

ABSTRACT

Family businesses, particularly family conglomerates, play a critical role in the global and Indonesian economies. However, these businesses often face significant challenges during generational leadership transitions, internal conflict resolution, and balancing tradition with innovation. This thesis explores and compares how two Indonesian family conglomerates—PT Inovasi Herbal and PT Plastik Nusantara—navigate these complex dynamics while ensuring long-term sustainability.

Using a qualitative research approach, the study employed semi-structured interviews with family and non-family members, supported by document analysis, to gain deep insights into governance structures, succession planning, conflict management, and the influence of socio-emotional wealth (SEW). The findings reveal that PT Inovasi Herbal relies on informal governance and family-driven succession planning, prioritising relational harmony and continuity. On the contrary, PT Plastik Nusantara adopts a hybrid governance model, integrating professional management with family influence to achieve transparency and business scalability.

The study identifies key similarities between the companies, such as a shared commitment to preserving the family legacy and SEW, and highlights differences in governance styles, conflict resolution mechanisms, and leadership preparation. The research underscores the importance of formalised succession planning, balanced governance, and conflict management strategies to address generational tensions and ensure sustainable growth.

Keywords: *Family business, generational transitions, conflict resolution, socio-emotional wealth, succession planning, family conglomerates, governance frameworks.*