results can be seen in Table 8.

Table 8 Variable Description of Family Member Involvement

	N	Min	Max	Mean	Sd
Family Member Involvement 1	111	1	4	2.82	1.244
Family Member Involvement 2	111	1	4	2.65	1.202
Total				2.73	1.223

Source: data processed by the author 2020

Based on Table 8, it can be seen that the total mean value of the Family Member Involvement variable is 2.73, which indicates that the Family Member Involvement variable is included in the moderate interpretation category, meaning that the average respondent agrees and is correct that the main director where they work comes from the owner the family and management arrangements in their company also come from members of the owner's family.

It can be seen that the total standard deviation is 1.223, which means that the choice of respondents still varies in answering the Family Member Involvement variable questionnaire.

Description of Decentralization Variables

Based on 2 indicators of Decentralization, it can be recapitulated the answers of 111 respondents. The results can be seen in Table 9.

Table 9 Description of Decentralization Variables

	N	Min	Max	Mean	Sd
Decentralization 1	111	1	4	3.02	1.065
Decentralization 1	111	1	4	2.78	1.123
Total				2.9	2.188

Source: data processed by the author 2020

Based on the table above, it can be seen that the total mean value of the decentralization variable is 2.9, which indicates that the decentralization variable is included in the moderate interpretation category, meaning that the average respondent agrees and is correct that the director is in control and gives trust to employees. It can be seen that the total standard deviation is 2.188, which means that the choice of respondents still varies in answering the decentralization variable questionnaire.

Description of Financial Systems Variables

Based on 2 indicators from Financial Systems, it can be recapitulated the answers of 111 respondents. The results can be seen in Table 10

Table 10 Description of Variable Financial Systems

	N	Min	Max	Mean	Sd
Financial Systems 1	111	1	4	3.32	0.973
Financial Systems 1	111	1	4	3.47	0.818
Total				3.39	0.895

Source: data processed by the author 2020

Based on Table 10, it can be seen that the total mean value of the financial systems variable is 3.39 which indicates that the financial systems variable is included in the high interpretation category, meaning that the average respondent strongly agrees and is correct that their place of work uses the financial reporting system and is used accordingly. It can be seen that the total standard deviation is 0.895, which means that the choice of respondents still varies in answering the financial systems variable questionnaire.

Variable Description of Human Resources Systems

Based on 2 indicators from Human Resources Systems, the answers to 111 respondents can be recapitulated. The results can be seen in Table 11.

Table 11 Description of Human Resources Variables

	N	Min	Max	Mean	Sd
Human Resources Systems 1	111	1	4	2.73	1.211
Human Resources Systems 1	111	1	4	2.98	1.119
Total				2.85	1.165

Source: data processed by the author 2020

Based on Table 11, it can be seen that the total mean value for human resources systems is 2.85, which indicates that the human resources systems variable is included in the category of sufficient interpretation, meaning that the average respondent agrees that they have a system for recruiting new employees and a performance appraisal system. employees. And it is also seen that the total standard deviation is 1.165, which means that the choice of respondents still varies in answering the human resources systems variable questionnaire.

Description of Social and Culture Aspects Variables

Based on 2 indicators from Social and Culture Aspects, it can be recapitulated the answers from 111 respondents. The results can be seen in Table 12.

Table 12 Variable Description of Social and Culture Aspects

	N	Min	Max	Mean	Sd
Social and Culture Aspects 1	111	1	4	2.64	1.110
Social and Culture Aspects 2	111	1	4	2.91	0.982
Total				2.77	1.046

Source: data processed by the author 2020

Based on Table 12, it can be seen that the total mean value of the social and culture aspects is 2.77, which indicates that the social and culture aspects variables are included in the medium interpretation category, meaning that the average respondent agrees that the family members of the owner are free to use any room and always. uphold family values, norms, hopes and goals. It can be seen that the total standard deviation is 1.046, which means that the choice of respondents still varies in answering the social and culture aspects variable questionnaire.

Description of Variable Organizational Development

Based on 2 indicators from Organizational Development, the answers to 111 respondents can be recapitulated. The results can be seen in Table 13.

Table 13 Variable Description of Organizational Development

	N	Min	Max	Mean	Sd
Organizational Development 1	111	1	4	3.25	0.086
Organizational Development 2	111	1	4	3.04	1.047
Total				3.14	0.566

Source: data processed by the author 2020

Based on Table 13, it can be seen that the total mean value in organizational development is 3.14 which indicates that the organizational development variable is included in the high interpretation category, meaning that on average the respondents agree to improve the company's internal processes and invest in HR. It can be seen that the total standard deviation is 0.566, which means that the choice of respondents still varies in answering the organizational development variable questionnaire.

Inferential Statistical Analysis

Inferential statistical analysis is where data analysis techniques are used to see the extent of the similarities between the results obtained from a sample and the results to be obtained in the population as a whole. The inferential method used in the data analysis of this study is Partial Least Squares Path Modeling (PLS-PM). Partial Least Squares Path Modeling is a statistical data analysis methodology at the intersection of the Regression Model, the Structural Equation Model, and the Multiple Table Analysis method (Sanchez, 2013).

Tests were conducted on instruments associated with the R. R Statistical Program. R is a free, open source software for data analysis, statistical computation, and graphics. Instead, plspm is dedicated as a package in R(Sanchez, 2013).

Modeling in PLS-PM has three process stages namely Measurement Model Assessment (Outer model), **Structural Model Assessment (Inner model)**, and Bootstrapping (hypothesis testing).

Measurement Model Assessment (Outer Model)

Unidimensionality Testing

Table 14 Measurement Model Assessment (*Outer Model*)

Variable	Mode	Mvs	DG.rho
Personal Value	A	4	0.786
Family Member Involvement	A	2	1.000
Decentralization	A	2	0.831
Financial Systems	A	2	0.913
Human Resources Systems	A	2	0.884
Social and Culture Aspect	A	2	0.729
Organizational Development	A	2	0.881

Source: data processed by the author 2020

Based on Table 14, it can be seen that the DG.rho value for all variables is greater than 0.7. The personal value variable is 0.786, the family member involvement variable is 1, the decentralization variable is 0.831, the financial systems variable is 0.913, the human resources system variable is 0.884, the social and culture aspects variable is 0.729 and the organizational development variable is 0.881. This shows that all indicators represent the variables they measure well.

Testing of Relationship and Reliability

To see the closeness of the relationship and indicator reliability with its variables through outer loading and community tests. The results of the data in Table 15 show that the loading value of each indicator is greater than 0.7 and the communality value is above 0.5, which means that each indicator has a good relationship and reliability to measure its respective variables.

Table 15 Testing of Relationship and Reliability

No.	Code	Name	Loading	Communality
1	PV1	Personal Value	0.786	0.617
2	PV2	Personal Value	0.709	0.503
3	PV4	Personal Value	0.728	0.530
4	FMI1	Family Member Involvement	1,000	1.000
5	DEC1	Decentralization	0.862	0.744

6	DEC2	Decentralization	0.822	0.677
7	FS1	Financial Sytems	0.960	0.922
8	FS2	Financial Sytems	0.858	0.737
9	HRS1	Human Resources Systems	0.966	0.933
10	HRS2	Human Resources Systems	0.775	0.601
11	SCA1	Social and Culture Aspect	0.770	0.593
12	SCA2	Social and Culture Aspect	0.744	0.553
13	OD1	Organizational Development	0.936	0.876
14	OD2	Organizational Development	0.827	0.684

Source: data proceed by the author 2020

Cross-loadings testing

Table 16 Cross-loading testing

No.	Name	PV	FMI	DEC	FS	HRS	SCA	OD
1.	PV1	0.786	0.041	0.309	0.138	0.147	0.116	0.436
	PV2	0.709	0.064	0.249	0.232	0.143	0.136	0.267
	PV4	0.728	0.035	0.194	0.132	0.171	0.267	0.430
2.	FMI1	0.062	1.000	-0.121	-0.125	-0.093	0.045	-0.058
3.	DEC1	0.300	0.208	0.862	0.361	0.425	0.052	0.328
	DEC2	0.267	0.017	0.822	0.090	0.141	0.082	0.367
4.	FS1	0.246	-0.108	0.277	0.960	0.531	0.040	0.253
	FS2	0.133	-0.128	0.218	0.858	0.471	0.164	0.267
5.	HRS1	0.229	-0.055	0.334	0.498	0.999	0.166	0.290
	HRS2	0.093	-1.588	0.268	0.511	0.775	0.258	0.357
6.	SCA1	0.183	-0.276	0.176	0.063	0.226	0.770	0.276
	SCA2	0.175	0.099	-0.062	0.074	0.091	0.744	0.307
7.	OD1	0.537	-0.041	0.329	0.208	0.232	0.340	0.936
	OD2	0.336	-0.070	0.428	0.315	0.419	0.351	0.827

Source: data processed by the author 2020

Table 16 shows the indicators of each variable measuring the variable well, it can be seen from the table that the loading of each variable is higher than the other variables, it can be seen from the numbers in the blue box, for example the PV row with a value of 0.786 has the highest value in one line as well as other variables have each the highest value.

Testing the Regression Equations for Each Variable

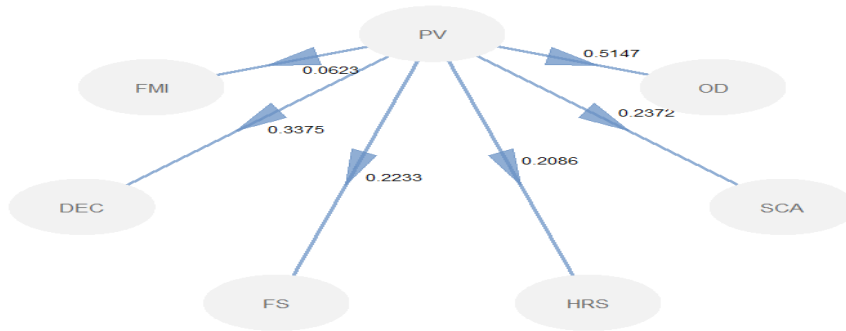


Figure 3 Testing the Regression Equations for Each Variable

Structural Model Assessment (Inner Model)

1. The regression equation for each endogenous variable

Table 17 The regression equation for each endogenous variable

FMI				
	Estimate	Std. Error	t-value	Pr (> t)
Intercept	8.633 e-16	0.095	9.031e-15	1.000
PV	6.231e-02	0.095	6.518e-01	0.515
DEC				
	Estimate	Std. Error	t-value	Pr (> t)
Intercept	1.460 e-16	0.090	1.620e-15	1.000
PV	3.374e-01	0.090	3.742e + 01	0.000
FS				
	Estimate	Std. Error	t-value	Pr (> t)
Intercept	3.108-16	0.093	3.329e-15	1.000
PV	2.233e-01	0.093	2.391e + 01	0.018
HRS				
	Estimate	Std. Error	t-value	Pr (> t)
Intercept	1.665e-16	0.093	1.777e-15	1.000
PV	2.086e-01	0.093	2.226e + 01	0.028
SCA				
	Estimate	Std. Error	t-value	Pr (> t)
Intercept	1.208e-17	0.093	1.299e-16	1.000
PV	2.371e-01	0.093	2.548e + 00	0.012
OD				
	Estimate	Std. Error	t-value	Pr (> t)
Intercept	-1.455 e-16	0.082	-1.771e-15	1.000
PV	5.147e-01	0.082	6.267e + 00	7.506

Source: data processed by researchers 2020

The coefficient of determination R2

Table 18 The coefficient of determination R2

Variable	Type	R2
PV	<i>Exogenous</i>	0.000
FMI	<i>Endogenous</i>	0.003
DEC	<i>Endogenous</i>	0.113
FS	<i>Endogenous</i>	0.049
HRS	<i>Endogenous</i>	0.043
SCA	<i>Endogenous</i>	0.056
OD	<i>Endogenous</i>	0.264

Source: data processed by the author 2020

Based on Table 18, it can be seen that the R2 value for the FMI variable is 0.003, the DEC variable is 0.113, the FS variable is 0.049, the HRS variable is 0.043, the SCA variable is 0.056, and the OD variable is 0.264. Which means that the PV variables together have an effect on the PV variable by 0.003, while the rest is influenced by other variables outside the variables not studied.

Redundancy

Table 19 Redundancy

Variable	Type	Mean_Redundancy
Personal Value	<i>Exogenous</i>	0.000
Family Member Involvement	<i>Endogenous</i>	0.003
Decentralisation	<i>Endogenous</i>	0.080
Financial Systems	<i>Endogenous</i>	0.041
Human Resources Systems	<i>Endogenous</i>	0.033
Social and Culture Aspect	<i>Endogenous</i>	0.032
Organizational Development	<i>Endogenous</i>	0.206

Source: data processed by the author 2020

We can see, the mean redundancy value in the OD variable is 0.206, which means that the greater the mean redundancy value indicates the ability of the independent variable to be able to measure the variation of its endogenous variables.

The Goodness-of-Fit (GoF) model.

Table 20 The Goodness-of-Fit (GOF) model

GoF	0.247
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Source: data processed by researchers

The greater the GoF value, the better the overall performance and quality of the measurement model, both the inner and outer models.

Hypothesis Testing / Bootstrapping

This research hypothesis testing was carried out with the help of R 4.0 software. Hypothesis testing by bootstrapping is used to test the significance of the effect of independent variables on endogenous variables.

The hypothesis testing/bootstrapping table can be seen in Table 21

Table 21 Hypothesis Testing/Bootstrapping

Hypothesis	Std.Error	Perc. 025	Perc. 975
PV FMI→	0.086	-0.095	0.210
PV DEC→	0.099	0.141	0.528
PV FS→	0.105	0.074	0.460
PV HRS→	0.113	-0.067	0.430
PV SCA→	0.148	-0.189	0.425
PV OD→	0.098	0.322	0.684

Source: data processed by the author 2020

1. Hypothesis of the Effect of Personal Value on Family Member Involvement

Testing the hypothesis/bootstrapping results in the table shows that there is a value of 0 between the lower percentile (perc.025) and upper percentiles (perc.975) according to *Gudergan et al. (2008) and Garson (2016)*, If there is a value of 0 between this range it can be said to be insignificant, we see one of the effects of the personal value variable on the FMI with a value of perc.025 and perc.975 which is between -0.095-0.210, there is a value of 0 between this range, that means Hypothesis H1 in this study which states that "Personal Value has a significant effect on Family Member Involvement" is rejected.

2. Hypothesis of the Effect of Personal Value on Decentralization

Testing the hypothesis/bootstrapping results in the table shows that there is no value of 0 between the lower percentile (perc.025) and upper percentiles (perc.975) according to *Gudergan et al., (2008) and Garson (2016)*, if there is no 0 value between this range it can be said to be significant. We see one of the effects of the PV variable on DEC with a value of perc. 025 and perc. 975 is between 0.141-0.528, there is no value of 0 between this range, that means H2 hypothesis in this study which states that "Personal Value has a significant effect on Decentralization" is accepted.

3. Hypothesis of the Effect of Personal Value on Financial Systems

Testing the hypothesis/bootstrapping results in the table shows that there is no value of 0 between the lower percentile (perc.025) and upper percentiles (perc.975) according to *Gudergan et al. (2008) and Garson (2016)*, if there is no 0 value in this range it can be said to be significant, we will see that one of the effects of the PV variable on FS with a value of perc.025 and perc.975 is between 0.141-0.460, there is no 0 value between this range, that means Hypothesis H3 in this study which states that "Personal Value has a significant effect on Financial Systems" is accepted.

4. Hypothesis of the Effect of Personal Value on Human Resources Systems

Testing the hypothesis/bootstrapping results in the table shows that there is a value of 0 between the lower percentile (perc.025) and upper percentiles (perc.975) according to *Gudergan et al. (2008) and Garson (2016)*, if there is a value of 0 between this range it can be said

to be insignificant, we see one of the effects of the PV variable on HRS with a value of perc.025 and perc.975 is between -0.067-0.430, there is a value of 0 between this range, that means Hypothesis H4 in this study which states that "Personal Value has a significant effect on Human Resources Systems" is rejected.

5. Hypothesis of the Effect of Personal Value on Social and Culture Aspects

Testing the hypothesis/bootstrapping results in the table shows that there is a value of 0 between the lower percentile (perc.025) and upper percentiles (perc.975) according to Gudergan et al. (2008) and Garson (2016), if there is a value of 0 between this range it can be said to be insignificant, we see one of the effects of the PV variable on the FMI with a value of perc.025 and perc.975 which is between -0.189-0.425, there is a value of 0 between this range, that means Hypothesis H5 in this study which states that "Personal Value has a significant effect on Social and Cultural Assets" is rejected.

6. Hypothesis of the Effect of Personal Value on Organizational Development

Testing the hypothesis/bootstrapping results in the table shows that there is no value of 0 between the lower percentile (perc.025) and upper percentiles (perc.975) according to Gudergan et al. (2008) and Garson (2016), if there is no 0 value between this range it can be said to be significant, we see that one of the effects of the PV variable on OD with a value of perc.025 and perc.975 is between 0.322-0.684, there is no 0 value between this range, that means Hypothesis H2 in this study which states that "Personal Value has a significant effect on Organizational Development" is accepted.

Profile of Research Variables

Profile of Personal Value Variable

Table 22 Profile Variable Personal Value

No.	Statement		Answer Options				Mean Score
			1	2	3	4	
1	It's very important to help people around and think that everyone in the world is treated the same.	n	2	4	45	60	3.24
		%	1.8%	3.7%	40.5%	54%	
2	Love challenges, freedom, not depending on others and always looking for new things to do. Remember the importance of living just for once.	n	0	3	43	65	3.46
		%	0%	2.8%	38.7%	58.5%	
3	I want to be successful and rich. Expecting other people's recognition for what I have accomplished.	n	10	15	30	56	2.98
		%	9%	13.5%	28%	50.4%	

4	I believe that everyone should honestly follow the rules even when no one is looking.	n	1	4	22	84	3.45
		%	0.9%	3.7%	19.8%	75.6%	
Grand Mean							3.28

Source: compiled by the author, 2020

Based on the variable PV with the statement "It is very important to help people around and think that everyone in the world is treated the same" shows that the responses of respondents who answered on a scale to 4 were 60 people. It can be stated that everyone has the right to receive fair treatment. The statement "Enjoys challenges, freedom, does not depend on others and is always looking for new things to do. Remembering the importance of living just once." shows that the responses from respondents on a scale to 4 were 65 people. It can be stated that for everyone has likes challenges, freedom and always relies on himself. It can be stated that everyone has the right to receive fair treatment. The statement "I want to be successful and rich. Expecting other people's recognition of what I have accomplished" shows that the responses from respondents on a scale of 4 were 56 people. It can be stated that for everyone wants to be rich and get recognition from all around. It can be stated that everyone has the right to receive fair treatment. The statement "I believe that everyone should honestly follow the rules even when no one is looking" indicates that the response from respondents on a scale of 4 was 84 people. It can be stated that for everyone must always be honest under any circumstances.

Variable Profile of Family Member Involvement

Table 23 Variable Profile of Family Member Involvement

No.	Statement		Answer Options				Mean Score
			1	2	3	4	
1	The main director at my place of work comes from the owner of the company family.	n	23	14	7	67	2.82
		%	20.7%	12.7%	6.3%	60.3%	
2	The management composition in the company where I work consists of members of the company owner's family.	n	27	11	20	53	2.65
		%	24.3%	9.9%	18.2%	47.7%	
Grand Mean							2.73

Source: data processed by the author 2020

Based on the FMI variable with the statement "The main director at my place of work comes from the owner of the company family" It shows that the responses of respondents who answered the scale to 4 were 67 people. It can be stated that their director is from the owner's

family. Based on the FMI variable with the statement "The composition of the management in the company where I work consists of family members of the owner of the company" shows that the responses of respondents who answered on the 4th scale were 53 people. It can be argued that the management structure consists of members of the owner's family.

Profile of Decentralization Variables

Table 24 Decentralization Variable Profile

No.	Statement		Answer Options				Mean Score
			1	2	3	4	
1	Trust and authority in our company.	n	14	6	33	58	3.02
		%	12.6%	5.4%	29.7%	52.3%	
2	The director is in control.	n	18	16	24	53	2.78
		%	16.2%	14.5%	21.6%	47.7%	
Grand Mean						2.9	

Source: data processed by the author 2020

Based on the DEC variable with the statement "Trust and authority in our company", it shows that the responses of respondents who answered the scale to 4 were 58 people. It can be argued that trust is given to other employees, not just the owner's family. Based on the DEC variable, the statement "Director is in control" shows that the responses of respondents who answered the scale to 4 were 53 people. It can be argued that a portion is given to employees.

Variable Profile of Financial Systems

Table 25 Profile of Financial Systems Variable

No	Statement		Answer Options				Mean score
			1	2	3	4	
1	Financial reporting system in my company.	n	7	6	30	68	3.32
		%	6.3%	5.5%	27%	61.2%	
2	Use of the financial system as needed.	n	1	5	31	74	3.47
		%	0.9%	4.5%	27.9%	66.7%	
Grand Mean						3.39	

Source: data processed by the author 2020

Based on the FS variable with the statement "The financial reporting system in my company" shows that the responses of respondents who answered the scale to 4 were 68 people. It can be stated that they are using the financial system. Based on the FS variable with the statement "Use of the financial system as needed" shows that the responses of respondents who answered the scale to 4 were 74 people. It can be stated that their financial system is in line with the needs.

Variable Profile of Human Resources Systems

Table 26 Variable Profile of Human Resources Systems

No.	Statement		Answer Options				Mean Score
			1	2	3	4	
1	Recruit new employees with a formal system.	n	18	17	22	54	2.73
		%	16.2%	15.3%	19.8%	48.7%	
2	Has a system of methods for assessing individual performance.	n	12	13	25	61	2.98
		%	10.8%	11.7%	22.5%	55%	
Grand Mean						2.85	

Source: data processed by the author 2020

Based on the HRS variable with the statement "Recruiting new employees with a formal system" shows that the responses of respondents who answered the 4th scale were 54 people. It could be argued that they used a formal system to recruit employees. Based on the HRS variable with the statement "Having a system of methods for assessing individual performance" shows that the responses of respondents who answered the 4th scale were 61 people. It can be stated that an individual performance appraisal system is needed.

Profile of Social and Culture Aspects Variables

Table 27 Profile of Social and Culture Aspects Variables

No.	Statement		Answer Options				Mean Score
			1	2	3	4	
1	Family members are free to use any office space.	n	19	20	25	47	2.64
		%	17.1%	18%	22.5%	42.4%	
2	My company promotes family values, norms, goals and expectations	n	1	16	56	38	2.91
		%	0.9%	14.4%	50.5%	34.2%	
Grand Mean						2.77	

Source: data processed by the author 2020

Based on the SCA variable with the statement "Family members can freely use any office space" shows that the responses of respondents who answered the scale to 4 were 47 people. It can be stated that family members are very free to use any room. Based on the SCA variable with a statement "My company promotes family values, norms, goals and expectations" shows that the responses from respondents on a scale of 4 are 56 people. It can be argued that it is not always prioritizing family values, norms and so on.

Profile of Organizational Development Variables

Table 28 Profile of Organizational Development Variables

No.	Statement		Answer Options				Mean Score
			1	2	3	4	
1	Improvement in the company's internal processes in accordance with its growth and development.	n	2	5	37	67	3.25
		%	1.8%	4.5%	33.3%	60.3%	
2	Investments in human resources are in accordance with the company's growth and development.	n	8	10	39	54	3.04
		%	7.2%	9.0%	35.1%	48.6%	
Grand Mean						3.14	

Source: data processed by the author 2020

Based on the OD variable with the statement "Improvement in the company's internal processes in accordance with its growth and development" shows that the responses of respondents who answered the scale to 4 were 67 people. It can be stated that internal processes are influenced by growth and development. Based on the OD variable with the statement "Investment in human resources in accordance with the growth and development of the company" shows that the responses of the 4th scale respondents were 54 people. It can be argued that to develop a business it is necessary to invest in human resources.

Discussion and Research Results

From the results data processing that has been tested, it is known that not all hypotheses are accepted or significant. It is confirmed that the hypothesis that has been accepted is personal value on the variable decentralization (H2), personal value on the variable financial systems (H3) and personal value on the variable organizational development (H6). Meanwhile, for the rejected hypothesis, namely personal value on the variable family member involvement (H1), personal value on the variable human resources systems (H4) and personal value on the variable social and culture aspects (H5).

These results are in accordance with previous researchers Camfield (2019), where not all variables were accepted or had a significant effect. With this result, personal values can be considered to professionalize in the family business because this is very useful as a guide for the owner in making decisions about actions in the family business. Dekker et al. (2013) emphasized that the problem of professionalism in the family business is not only a problem from outside the family members or training family members but depends on the commitment of the business owner on how to be more professional.

PV has a dominant role in the professionalization of family companies, because the owners/leaders of the family business are motivated by the PV they have and believe in, which leads to their commitment to developing the professional dimension shown in this study. The professionalism shown is caused by several factors, including decentralization, where the owner or leader gives authority to employees in making decisions for business continuity. The second factor regarding the financial system, the leader also knows the financial flow of the

business in getting profit and loss. And the third factor, owners or leaders also focus themselves on developing quality human resources for the internal processes of SME business.

Research Implications

Based on the results of this study, the following theoretical and practical implications can be stated:

Theoretical Implications

Based on the model developed in this study, it can strengthen theoretical concepts and provide empirical support for previous research.

1. Schwartz (1992) and Schwartz (1994) once said that some relationships are partially confirmed, as if finding through structural coefficients the opposite relationship between opposing values and professionalization is insignificant.
2. Tamayo & Schwartz (1993) concluded that in the motivational structure of Schwartz's model, the five types of values that express individual interests (self-direction, stimulation, hedonism, achievement and social power) occupy the opposite area of those reserved for the three sets of values that express a common collective interest (virtue, tradition, and suitability).
3. Camfield & Franco (2019) said the professionalization of companies, when studied in the general corporate literature, tends to be understood in the context of organizational development.

Practical Implications

The results of this study are expected to be used as input for family businesses in order to better understand the values of personal values and how to professionalize them in their business. It should be noted that the family business has personal factors that have an important impact on family business decisions, daily life, the future of the family business, and the families involved in the business. This study also contributes to the leadership in managing and controlling the SME business in managing the organization in the form of employees who carry out their responsibilities. Then, the leader also knows the company's financial cycle in getting a profit. Family members involved in the SME business are motivated to develop the long-term potential of this business. HRD systems in SMEs are getting better at selecting prospective employees through formal and informal channels. A good social environment in the person of the owner or leader becomes more comfortable in doing their duties and responsibilities.

Research Limitations

This study has limitations in researching among other researchers only researching in the city of Batam. Therefore, the authors hope that future research can be carried out in other cities or other countries that have a large number of family businesses. And it can provide greater knowledge about the implications of personal value in the family business, especially in the aspect of professionalism. In addition, it is hoped that it can add other variables and add respondents who are not yet in this study.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of data processing and analysis as well as the discussion that has been done regarding "The influence of personal value on the professionalism of the SME family business in Batam City", the following conclusions can be drawn:

1. Personal value does not have a significant effect on family member involvement.

2. Personal value has a significant effect on the decentralization variable.
3. Personal value has a significant effect on the variable financial systems.
4. Personal value does not have a significant effect on the human resources systems variable.
5. Personal value does not have a significant effect on the social and culture aspects variable.
6. Personal value has a significant effect on organizational development variables.

Suggestions

Some suggestions that can be given by researchers to follow up on subsequent research are as follows:

1. Family businesses or family companies are able to see the shortcomings of their company, so that by seeing the shortcomings of their company they can pay more attention to the systems in their company.
2. Personal value has a dominant role in the professionalization of family companies, because the owners/managers of these companies are motivated by the personal values they have and believe in, which leads to their commitment to develop a professional dimension.
3. It is hoped that it can be used as input for family businesses so that they can understand more about personal values and how to professionalize them into their business.

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