

## ABSTRACT

*This study examines family values and the sustainability of succession in third-generation family businesses in Surakarta, specifically medium-scale manufacturing family businesses. Using a qualitative phenomenological approach, this study explores how family values are internalized in business management and influence the succession process. The research focuses on CV Sumber Rejeki, a family-owned iron and construction company undergoing a third-generation leadership transition. The results show that family values such as honesty, hard work, and social responsibility are key assets in maintaining business continuity. However, there is tension between traditional Javanese cultural values that emphasize harmony and seniority and the demands of modernization and professionalism in the digital era. The succession process is influenced by intergenerational dynamics that combine maintaining old values with introducing new innovations. This study enriches the family business literature with the Javanese cultural context in Solo and provides practical guidance for addressing the challenges of harmonious and sustainable succession. Practical implications are also addressed to family business actors and MSME policymakers in supporting the sustainability of family businesses in Indonesia.*

*Keywords: Family Values, Family Business Succession, Business Sustainability, Third Generation, Javanese Culture, Intergenerational Dynamics, Phenomenology, MSME, Surakarta.*

