Exploring Cultural Values, Dynamic Capabilities, and Organizational Performance in Family-Owned Paint Manufacturing Companies

Erwin Widjaja
Universitas Prasetiya Mulya; Jakarta, Indonesia
Email: 17101920005@student.prasetiyamulya.ac.id

Achmad Setyo Hadi
Universitas Prasetiya Mulya; Jakarta, Indonesia
Email: ashadi@pmbs.ac.id

Submitted:
SEPTEMBER 2025

Accepted:
DECEMBER 2025

ABSTRACT

Family businesses in Indonesia's paint manufacturing industry face intense competition, innovation pressures, and dynamic regulations that challenge the balance between cultural value preservation and adaptability. This study aims to explore the relationship between organizational cultural values, dynamic capabilities, and organizational performance, focusing on the subjective experiences of family business leaders. Employing a qualitative interpretative phenomenological approach, data were collected through in-depth interviews with CEOs from two family-owned paint manufacturing companies and analyzed thematically. The findings indicate that core cultural values family loyalty, trust, harmony, and long-term orientation serve as the foundation for developing sensing, seizing, and reconfiguration capabilities that enable adaptation to market and regulatory changes. The integration of these cultural values with dynamic capabilities enhances revenue growth, operational efficiency, customer satisfaction, and sustainable competitiveness. The study concludes that the synergy between organizational culture and dynamic capabilities determines performance success and strengthens strategic resilience in traditional industries. This research enriches the resource-based view by illustrating how cultural value–capability integration operates, while practically offering managerial insights for balancing cultural heritage and innovation to achieve long-term business sustainability.

Keywords: *Cultural Values, Dynamic Capabilities, Family Business, Interpretative Phenomenological Analysis, Organizational Performance, Paint Manufacturing.*

ABSTRAK

Perusahaan keluarga dalam industri manufaktur cat di Indonesia menghadapi persaingan ketat, tuntutan inovasi, dan dinamika regulasi yang menuntut keseimbangan antara pelestarian nilai budaya dan kemampuan adaptif. Penelitian ini bertujuan untuk mengeksplorasi hubungan antara nilai budaya organisasi, kapabilitas dinamis, dan kinerja organisasi dengan fokus pada pengalaman subjektif para pemimpin perusahaan keluarga. Pendekatan kualitatif fenomenologis interpretatif digunakan melalui wawancara mendalam dengan CEO dari dua perusahaan manufaktur cat keluarga yang dianalisis secara tematik. Hasil penelitian menunjukkan bahwa nilai-nilai budaya inti seperti loyalitas keluarga, kepercayaan, keharmonisan, dan orientasi jangka Panjang menjadi dasar dalam membangun kapabilitas sensing, seizing, dan reconfiguration yang memungkinkan adaptasi terhadap perubahan pasar dan regulasi. Integrasi nilai budaya dan kapabilitas dinamis terbukti meningkatkan pertumbuhan pendapatan, efisiensi operasional, kepuasan pelanggan, dan daya saing berkelanjutan. Penelitian ini menyimpulkan bahwa sinergi antara budaya organisasi dan kapabilitas dinamis menentukan keberhasilan kinerja serta memperkuat ketahanan strategis dalam industri tradisional. Secara teoretis, studi ini memperkaya kerangka resource-based view melalui pemahaman integrasi nilai budaya dan kapabilitas, serta

JIMKES

Jurnal Ilmiah Manajemen Kesatuan
Vol. 13 No. 6, 2025
pp. 5357-5366
IBI Kesatuan
ISSN 2337 – 7860
E-ISSN 2721 – 169X
DOI: 10.37641/jimkes.v13i6.4276

secara praktis memberikan rekomendasi manajerial bagi perusahaan keluarga untuk menyeimbangkan warisan budaya dan inovasi demi keberlanjutan jangka panjang.

***Kata kunci**: Nilai Budaya, Kapabilitas Dinamis, Bisnis Keluarga, Analisis Fenomenologis Interpretatif, Kinerja Organisasi, Manufaktur Cat.*

INTRODUCTION

The role of organizational cultural values in shaping strategic direction and corporate success has become a key concern in modern management studies (Agustian et al., 2023). Strong cultural values align the organization's vision with member behavior, influencing innovation, service quality, and production efficiency (Shuaib et al., 2021). In the manufacturing sector, particularly the paint industry, global competition, environmental demands, and changing consumer preferences present complex challenges. Research indicates that adaptive organizational cultures are crucial for maintaining competitiveness and identity amid environmental turbulence (Ghaleb & Dahiam, 2024). This issue is increasingly relevant in Indonesia, where the paint industry is expanding alongside property and automotive growth, yet faces mounting pressure from multinational players (Wuttke, 2021).

Family-owned manufacturing firms exhibit unique dynamics compared to non-family firms (Pinna et al., 2024; Suder et al., 2024). Founders' values often shape operational practices and decision-making, strengthening identity. However, adherence to traditional norms can conflict with the need for innovation and technological adaptation. Studies reveal that the tension between preserving cultural heritage and fostering innovation is critical to family business success, particularly in Indonesia's paint industry, where green innovation and cost efficiency are imperative. Dynamic capabilities explain how organizations integrate, build, and reconfigure resources to adapt to change. The framework emphasizes sensing, seizing, and reconfiguration capabilities (Patrício et al., 2022). In the paint sector, this involves adopting new production technologies, aligning designs with market trends, and meeting environmental regulations. Research Zapata et al. (2023) shows that dynamic capabilities enhance competitiveness in family businesses facing rapid industry changes, yet their interaction with organizational culture in manufacturing family firms remains underexplored.

Organizational performance in manufacturing extends beyond financial results to include productivity, innovation, customer satisfaction, and sustainability (Maletič et al., 2021). Innovative cultures combined with strong dynamic capabilities significantly improve performance (Gupta & Gupta, 2019; Ferreira et al., 2021). However, empirical evidence in paint manufacturing family firms in emerging markets like Indonesia is scarce, as most prior research focused on technology or service sectors (Yan & Yu, 2021). This indicates a notable research gap. Leadership also plays a vital role in balancing cultural traditions and innovation. Leaders in family firms must preserve organizational values while ensuring adaptability to market shifts (De Massis et al., 2024). In the paint industry, strategic leadership determines success in adopting green technologies, enhancing quality, and sustaining customer loyalty. Yet, limited research explores leaders' subjective perspectives in managing cultural and adaptive tensions, particularly through interpretive phenomenological methods.

This study contributes both theoretically and practically. It enriches literature on the integration of organizational culture and dynamic capabilities within the Resource-Based View framework, emphasizing unique resource-based competitiveness. It also fills the research gap concerning traditional manufacturing family firms in emerging markets. This study offers strategic insights for balancing cultural preservation and innovation to maintain competitiveness amid industry transformation.

Furthermore, the findings are expected to guide family firms in Indonesia with practical recommendations for adaptation, innovation, and culturally rooted leadership development. The study supports family business sustainability in facing global pressures while preserving their identity and social capital. This research advances strategic management theory and provides practical relevance for managing family-based paint manufacturing firms in a dynamic market. This study aims to explore the relationship between organizational cultural values, dynamic capabilities, and organizational performance in Indonesian family-owned paint manufacturing firms. The focus is on Chief Executive Officers (CEOs) subjective experiences in balancing tradition and innovation and understanding how cultural values influence dynamic capabilities, using the Interpretative Phenomenological Analysis (IPA) approach to uncover deeper managerial meanings.

LITERATURE REVIEW

Cultural Values and Social Capital

Organizational cultural values have long been seen as an important cornerstone in shaping the identity, strategy, and direction of the family company. Recent research emphasizes that a strong organizational culture provides stability as well as long-term orientation in the face of global competition (Munawaroh et al., 2021). Family cultural values not only influence managerial decisions but also form a close relationship between family members and the organization. Recent studies show that family companies that are able to integrate cultural values with business strategies are more resilient in the face of market dynamics (Siregar, 2024).

Family commitment is the foundation for business sustainability in the long term. High commitment strengthens cultural identity and creates stability in strategic decision-making (Konieczny et al., 2024). In addition, family loyalty is a form of emotional bond that fosters a sense of belonging to the company. Kosasi (2024) emphasizes that this loyalty creates intergenerational sustainability, while cutting-edge research shows that loyalty can strengthen trust both internally and externally in the organization. In the context of a family business, this commitment and loyalty function as social capital that supports business continuity.

Creativity, Innovation, and Dynamic Capabilities

Creativity is a key driver for innovation in family businesses, especially when faced with dynamic market changes. Handayani et al. (2021) emphasized that the creativity of family members allows the development of unique products, which increases the competitiveness of the company. Zhang et al. (2025) found that creativity also strengthens the company's adaptation mechanism in the face of competition. This is in line with recent research that shows that creativity is one of the key factors in encouraging sustainable innovation in family companies, both in the form of products and processes (Ahmad et al., 2021).

The concept of dynamic capabilities provides an important framework for understanding how organizations adapt to changing business environments. Dynamic capabilities that include sensing, seizing, and reconfiguration are proven to increase an organization's capacity to respond to market opportunities (Bornay et al., 2025). Bhatti et al. (2025) emphasized that this ability allows companies to innovate faster, while Jia et al. (2022) highlight its role in strengthening organizational flexibility. Recent research has also shown that family companies that integrate cultural values with dynamic capabilities tend to be more successful in maintaining competitiveness in the long term (Zapata et al., 2023).

Sustainability and Performance

Business sustainability has become a central issue in the family business literature. Liew and Loo (2024) emphasised the importance of cross-generational planning in supporting sustainability, while Rautiainen and Egloff (2022) add that social and environmental aspects must also be integrated in business practices. Veloso et al. (2021) show that family companies are more likely to adopt socially responsible practices, which increases customer reputation and loyalty. Recent research confirms that the integration of sustainability with cultural values and dynamic capabilities is a determining factor for competitive advantage in the manufacturing industry (Bari et al., 2022; Sumantri et al., 2025).

Organizational performance is the result of a combination of organizational culture, dynamic capabilities, and innovation strategies. Venter and Hayidakis (2011) emphasize that family culture influences both financial and non-financial performance. Rautiainen et al. (2024) show that external factors such as market conditions and regulations also affect performance. The latest findings confirm that strong dynamic capabilities enable family companies to make adaptive strategic decisions, which contributes to operational efficiency as well as competitiveness (Pike et al., 2024). Thus, organizational performance in a family company is determined not only by internal factors, but also by cultural interactions, capabilities, and innovation strategies.

RESEARCH METHODS

This research uses a qualitative approach with an interpretive phenomenological design known as Interpretative Phenomenological Analysis (IPA). This approach was chosen because it is able to reveal the subjective experiences of participants in depth while providing space for hermeneutic interpretation of the phenomenon being studied. In the context of this study, IPA is seen as appropriate to explore the meaning given by the CEO of a paint manufacturing family company to cultural values, dynamic capabilities, and organizational performance.

The research population is a family company engaged in the paint manufacturing industry in Indonesia. From this population, two companies were selected coded PT A and PT B. The sampling technique used was non-probability with a purposive sampling approach, where subjects were selected based on their role and relevance to the research objectives (Shamsudin et al., 2024). The subject of the study was the CEOs of both companies, considering that they have a strategic position as key decision-makers as well as guardians of family cultural values. The selection of CEOs as informants is based on literature that confirms that family leaders play a central role in the management of cultural values and innovation (Khushk et al., 2023). The limited number of participants was consistent with the IPA approach, which emphasized the depth of the analysis rather than the breadth of the sample (Smith & Fieldsend, 2021; Sekar & Bhuvaneswari, 2024).

Data were collected through semi-structured in-depth interviews, participatory observations, documentation, and experiential narratives. Semi-structured interviews were chosen to provide flexibility in exploring participants' experiences, while remaining guided by the research topic (Karatsareas, 2022). Participatory observation was carried out to obtain contextual data related to organizational practices that were not easily captured through interviews. Documentation in the form of internal reports, vision-missions, and strategic notes is used to strengthen data triangulation. In addition, the narrative of the CEO experience is used as textual data that allows for reflective and interpretive exploration. To maintain validity, triangulation of data sources and member checking are used, according to the latest qualitative research recommendations (Motulsky, 2021).

The research process consists of several stages: preparation (research permits, subject identification, and interview guideline design), data collection (in-depth interviews, direct observation, and document review), verbatim transcription for data accuracy, and data analysis through iterative reading, coding, theme grouping, phenomenological interpretation, and validation. All procedures adhere to research ethics, including informed consent, data confidentiality, and participant anonymity.

Data analysis was carried out using systematic science stages. The initial stage begins with reading the interview transcript repeatedly to understand the context of the narrative. Next, open coding is carried out to identify important themes that emerge from the data. These themes are then categorized and linked to related theories, such as organizational culture, dynamic capabilities, and organizational performance. Phenomenological interpretation is carried out by relating the participants' experiences with a conceptual framework, resulting in a deep understanding. To support the analysis, NVivo 12 qualitative software is used in data management and coding, which allows for more systematic and transparent analysis (Allsop et al., 2022). The validity of the findings is maintained through triangulation, member checking, trail audits, and researcher reflexivity to minimize bias.

RESULTS

Family Values and Organizational Sustainability

The results of the study show that cultural values are the main foundation in maintaining the business continuity of the two paint manufacturing family companies studied. At PT B, the value of hard work and simplicity inherited by the first generation is still the grip of the next generation. In the June 2025 interview, informant PTB-01 described the early experiences of the founder's mother, Mrs. SE, who once owned a small paint shop called Dukolux in West Jakarta. From this modest business, she gained valuable knowledge about distribution while simultaneously focusing on research and development. The informant also highlighted the founders' frugality and strong work ethic, noting that they were willing to make significant financial sacrifices to support the growth of their business. This frugality reflects a form of long-term orientation that supports strategic resource allocation in family firms (Ge et al., 2022).

These values are then developed by emphasizing integrity, openness, and a collaborative spirit. The philosophy of the Phoenix adopted as the company's logo also emphasizes the spirit of never giving up and readiness to rise from challenges. Meanwhile, at PT A, the value of organizational culture emphasizes integrity, concern for employees, and the spirit of nationalism. In the June 2025 interview, informant PTA-02 expressed a strong sense of responsibility and commitment, emphasizing the importance of fulfilling promises and prioritizing the collective success of the company over personal interests. The informant highlighted that the company must operate smoothly as it involves many people who depend on its continuity. Furthermore, the founder (PTA-03) underscored the importance of caring for employees' well-being, stating that business profitability should go hand in hand with ensuring that employees are properly looked after. Such employee-centered values enhance social capital and reinforce organizational identity across generations (Konieczny et al., 2024).

This culture then developed into a spirit of innovation and creativity, as well as a commitment to social contribution and nationalism. These findings confirm that although both companies are rooted in family values, there are differences in emphasis: PT B prioritizes openness and cross-cultural collaboration, while PT A emphasizes integrity, caring, and nationalism. This difference in focus on cultural values shapes the character of different organizations in managing business sustainability. The variation in cultural emphasis illustrates how family firms leverage distinct value systems to build resilience in volatile markets (Siregar, 2024).

Further interpretation reveals that these inherited family values function not only as behavioral norms but also as intangible strategic resources that guide decision-making and competitive positioning. In PT B, the founding philosophy of perseverance and simplicity evolved into a participative and learning-oriented culture that encourages experimentation and external collaboration key enablers of organizational adaptability. Conversely, PT A's orientation toward integrity and employee welfare fosters internal trust, social legitimacy, and long-term commitment, creating a stable foundation for strategic investments. These variations highlight how organizational culture in family-owned firms transforms across generations, aligning with leadership characteristics and environmental pressures. The evidence supports the argument that deeply embedded cultural values act as a path-dependent resource, shaping not only organizational identity but also the mechanisms through which firms sustain competitiveness amid turbulence.

Cultural Orientation Shapes Dynamic Capabilities

Both companies have demonstrated strong adaptive abilities in dealing with changes in the business environment. PT B emphasizes product innovation, technology adaptation, and strategic collaboration. During the COVID-19 pandemic, the company demonstrated its ability to innovate by developing a spray disinfectant product. According to the June 2025 interview with informant PTB-02, this initiative emerged as a strategic response to the crisis, reflecting the company's resilience and adaptability. The effort ultimately led to the creation of a new business line that expanded the company's product portfolio. This rapid market sensing and seizing behavior aligns with dynamic capabilities theory in family firms under crisis (Zapata et al., 2023). PT B also demonstrated the ability to adapt to technological developments, from manual processes to automation, while strengthening expansion through business partnerships.

Instead, PT A emphasizes more on the ability to invest in new technologies, innovative product development, and resilience in the face of crises. In the June 2025 interview, informant PTA-04 emphasized the company's strong commitment to technological advancement, highlighting its willingness to invest boldly in new technologies such as AMR. This attitude reflects the organization's forward-thinking approach and readiness to take calculated risks to enhance operational efficiency and innovation. PT A has also succeeded in developing environmentally friendly water-based paints, an innovation that demonstrates its commitment to sustainability. In addition, the company has proven to be able to survive and even grow in the midst of an economic crisis while maintaining customer confidence and the supply of raw materials consistently. Such proactive reconfiguration of resources supports long-term sustainability in traditional manufacturing (Bari et al., 2022). These results show that both companies develop dynamic capabilities in different ways: PT B emphasizes rapid response to market changes and external collaboration, while PT A emphasizes technological innovation and long-term resilience.

A deeper analytical view shows that both firms demonstrate the three dimensions of dynamic capabilities, sensing, seizing, and reconfiguring, though in different strategic orientations shaped by cultural underpinnings. PT B exhibits strong sensing of short-term opportunities (e.g., identifying market demand during the pandemic) and seizing them through quick product development and strategic alliances. Its gradual transition from manual to semi-automated production exemplifies the reconfiguration of internal resources to achieve operational flexibility. In contrast, PT A's sensing is long-term and anticipatory, recognizing macro trends such as environmental sustainability. Its bold investments in resin production facilities and eco-friendly paints illustrate seizing through proactive resource commitment, while restructuring organizational processes around R&D demonstrates reconfiguration for innovation continuity. The culturally embedded nature of these capabilities enhances their effectiveness in family-led firms (Jiao et al., 2025).These findings underline that cultural orientation fundamentally shapes how dynamic capabilities are enacted. PT B's openness and risk-taking foster agility and responsiveness, whereas PT A's integrity and perseverance encourage sustainable innovation and calculated long-term adaptation. This interplay highlights that dynamic capabilities do not emerge in isolation but are culturally embedded, reinforcing the firm's strategic resilience within the competitive paint manufacturing context.

Comparative Analysis of Organizational Performance

Organizational performance in both companies is measured through business growth, customer satisfaction, and operational sustainability. PT B recorded improved performance in the form of turnover growth, customer satisfaction, and commitment to sustainable business practices. In the June 2025 interview, informant PTB-03 explained that the company's performance had shown significant improvement, particularly in production efficiency and sales achievements. Targets set for operators in the production department were successfully met, reflecting both productivity growth and operational effectiveness. Furthermore, customer satisfaction emerged as a key focus for the company. As noted by informant PTB-04, the organization prioritizes responsiveness to customer complaints by providing prompt service and immediate solutions, demonstrating a commitment to maintaining trust and service quality. This customer-centric approach strengthens non-financial performance outcomes in family firms (Maletič et al., 2021).

PT A displayed stable performance with consistent growth in both domestic and international markets. In the June 2025 interview, informant PTA-05 highlighted that PT A has consistently maintained stable financial performance, supported by strong cash flow and high profitability driven by clear and ambitious business goals. The company's success is further reinforced by the international recognition of its products, which meet global quality standards and are comparable to those produced by leading European manufacturers, as noted by informant PTA-06. Additionally, PT A's solid reputation for delivering high-quality products has fostered strong customer loyalty, further strengthening its overall business performance and market position. Quality-driven reputation serves as a mediator between innovation and sustained performance (Ferreira et al., 2021). In general, the results of the study show that PT B relies on growth based on rapid innovation and customer service, while PT A emphasizes financial stability, global reputation, and long-term customer relationship management. Both of these patterns are equally effective in supporting performance, but they show different approaches to building a competitive advantage.

An expanded interpretation of performance outcomes reveals that the two firms operationalize success across financial, operational, and reputational dimensions. PT B's performance growth stems from short-cycle innovations, measurable productivity gains (e.g., tons produced per operator), and a responsive customer-service model that enhances satisfaction and loyalty. This reflects an agility-based competitive advantage, where dynamic capability activation yields immediate performance payoffs. Conversely, PT A's stable financial performance, consistent cash flow, and recognized international standards represent a resilience-based model emphasizing long-term value creation. Its commitment to product quality and sustainable technology investments aligns with the global shift toward green manufacturing. This alignment between cultural values, innovation, and performance supports the RBV framework in family enterprises (Sun et al., 2024). Collectively, these findings affirm that both firms achieve superior performance through distinct strategic logics: PT B through adaptability and customer-centric innovation, and PT A through technological excellence and trust-based continuity. This supports the Resource-Based View (RBV) proposition that enduring competitive advantage arises from the alignment between unique internal resources (cultural values) and the firm's ability to reconfigure them (dynamic capabilities) into measurable performance outcomes.

DISCUSSION

The study reveals that organizational culture is crucial in shaping the identity, behavior, and strategy of PT A and PT B. At PT B, the values of hard work, openness, and the Phoenix philosophy foster resilience and sustainable innovation. In contrast, PT A emphasizes integrity, employee welfare, and nationalism, creating a culture focused on social responsibility and long-term innovation. This supports the idea that organizational culture creates intangible resources, forming a sustainable competitive advantage (Ge et al., 2022). A significant implication is that family cultural values are dynamic, evolving with market conditions and generational leadership. PT B integrates Eastern and Western cultural elements to promote inclusivity in a globalized context, while PT A stresses nationalism and social contributions. This highlights that cultural adaptation in family businesses is context-dependent (Zapata et al., 2023).

The dynamic capabilities of both companies align closely with their cultural values. PT B excels in sensing and seizing opportunities rapidly, exemplified by its innovations in disinfectant sprays during the pandemic. Meanwhile, PT A focuses on long-term trends, such as environmentally friendly paints, and invests in high-risk projects like resin plants. This supports research emphasizing the importance of sensing, seizing, and transforming in maintaining a competitive edge (Bornay et al., 2025). The differences between the companies illustrate how cultural values influence dynamic capabilities. PT B's culture of openness enhances its adaptability, while PT A's commitment to integrity fosters sustainable innovation and the courage to invest for the long term. This study contributes to the literature on family culture and dynamic capabilities, particularly within the traditional manufacturing sector (Jiao et al., 2025).

Organizational performance at PT A and PT B is reflected in business growth, customer satisfaction, financial stability, and sustainability. PT B is noted for its quick response to market demands and high customer satisfaction, while PT A achieves long-term financial stability and a global reputation through quality products. These findings align with the RBV theory, which posits that sustainable competitive advantage arises from unique resources and the ability to reconfigure them effectively (Sun et al., 2024).

In contrast to previous studies suggesting that family businesses are often conservative (De Groote et al., 2021), this research shows that both PT A and PT B can innovate quickly and adaptively. This suggests that leadership generation and local context significantly influence how family culture translates into innovation strategies. This study enhances understanding of how cultural values and dynamic capabilities integrate to improve family business performance, especially in Indonesia's paint manufacturing industry. It confirms that family culture is a driving force for developing adaptive capabilities that lead to superior performance. The study recommends that family companies actively cultivate core cultural values while building adaptive capabilities through innovation and collaboration.

However, the research has limitations. The informants are limited to the CEO, which excludes perspectives from employees, suppliers, and customers. Additionally, the focus on the paint industry restricts generalizations to other sectors. Future research should expand participant diversity to include middle managers and employees for a more comprehensive perspective. Comparative studies across different family industries can provide a broader understanding of cultural roles and dynamic capabilities, while mixed-method approaches can quantitatively assess the relationships among culture, dynamic capabilities, and performance, enhancing the generalizability of findings.

CONCLUSION

This research confirms that organizational cultural values are a strategic foundation in shaping and strengthening dynamic capabilities in family-owned paint manufacturing companies. At PT B, the core values of hard work, integrity, openness, and the spirit of Phoenix encourage rapid adaptability through product innovation, external collaboration, and resilience in the face of crises. Meanwhile, PT A displays integrity, concern for employees, sustainable innovation, and a nationalism orientation that underpins the courage to invest in technology, green product development, and long-term financial stability. Both companies show that family culture not only maintains continuity across generations, but also becomes a unique resource that is difficult to replicate and plays a direct role in strengthening sensing, seizing, and reconfiguration as core dynamic capabilities. The integration of cultural values and dynamic capabilities positively influences organizational performance, as reflected in revenue growth, customer satisfaction, operational efficiency, competitiveness, and crisis resilience.

This study extends the RBV by demonstrating that family culture serves as an intangible yet strategic resource, activated through dynamic capabilities to achieve sustainable competitive advantage. It underscores the need to preserve and regenerate family cultural values, invest in green technology, and enhance cross-generational collaboration. The synergy between cultural values and dynamic capabilities strengthens both competitiveness and long-term resilience in the paint manufacturing industry. Despite these valuable insights, this study is limited by its qualitative scope and focus on two family-owned paint manufacturing companies in Indonesia, which may constrain the generalizability of the findings to other industries or national contexts. Future research could expand this investigation through mixed-method or longitudinal designs to examine how dynamic capabilities evolve across generations and market cycles. Comparative studies between family and non-family firms, or among manufacturing sectors with varying technological intensity, would also deepen the understanding of how cultural values interact with strategic adaptability and organizational performance over time.

Acknowledgement

The author sincerely thanks the leaders and staff of PT A and PT B for their cooperation and insights, as well as colleagues, supervisors, and supporting institutions for their valuable guidance and assistance throughout this research.

REFERENCES

[1] Agustian, K., Pohan, A., Zen, A., Wiwin, W., & Malik, A. J. (2023). Human resource management strategies in achieving competitive advantage in business administration. *Journal of Contemporary Administration and Management (ADMAN)*, *1*(2), 108–117.

[2] Ahmad, S., Omar, R., & Quoquab, F. (2021). Family firms' sustainable longevity: the role of family involvement in business and innovation capability. *Journal of Family Business Management*, *11*(1), 86–106.

[3] Allsop, D. B., Chelladurai, J. M., Kimball, E. R., Marks, L. D., & Hendricks, J. J. (2022). Qualitative methods with Nvivo software: A practical guide for analyzing qualitative data. *Psych*, *4*(2), 142–159.

[4] Bari, N., Chimhundu, R., & Chan, K.-C. (2022). Dynamic capabilities to achieve corporate sustainability: a roadmap to sustained competitive advantage. *Sustainability*, *14*(3), 15-31.

[5] Bhatti, S. H., Ahmed, A., Ferraris, A., Hirwani Wan Hussain, W. M., & Wamba, S. F. (2025). Big data analytics capabilities and MSME innovation and performance: A double mediation model of digital platform and network capabilities. *Annals of Operations Research*, *350*(2), 729–752.

[6] Bornay-Barrachina, M., López-Cabrales, Á., & Salas-Vallina, A. (2025). Sensing, seizing, and reconfiguring dynamic capabilities in innovative firms: Why does strategic leadership make a difference? *BRQ Business Research Quarterly*, *28*(2), 399–420.

[7] De Groote, J. K., Conrad, W., & Hack, A. (2021). How can family businesses survive disruptive industry changes? Insights from the traditional mail order industry. *Review of Managerial Science*, *15*(8), 2239–2273.

[8] De Massis, A., Dieleman, M., & Vogel, P. (2024). Family business. *Leading the Sustainable Business Transformation: A Playbook from IMD*, *7*(8), 305-309.

[9] Ferreira, J., Cardim, S., & Coelho, A. (2021). Dynamic capabilities and mediating effects of innovation on the competitive advantage and firm's performance: The moderating role of organizational learning capability. *Journal of the Knowledge Economy*, *12*(2), 620–644.

[10] Ge, B., De Massis, A., & Kotlar, J. (2022). Mining the past: History scripting strategies and competitive advantage in a family business. *Entrepreneurship Theory and Practice*, *46*(1), 223–251.

[11] Ghaleb, B. D. S., & Dahiam, B. (2024). The importance of organizational culture for business success. *Jurnal Riset Multidisiplin Dan Inovasi Teknologi*, *2*(03), 727–735.

[12] Gupta, A. K., & Gupta, N. (2019). Innovation and culture as a dynamic capability for firm performance: A study from emerging markets. *Global Journal of Flexible Systems Management*, *20*(4), 323-336.

[13] Handayani, T., Gian, M., & Kruger, N. A. (2022). The influence of product creativity on competitive advantage. *Journal of Eastern European and Central Asian Research*, *9*(5), 741–748.

[14] Jia, R., Hu, W., & Li, S. (2022). Ambidextrous leadership and organizational innovation: the importance of knowledge search and strategic flexibility. *Journal of Knowledge Management*, *26*(3), 781–801.

[15] Jiao, H., Li, W., Messeni Petruzzelli, A., & Fait, M. (2025). Family influence and dynamic capabilities in family firms: the moderating effects of knowledge scope and knowledge newness. *Journal of Knowledge Management*, *29*(4), 1111–1128.

[16] Karatsareas, P. (2022). Semi-structured interviews. *Research Methods in Language Attitudes*, *99*(3), 55-67

[17] Khushk, A., Zengtian, Z., & Hui, Y. (2023). Role of female leadership in corporate innovation: a systematic literature review. *Gender in Management: An International Journal*, *38*(3), 287–304.

[18] Konieczny, G., Kolisnichenko, P., Górska, M., & Górski, T. (2024). Identity of an enterprise as a distinct value in a culture of high tolerance for uncertainty. *Economics, Finance and Management Review*, *3 (19)*, 100–109.

[19] Kosasi, S. (2024). The influence of organizational culture, leadership style and generational differences on employee loyalty to the company. *Dinasti International Journal of Education Management & Social Science*, *6*(2). 81-88.

[20] Liew, M. X., & Loo, Y. M. (2024). The family-level of generational involvement: Impact on the nexus

between entrepreneurial orientation and business performance among small family businesses. *Journal of Family Business Management*, *14*(3), 475–494.
[21] Maletič, M., Gomišček, B., & Maletič, D. (2021). The missing link: sustainability innovation practices, non-financial performance outcomes and economic performance. *Management Research Review*, *44*(11), 1457–1477.
[22] Motulsky, S. L. (2021). Is member checking the gold standard of quality in qualitative research? *Qualitative Psychology*, *8*(3), 389.
[23] Munawaroh, M., Santoso, B., Gumilang, R. R., Hidayatullah, D., Hermawan, A., Marhanah, S., Gunawan, A., Sunarsi, D., & Purwanto, A. (2021). The effect of strategic leadership and organization culture on business performance: an empirical study in Indonesia. *The Journal of Asian Finance, Economics and Business*, *8*(6), 455–463.
[24] Patrício, V., Costa, R. L. da, Carvalho, H., Pereira, L., Dias, Á., & Gonçalves, R. (2022). Investigation model of sensing, seizing and reconfiguring capabilities. *International Journal of Value Chain Management*, *13*(4), 395–421.
[25] Pike-Bowles, A. P., Townes, J., & Chinyamurindi, W. (2024). The role of strategic flexibility and dynamic capabilities on family business performance. *The Southern African Journal of Entrepreneurship and Small Business Management*, *16*(1), 767-769.
[26] Pinna, R., Floris, M., Corona, F., Cicotto, G., & Dessi, C. (2024). *Dynamics of change: a comparative analysis of commitment in family vs. non-family businesses*. In *Management of sustainability and well-being for individuals and society* (pp. 673–677). Verona: Fondazione CUEIM.
[27] Rautiainen, A., Saastamoinen, J., & Pajunen, K. (2024). Auditors' perceptions of alternative performance measures–alternative truths and professional skepticism. *Accounting in Europe*, *21*(2), 134–153.
[28] Rautiainen, S., & Egloff, P. (2022). *A sociotechnical perspective of Artificial Intelligence in the context of Industry 4.0: The impact of AI on the social dimension of sustainability*. Lund, Sweden: Lund University (Master's Thesis)
[29] Sekar, D., & Bhuvaneswari, M. (2024). *Exploring the depths: qualitative research in psychology*. In *Methodologies and Ethics for Social Sciences Research* (pp. 267–292). Hershey: IGI Global Scientific Publishing.
[30] Shamsudin, M. F., Hassim, A. A., & Abd Manaf, S. (2024). Mastering probability and non-probability methods for accurate research insights. *Journal of Postgraduate Current Business Research*, *9*(1), 38–53.
[31] Shuaib, K. M., He, Z., & Song, L. (2021). Effect of organizational culture and quality management on innovation among Nigerian manufacturing companies: The mediating role of dynamic capabilities. *Quality Management Journal*, *28*(4), 223–247.
[32] Siregar, E. Y. (2024). Navigating crisis: strategic adaptations in family businesses amid economic uncertainty. *Involvement International Journal of Business*, *1*(2), 154–166.
[33] Smith, J. A., & Fieldsend, M. (2021). *Interpretative phenomenological analysis.* Washington, DC: American Psychological Association.
[34] Suder, M., Okręglicka, M., Wodecka-Hyjek, A., Mior Harun, M. H., Kłobukowski, P., & Tora, J. (2024). Are *family firms more entrepreneurial than non-family firms? a multidimensional comparative approach*. *Sustainability*, *16*(24), 110-118.
[35] Sumantri, B. A., Kristanto, T., Putri, S. W., Anas, M., Yulianto, D., & Riani, L. P. (2025). Exploring the impact of generational dynamic capabilities and cultural moderators on competitive advantage sustainability. *Jurnal Ilmiah Manajemen Kesatuan, 6*(7), 45-49.
[36] Sun, W., Chen, K., & Mei, J. (2024). Integrating the resource-based view and dynamic capabilities: a comprehensive framework for sustaining competitive advantage in dynamic markets. *EPRA International Journal of Economic and Business Review*, *12*(9), 1–8.
[37] Veloso, C. M., Magalhães, D., Sousa, B. B., Walter, C. E., & Valeri, M. (2021). Encouraging consumer loyalty: the role of family business in hospitality. *Journal of Family Business Management, 6*(6), 456-459.
[38] Venter, E., & Hayidakis, H. (2021). Determinants of innovation and its impact on financial performance in South African family and non-family small and medium-sized enterprises. *The Southern African Journal of Entrepreneurship and Small Business Management*, *13*(1), 414-418.
[39] Wuttke, T. (2021). The automotive industry in developing countries and its contribution to economic development. *CAE Working Paper*, *2021*(2), 756-759.
[40] Yan, H.-D., & Yu, F.-L. T. (2021). Southeast Asia: Indonesia, Malaysia, Myanmar, the Philippines, and Vietnam. In *The Routledge Companion to Asian Family Business* (pp. 331–424). London: Routledge.
[41] Zapata-Cantu, L., Sanguino, R., Barroso, A., & Nicola-Gavrilă, L. (2023). Family business adapting a new digital-based economy: Opportunities and challenges for future research. *Journal of the Knowledge Economy*, *14*(1), 408–425.
[42] Zhang, J., Jehangir, F. N., Yang, L., Tahir, M. A., & Tabasum, S. (2025). Competitive advantage and firm performance: The role of organizational culture, organizational innovation, and knowledge sharing. *Journal of the Knowledge Economy*, *16*(1), 3081–3107.