CHAPTER V

CONCLUSION

A. Conclusion

Based on the result of data analysis and discussion that has been done, and then the conclusion of this research is the family involvement of management and ownership in a company has no effect to the company's performance. Thus, the hypothesis that said family involvement in management will create a higher performance than the non-family firm is not supported.

Therefore, we can say that in this research, family involvement does not have whether a positive impact or negative impact to the performance of the company. Because it is shown from the comparation, that family firms are almost equal to the non-family firm's performance. Unfortunately this result is not in line with Salvatore Sciascia and Pietro Mazzola (2008), they found the family involvement has a good impact, but if the number of family members is too high in management and ownership, is associated with company performance and more precisely, the relationship is negative. They also said family involvement in management brings dysfunctional consequences at firm performance level, especially at higher levels of family member participation—the higher the family involvement in management, the lower the performance. In this research, family owned firm and firm managed by the family which is PT. Gudang Garam Tbk. does not have a positive or negative impact to the company's performance rather than non-family firm (PT. Bentoel International) which is represented by the Financial Ratio. Therefore, in this research family involvement in ownership and management has no impact to the company's performance, whether it is a good impact or bad impact, because the differences are not equal.

B. Management Implication

Hopefully it can gives information to the readers especially investors a new knowledge that family firms is not always perform better or higher than the other firm which is not a family firms. So in the future, investors would be able to analyze the performance of investment and not regarding the management's member which are the family of the company's owner.

C. Research Limitation and Suggestion for Future Research

This research uses independent t-test to analyze and compare whether there is a significant or not between the financial ratios of family firm and non-family firm. This research uses two companies as the samples. The data for this study is yearly data since 2004 until 2009, and researcher uses the yearly financial ratios. There are only 144 data from samples for this research. By this limitation, this research has weakness which might influence the result. Reader must be careful to make this research as the benchmark, because it only uses six years data (2004 – 2009).

Suggestion for other researcher, it is still possible to explore more, samples firm, with longer period, and uses other method of measurement to make a better understanding and more accurate conclusion for the next research. This research uses financial ratios to measure the company performance, it will be better for the next research to add some more other factors beside financial ratios. This research period is only for 6 years, for the next research historical period can be used to get a better result.

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APPENDIX 1

SPSS (Independent Sample t-test) Result – Liquidity Ratio

Group Statistics

	Company	N	Mean	Std. Deviation	Std. Error Mean
LiquidityRatio	GudangGaram	6	1.9883	.29969	.12235
	Bentoel	6	2.4167	.65750	.26842

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
LiquidityRatio	Equal variances assumed	1.828	.206	-1.452	10	.177	-.42833	.29499	-1.08562	.22895
	Equal variances not assumed			-1.452	6.992	.190	-.42833	.29499	-1.12605	.26938

APPENDIX 2

SPSS (Independent Sample t-test) Result – Financial Leverage Ratio

Group Statistics

	Company	N	Mean	Std. Deviation	Std. Error Mean
FinancialLeverageRatio	Gudang Garam	12	.5033	.14086	.04066
	Bentoel	12	.8467	.43082	.12437

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
FinancialLeverageRatio	Equal variances assumed	12.349	.002	-2.624	22	.015	-.34333	.13085	-.61469	-.07198
	Equal variances not assumed			-2.624	13.325	.021	-.34333	.13085	-.62531	-.06136

APPENDIX 3

SPSS (Independent Sample t-test) Result - Turnover Ratio

Group Statistics

	Company	N	Mean	Std. Deviation	Std. Error Mean
TurnoverRatio	Gudang Garam	12	1.4592	.29785	.08598
	Bentoel	12	2.0875	1.15663	.33389

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
TurnoverRatio	Equal variances assumed	4.756	.040	-1.822	22	.082	-.62833	.34478	-1.34337	.08671
	Equal variances not assumed			-1.822	12.453	.092	-.62833	.34478	-1.37654	.11987

APPENDIX 4

SPSS (Independent Samples t-test) Result – Profitability Ratio

Group Statistics

	Company	N	Mean	Std. Deviation	Std. Error Mean
ProfitabilityRatio	Gudang Garam	30	4.2880	5.77597	1.05454
	Bentoel	30	3.0227	4.65754	.85035

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
ProfitabilityRatio	Equal variances assumed	3.049	.086	.934	58	.354	1.26533	1.35468	-1.44635	3.97701
	Equal variances not assumed			.934	55.506	.354	1.26533	1.35468	-1.44894	3.97961

APPENDIX 5

SPSS (Independent Samples t-test) Result – Market Value Ratio

Group Statistics

	Company	N	Mean	Std. Deviation	Std. Error Mean
MarketValueRatio	Gudang Garam	12	6.9058	6.51741	1.88141
	Bentoel	12	20.5158	48.64484	14.04255

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
									95% Confidence Interval of the Difference	
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	Lower	Upper
MarketValueRatio	Equal variances assumed	2.831	.107	-.961	22	.347	-13.61000	14.16803	-42.99269	15.77269
	Equal variances not assumed			-.961	11.395	.357	-13.61000	14.16803	-44.66231	17.44231