The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia

Bambang Dwi Suseno¹, Ahyar Yuniawan² and Christantius Dwiatmadja³

This study aims to provide a clear explanation and answer on research gap of previous studies about the relationship between managerial trait from family business and managerial performance. This study also investigates the phenomenon about low managerial performance that triggered low continuity of bus industry belonged to family business in Jakarta, Indonesia. Model testing used in this study is multivariate analyses with Structural Equation Model (SEM), which is based on IBM SPSS AMOS version 22.0 software. The population in this study are managers who hold the position as supervisor and managerial control as many as 505 people. The number of samples is determined based on the sampling quota the number of bus unit ownership that reflects the size of family business. Questionnaires were distributed through direct distribution and by mail in June, July and August 2016. From the questionnaires distributed there left 283 according to the determination of the sample number. Based on SEM result for 9 proposed hypotheses, there are 6 accepted hypotheses and 3 rejected ones. Accepted hypotheses as follows; the influence of managerial trait in family business on soft governance capability which has coefficient value as 0.517 that shows positive and significant relationship since CR value is 2.705 and significant at 0.007, the influence of soft governance capability on managerial performance which has coefficient value as 0.506 that shows positive relationship since CR value is 6.183 and significant at 0.000. These results prove that soft governance capability has an ability to mediate the relationship between causalities of managerial trait variable on bus transportation industry in Jakarta, and it is significant with alpha value 5%. The results of this study will contribute to enrich the research on the topics of managerial performance, family business and human resource management.

Keywords: Managerial trait, pro-organizational behavior, soft governance capability, family dynamics, managerial performance.

JEL Classification: M12, M21, M51, M54.

¹ Associate Professor, Departement of Management, Banten Business School, Serang, Indonesia, corresponding author, Email: proexchellence@gmail.com.
² Associate Professor Program Faculty of Economics and Business Diponegoro University, Semarang, Indonesia, Email: ahyaryuniawan@undip.ac.id
³ Professor, Doctorate Program Faculty of Economics and Business Satya Wacana Christian University, Salatiga, Indonesia Email: christantius.dwiatmadja@staff.uksw.edu
Introduction

The research gap becomes the main factor to perform this study, since there are a lot of different opinions and inconsistencies of family influence to managerial trait. Some researchers such as Amran (2012), Lin and Hu (2007), Anderson and Reb (2003), and Wesley (2010) also stated that managerial trait will influence managerial performance. Meanwhile, other researchers (Barontini and Caprio, 2006; Chahine, 2007; Chua, 2003; Cohen and Lauterbach, 2008, Gordini, 2012; Navarro, 2011) also stated that managerial trait from their family will not significantly influence managerial performance. There are phenomenons about the low rate of managerial performance from family business in Indonesia that cause the discontinuity of family manager regeneration as found by (Credit Suisse Emerging Market Research Institute/ CSEMRI, 2011; Susanto, 2011).

Memili dan Chang (2009) and Gray (2010) argue that sustainability of family business is influenced by several factors such as how to maintain and increase the value of family assets in the form of credit, reputation, network, government connections and easier execution of property rights. In addition, business founders usually expect their management philosophy, values and satisfaction to be shared and replaced by their trusted members coming from families rather than outsiders (Arruñada and Vázquez, 2009; Mayew dan Venkatachalam, 2012; Andreou et al., 2013). Concentrated ownership can also reduce the influence from outside and more freely (Dyer, 2006; Rautiainen, 2012). Inner conflicts lead to manager-ownership hesitation that impedes change along with changes in the business environment, as it is considered too risky or destroys business and family traditions (Astrachan and Shaker, 2003; Mannarino, 2008).

Moreover, the relationship between managerial background and managerial performance depends on the characteristics of the operation and control of the company's environment. This study aims to provide a clear explanation and answer on research gap of previous studies about the relationship between managerial trait from family business and managerial performance. This study also investigates the phenomenon about low managerial performance that triggered low continuity of bus industry belonged to family business in Jakarta, Indonesia through a new
The concept of Soft Governance Capability that will pass the description as follows.

The results of this study will contribute to enrich the research on the topics of managerial performance, family business and human resource management.

1. Literary Review


Al Abduwani (2012) introduced soft skill wheel which consisted of three variables, situational, personal and interpersonal variable. There have been many studies on hard skill or technical aspect, our concern is not only about valuing its relative contribution and skillfull component but also documenting the existence of soft skill in an organization (da Silva dan Tribolet, 2007; Hilmer, 2007). Theory about capability comes from Amarta Sen in Robeyns (2003) that defined capability as a basic skill which will become a subset of an ability, that refers to life continuity and poverty avoidance. Vaidya (2011) and Tsasis (2009) stated that cooperation inter organization may be formed by two organizations or more that pursue their aims together.

Other scholars that studied dynamic capability are Anand et.al., (2009), Eisenhardt and Martin (2000). Based on concept tracking, it can be synthesized a new concept as Soft Governance Capability and it can be proposed as follow: Soft Governance is an ability to manage a family business which is characterized by volunteer, open partnership, motivation, ethics to create and push potential managerial performance.
This preposition is proposed differently from previous soft governance theory on technocratical tradition and bureaucracy about efficiency that was formerly used by OECD and referred by many authors (Jessop, 2003; Esmark and Triantafillou, 2010; Bevir, 2003).

2. The Development Of Empirical Model And Hypoteses

2.1 The influence of managerial trait from family to pro-organization behavior

This study is about the changes of managerial trait from family business that depends largely on self report, and multiple questions as the determination of changes in behavior and traits (Zairi, 1998; Hassan, 2007). Manager trait from family business shows self efficacy that influences the productivity development and arouses commitment in proorganizational behavior (Busch, 1998; Friedkin and Johnsen, 2003). Moreover, Schwarz & Bahrner (2001) and Schwarz and Clore (1988) explained empirical order that is responded by employee under supervision.

Wood (2012) provided evidence that shows relationship between enriched work design by manager and organizational performance and mediated by employee welfare which will finally influence organizational loyalty. Stites and Michael (2012), Brammer (2007) found evidence about relationship between employee perception and organizational commitment in manufacturing industry. King and Lennox (2001), Fazio and Zanna (1981) and Ajzen (2001) stated that managerial practice which is oriented on employees has been proved to be the best tool to push employee commitment.

Based on the explanations above, it can be concluded:

H1: The better the manager trait of family business, the stronger the pro-organizational behavior will be.

2.2 The influence of managerial trait of family business on soft governance capability

Organizational commitment, leadership and perfomance have been seriously investigated by Sosik (2001) and Graham et al (2013). They
categorized managerial leadership of family business. Managerial competence of family business also arouses belief on organizational system and influences organizational performance (Lahdevuori, 2013).

If managers want to get trust and acknowledgement, they need to consider employee’s needs and development through specific aspect of unsatisfaction possibility and their social relationship (Bang and Jorgensen, 2007). Al Abduwani (2012) stressed soft governance through soft skill wheel which consists of situational, operational and personal variable. It is strengthened by Hillmer (2007) who said human capital as knowledge, skill and ability that will help increasing productivity and performance.

Based on the explanations above, it can be concluded:

**H2: The better the managerial trait of family business, the higher soft governance capability will be.**

### 2.3 The influence of manager from family business to family dynamics

Managerial trait had been investigated by (Graves, 2012 and Den Hartog et.al., 2013). They tested the effect of managerial trait which is influenced by psychological pressure, career satisfaction and performance when manager faces risk. A manager that can build condusive relationship personally will significantly decrease family dynamics in a family business (Levenson, 2006; Heslin & Vande Walle, 2011)

Brower (2008) found that managerial openness shows unique relationship between manager and the owner of family business. In this context, managerial openness will respond any dynamics occured in the family business (Chua, 1999; Rautiainen, 2012). Manager has to be able to balance dynamics among family (Mannarino and Rocotta, 2008).

Relational dynamics in family business is the relatedness accumulation among managerial styles in a family business (Scranton, 1992; Michaud, 2005). Serious consideration needs to be included because family conflicts are highly correlated with family dynamics and succession (Nasser, 2013).
Based on the explanations above, it can be concluded:

**H3: The better the managerial trait of family business, the stronger control on family dynamics will be.**

### 2.4 The Influence of Family dynamics on soft governance capability

Creativity to respond environmental dynamics (both family and external environment) is influenced by managerial openness and ability to build relationship. It is postulated by Joo (2007), Yeh (2012). It is in line with the result from (Bryan, 2006; Dulebohn, 2012). They indicated that family business has prepared a “prince” to become a manager of the business through continuous training which is suited with organizational size to improve managerial capability.

Meanwhile, the result from Michaud (2005), Mueller (2013) and Connely (2013) stated that family business must be reminded not to reach individual ambition by sacrificing other interest and fail to solve organizational problems that may emerge. As a result, an organization needs anticipation to face family dynamics which is triggered by an event or action that is accumulated by pressure, an opportunity to make a basic change through resources availability, environment and family business purpose (Gersick, 1997; Lines, 2004).

Based on the explanations above, it can be concluded:

**H4: The stronger control on family dynamics, the higher soft governance capability will be.**

### 2.5 The influence of family dynamics on managerial performance

Craig and Moores (2005) and Hannah (2013) focused their studies in financial, innovational and learning, customer and succession planning variables that become important business dynamics as they will influence managerial performance. The relationship between family dynamics and business strategy can be tracked from the study of Auker and Werbel (2006), Short (2009) and Fletcher, 2010 in which family business continuity depends on family commitment and entrepreneurial orientation that will finally influence managerial performance of family business.
Generally, Smith (2007), Choet and Xiangkang (2009), Gunday (2011) investigated the difference between strategy and its implementation through small size family management team. Longenecker (1997), Chua and Sharma (1999), Ittner (2003) and Lee (2006) confirmed that family dynamics in a family business will push higher performance and income development from time to time. It will be much more beneficial if a family member is involved with management.

Family involvedness is an important factor in family dynamics that will influence managerial performance (Kotey, 2005, Bititci, 2006; Wee and Ibrahim, 2012; Doshi et al., 2013; Conchie, 2013).

Based on the explanations above, it can be concluded:

**H5: The better the manager trait of family business, the higher soft governance capability will be.**

### 2.6 The Influence of soft capability governance on managerial performance


Other relevant evidences about managerial ability to move employee involvedness are self adjustment, apologizing, courage, empowerment, accountability, originality, humble attitude, and service that all will influence managerial performance (Yarrington, 2007; Siu, 2010; Dierendonck, 2011; Lu, 2012).

There are five factors that influence the relationship between soft skill capability and managerial performance, they are trust, communication, response to employee aspiration, and rule order (Li and Lin, 2006; Gunasekaran, 2008; Hatala and Lutta, 2009; Charbonnier-Voirin *et al.*, 2010, Ehtesham et al., 2011).
Based on the explanations above, it can be concluded:

**H6: The higher soft governance capability, the higher managerial performance will be.**

2.7 The influence of pro-organizational behavior on soft governance capability

The concept of Self Determination Theory (SDT) was firstly introduced by Ryan and Deci (2000) and continued by Wallace (2013). As a result, high employee involvedness in workplace will improve managerial effectiveness to run a strategy (Brummelhuis, 2010; Ng and Feldman, 2010). In soft governance capability context, helpful behavior which is initiated by family can help improving helpful willingness among team member, as it is concepted by soft governance capability.

Stewart (2010) performed some research by showing leadership approach on individual rate which is closely related with proorganizational behavior. Other result from this study stated that organizational commitment to its employee (OCE) will improve managerial performance as long as it increases the quality of decision making process that pushes adequate, collaborative and initiative informational management (Florea and Florea, 2013; Islafatun, 2013; Adiprasetyo, 2013; Soenjoto, 2013).

Furthermore, the process of knowledge creation and perception are closely related with proorganizational performance. It has been proven to be the best tool to improve organizational learning in managerial competence repairment and organizational soft governance (Duh, 2007; deGroot and Antonsson, 2012; Song and Kolb, 2013). Decision making process in foreign investment can be set as the explanation of organizational behavior through a proorganizational perspective which is associated with managerial entrepreneurial orientation (Skarlicki *et al.*, 2008; Kaya and Agca, 2009; Wilks, 2011 and Illie, 2012).
Based on the explanations above, it can be concluded:

**H7: The stronger proorganizational behavior, the higher soft governance capability will be.**

### 2.8 The influence of pro-organization behavior on managerial performance

Wall *et.al.*, (2004) and Appelbaum *et.al.*, (2006) argued that convergent validity as the measurement tool of subjective and objective managerial performance. In addition, the influence of various manager on managerial performance is proven to be the strong employee’s initiative and commitment for an organization compared with homogenous employee and manager (Hambrick and Mason, 1984; Nishii, 2007; Morin, 2011, Kanten and Ulker, 2013).

Next, Thomas and Pandey (2010), Zribi and Souai (2013) and Ng *et.al.*, (2014) had proven the relationship between high performance and certain characteristics such as future orientation, optimism, and active orientation that all will contribute to manager’s success. Yukl and Mashud (2010), Rishipal and Jain (2013) underlined the importance of managerial effectiveness to be the most important element in managerial performance as the tool to push competitive advantage for an organization.

Webster and Adams (2010) and Choudhary (2012) also tried to investigate the managerial effectiveness as the main attention of a research.

Based on the explanations above, it can be concluded:

**H8: The stronger proorganizational behavior, the higher managerial performance will be.**

### 2.9 The influence of managerial trait of family business on managerial performance

Positive attitude attribute such as trust in a form of involvedness and negative attitude attribute such as reward and organizational fairness will positively influence the achievement of managerial performance (Rynes, 2002; Lee, 2006; Chittoor and Das, 2007). In such a context of family business, Winter (2004), Tsai *et.al.*, (2007) stated that there is a positive
relationship between managerial trait and managerial performance of family business. It explains that an organizations with strong market share will achieve more positive managerial trait on work autonomy and reward for their performance (Chahine, 2007 and Vicente, 2013).

Chompukun (2011) and Lotto (2013) stated that managerial trait positively related with targeted performance, empowerent and managerial performance effectiveness. In family business context, Kok et.al., (2003) and Davies et.al., (2010) proved that professionality is influenced by personal managerial competence and it will finally influence organizational performance.

Based on the explanations above, it can be proposed:

H9: The better the managerial trait of family business, the higher the managerial performance will be.

Based on developed model, literery review and proposed hypotheses, empirical model in this study can be described as follow:

Figure 1: The Empirical Research Model
3. Methods

The population in this study are managers who hold the position as supervisor and managerial control as many as 505 people. The number of samples is determined based on the sampling quota the number of bus unit ownership that reflects the size of family business. Questionnaires were distributed through direct distribution and by mail in June, July and August 2016. From the questionnaires distributed there left 283 according to the determination of the sample number. Once selected, 262 questionnaires can be retested using the Structural Equation Model (SEM) processed with IBM SPSS Analysis of Moment Structure (AMOS) version 22.0. A modeling software that can be used to analyze multivariate research models that allow for more accurate results between graphical interfaces.

4. Result

Based on the respondents age in this study, most of the manager and the owner of family business fills the range of age between 40 till 50 years of age as 18 person or 36,73%. The owners/managers that come from family and fill the range age more than 25 years are 16 person or 32,66%, whereas the younger one that fill the range of age between 31 until 40 years of age are 13 persons or 26,53%. The owners/managers from family who fill the range of age from 21 until 30 are 2 person or 4,08%, and there is no respondent under 20 years of age.

Based on the educational background, most respondents have at least Diploma degree as 41 person or 83,67% and the rest of it are from Post Graduate program as 8 person or 16,33%.

4.1 Goodness of Fit Model Test

SEM testing aims to view the adjustment model. The result testing of full model is presented in table 1 below.
The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia

Table 1: The result of Full Model testing

<table>
<thead>
<tr>
<th>Goodness of Fit</th>
<th>Cut off value</th>
<th>Result Model</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Absolute Fit Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>χ²-Chi-square (df=1)</td>
<td>≤ 3.84</td>
<td>2.782</td>
<td>Fit</td>
</tr>
<tr>
<td>CMIN/DF</td>
<td>≤ 2.00</td>
<td>2.782</td>
<td>Un fit</td>
</tr>
<tr>
<td>Probabilitas</td>
<td>≥ 0.05</td>
<td>0.095</td>
<td>Fit</td>
</tr>
<tr>
<td>RMSEA</td>
<td>≤ 0.08</td>
<td>0.088</td>
<td>Moderate</td>
</tr>
<tr>
<td>GFI</td>
<td>≥ 0.90</td>
<td>0.995</td>
<td>Fit</td>
</tr>
<tr>
<td>Incremental Fit Measures</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>AGFI</td>
<td>≥ 0.90</td>
<td>0.927</td>
<td>Fit</td>
</tr>
<tr>
<td>TLI</td>
<td>≥ 0.95</td>
<td>0.981</td>
<td>Fit</td>
</tr>
<tr>
<td>CFI</td>
<td>≥ 0.95</td>
<td>0.998</td>
<td>Fit</td>
</tr>
<tr>
<td>NFI</td>
<td>≥ 0.95</td>
<td>0.997</td>
<td>Fit</td>
</tr>
</tbody>
</table>

Based on model testing, it shows chi square value (χ²) is 2.782 lower than cut off value 3.84, it means that the model is similar with empirical data. As a result, model fit can be accepted. GFI value (1.000), AGFI value (1.995), TLI value (0.982), CFI value (0.998) and NFI value (0.997) from the model has filled required criteria and the model shows no difference between predicted model with observed data. RMSEA value (0.088) is in the range 0.08 till 0.10, it shows that the model is accepted moderately. It is supported by adequate measurement. As a result, the predicted model is accepted and suited with observed data.

4.2 Causality Testing (Siginificance Test) – Regression Weight

Output result of full composite model from empirical model is presented in table 2.

Tabel 2: The Full Model Hypothesis Testing of The Regression Weight

<table>
<thead>
<tr>
<th>Pro-Organization Behavior</th>
<th>The Managerial Trait Of Family Business</th>
<th>Estimate</th>
<th>S.E.</th>
<th>C.R.</th>
<th>P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Dynamics</td>
<td>The Managerial Trait Of Family Business</td>
<td>.911</td>
<td>.055</td>
<td>16.586</td>
<td>0.000</td>
</tr>
<tr>
<td>Soft Governance Capability</td>
<td>The Managerial Trait Of Family Business</td>
<td>.517</td>
<td>.191</td>
<td>2.705</td>
<td>.007</td>
</tr>
<tr>
<td></td>
<td>Estimate</td>
<td>S.E.</td>
<td>C.R.</td>
<td>P</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>----------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td></td>
</tr>
<tr>
<td>Soft Governance Capability</td>
<td>.397</td>
<td>.077</td>
<td>5.156</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Soft Governance Capability</td>
<td>.005</td>
<td>.174</td>
<td>.028</td>
<td>.978</td>
<td></td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>.410</td>
<td>.066</td>
<td>6.194</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>.506</td>
<td>.082</td>
<td>6.183</td>
<td>0.000</td>
<td></td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>-.145</td>
<td>.169</td>
<td>-.861</td>
<td>.389</td>
<td></td>
</tr>
<tr>
<td>Managerial Performance</td>
<td>.216</td>
<td>.142</td>
<td>1.520</td>
<td>.129</td>
<td></td>
</tr>
</tbody>
</table>

**Table 3:** Standardized Regression weight for hypotheses testing

Table 2 shows 6 of 9 relationships that have significant influence at significant rate 5% with CR > 2.000 and p-value < 0.05. As a result, CR value shows that the relationship among variables in this model significantly influence each other, therefore the hypotheses can be accepted. Table 3 shows causality relationship from 9 hypotheses, and it shows that there are 6 relationships which have CR value > 2.00 and significant at > 0.05.
5. Conclusion and discussion

First, the result testing for hypothesis 1 stated that managerial trait positively influences pro organizational behavior, it enriches of (Wood, 2012; Stites & Michael, 2011). Second, the result testing for hypothesis 2 stated that manager from family business trait positively influences soft governance capability, it enriches of (Barbuto, 2005; Rowold and Wolff, 2009; Wu, 2013). Third, the result testing for hypothesis 3 stated that manager trait positively influences family dynamics, it enriches from (Latham & Baum, 2009; Wu, 2009). Fourth, the result testing for hypothesis 4 stated that manager trait positively and significantly influences soft governance capability. It enriches and contributes theory about ownership, resistance, environmental pressure, and managerial practice from (Lavie, 2010 and Mueller, et al., 2013). Fifth, the result testing for hypothesis 5 stated that family dynamics positively and significantly influence managerial performance, it enriches of (Pattilo and Soderbom, 2009). Sixth, the result testing for hypothesis 6 stated that soft governance capability positively influences pro organizational behavior, it enriches of (Schwepker & Good, 2013; Gruman & Saks; 2011; Ehtesham (2011). Seventh, the result testing for hypothesis 7 stated that this hypothesis is denied, it is in line with Ilie (2012) and Skarlicki (2008), but different from Bennet and Robinson (2000) who stated that unethical pro organizational behavior is frequently done by employee to protect negative things from an organization. Eighth, the result testing for hypothesis 8 stated that there is positive but not significant relationship between pro organizational behavior and managerial performance. It is line with Appelbaum (2006), Morin (2011) but different with argue from (Kanten & Ulker, 2013; Chiaburu, 2013). Ninth, the result testing for hypothesis 9 stated that there is negative and unsignificant relationship between managerial trait and managerial performance, it is line with evidence from Cremes and Petajisto (2008) and Gordini (2012) that recommend family business to be performed by internal people.

6. Future research

Future research can be performed by viewing the weakness and replication of this study; (1) future research can replicate the retested variable relationship between managerial trait of family business and managerial performance, (2) future research can test the newest concept
soft governance capability introduced in this study to other family business in different subject.
References


The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia


The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia


The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia


Lin, and Hu. (2007). A Family Member or Professional Management? The choice of a CEO and its impact on performance, Department of Finance, National Taiwan University, Taipei, Taiwan.
The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia


Marrewijk, Alfons van; Ybema, Sierk; Smits, Karen; Stewart Clegg; and Pitsis, Tyrone. (2016). Clash of the Titans: Temporal organizing and collaborative dynamics in the Panama Canal Megaproject, *Organization Studies (Sage)* I, 25.


The Model of Capability Soft Governance in Family Business:
Empirical Study in Bus Transportation Industry in Jakarta, Indonesia


Yeh, Y. C. (2012). *CentreThe Effects of Contextual Characteristics on Team Creativity: Positive, Negative, or Still Undecided*: Centre for East and South-East Asian Studies, Lund University.


The Model of Capability Soft Governance in Family Business: Empirical Study in Bus Transportation Industry in Jakarta, Indonesia

Appendix: Fitur of Structural Equation Model (SEM) AMOS version 22,0

Variable and measuring indicators

A. The Managerial Trait of Family Business (TMTFB)
   (1) Managers give freedom in carrying out routine work (TMTFB1)
   (2) Willingness to reward work performance (TMTFB 2)
   (3) Enthusiastic in performing the task (TMTFB 3)
   (4) Control over employment of employees (TMTFB 4)
   (5) Confidence (TMTFB 5)
   (6) Emotional control (TMTFB 6)

B. Pro-Organizational Behavior (POB)
   (1) Informal communication skills (POB1)
   (2) Empathy (POB 2)
   (3) Decision making (POB 3)
   (4) Participation of members of the organization (POB 4)
   (5) Willingness to receive input (POB 5)
   (6) Freedom to carry out routine work (POB 6)

C. Soft Governance Capabilities (SGC)
   (1) Sincerity of serving (SGC 1)
   (2) Open (SGC 2)
   (3) Keeping trust (SGC 3)
   (4) Building a spirit of togetherness (SGC 4)
   (5) Ability to motivate employees (SGC 5)
   (6) The skill of creating enthusiasm work (SGC 6)
   (7) The application of ethics (SGC 7)
   (8) Ability to praise outstanding employees (SGC 8)

D. Family Dynamics (FD)
   (1) Reliable in communicating with other family members of the company owner (FD1)
   (2) Eager in developing relevant knowledge (FD 2)
   (3) Involvement of family members other than managers in corporate management (FD3)
   (4) The visionary vision (FD 4)
   (5) Conflict solution (FD5)
   (6) Mentoring (FD 6)
   (7) Orientation to the value instilled by the founder (FD9)
   (8) Succession process (FD 8)
   (9) Exploration of innovation (DX9)
   (10) Motivating the implementation of work significantly (FD10)
   (11) Building a team of planners (FD11)
   (12) Professionally build relationships with company owners (FD12)

E. Managerial Performance (MP)
   (1) The ability to determine the company's target (MP1)
   (2) Investigate to collect quality information (MP2)
   (3) Implementing information exchange within the organization (MP3)
   (4) Evaluation skills of work unit performance (MP4)
   (5) Leadership (MP5)
   (6) Ability to develop staff (MP6)
   (7) Negotiating skills for the benefit of the company (MP7)
   (8) Capacity building positive corporate image (MP8)
Table: Structural Equation Model

<table>
<thead>
<tr>
<th>Structural Equation Model</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pro-Organization Behavior = γ1 The Managerial Trait Of Family Business + Z1</td>
</tr>
<tr>
<td>Soft Governance Capability = γ2 The Managerial Trait Of Family Business + β1 Pro-Organization Behavior + β2 Family Dynamics + Z2</td>
</tr>
<tr>
<td>Family Dynamics = γ4 The Managerial Trait Of Family Business + Z3</td>
</tr>
<tr>
<td>Managerial Performance = γ3 The Managerial Trait Of Family Business + β3 Family Dynamics + β4 Pro-Organization Behavior + β5 Soft Governance Capability + Z4</td>
</tr>
</tbody>
</table>

Chi-Square = 2.760
DF = 1
p-value = 0.006
RMSEA = 0.001
CFI = 0.996
TLI = 0.996
AGFI = 0.927
TLI = 0.991