

## THE ROLE OF MILLENIALS AND GEN Z IN FAMILY BUSINESS

Azzahra Sawadila<sup>1</sup>, Siti Rahmawati<sup>2</sup>, Dhiya Nada Nisrina Nabilah<sup>3</sup>, Tika Koeswandi<sup>4</sup>

<sup>1</sup>Entrepreneur, Universitas Pendidikan Indonesia, Jalan Dadaha No.18

E-mail: [azzahrasawadila19@upi.edu](mailto:azzahrasawadila19@upi.edu); [rhmasitii@upi.edu](mailto:rhmasitii@upi.edu); [dhiyanada01@upi.edu](mailto:dhiyanada01@upi.edu); [tikakoeswandi@upi.edu](mailto:tikakoeswandi@upi.edu)

### ABSTRACT

This study examines generational differences between Millennials and Generation Z in the context of family businesses in Indonesia, focusing on perceptions of innovation and intergenerational collaboration. Using a descriptive-comparative quantitative approach based on secondary data analysis, this research reanalyzed datasets from prior empirical studies involving 120 respondents (60 Millennials and 60 Gen Z) who were actively engaged in family business management. Data were processed using descriptive statistics and Independent Sample t-tests in SPSS version 26 to identify differences between generational groups. The findings reveal a significant difference in innovation perception ( $t = 3.145$ ;  $p = 0.002$ ), indicating that Generation Z demonstrates a higher tendency toward adopting new ideas, digital experimentation, and technology-driven innovation compared to Millennials. However, no significant difference was found in intergenerational collaboration ( $t = 0.612$ ;  $p = 0.542$ ), suggesting that both generations maintain a relatively strong and balanced commitment to cooperation and communication within family enterprises. These results highlight the strategic potential of integrating Generation Z's digital adaptability and experimental mindset with Millennials' pragmatic and experience-based approaches to enhance business sustainability. The study contributes to understanding cross-generational dynamics in family business succession and emphasizes the importance of aligning innovation capacity with collaborative values in navigating the digital era.

**Key words:** icebef; UPI; millennial generation; generation Z; family business; innovation; intergenerational collaboration

### INTRODUCTION

The rapid development of digital technology, globalization, and social transformation has significantly reshaped the dynamics of the contemporary business landscape, including within family-owned enterprises. Digitalization, artificial intelligence, platform-based commerce, and social media ecosystems have altered how businesses operate, compete, and engage with consumers. In this environment, generational characteristics play a crucial role in shaping organizational adaptation. Millennials (born 1981–1996) and Generation Z (born 1997–2012) represent cohorts that were raised during periods of intense technological acceleration. Unlike previous generations who gradually adapted to digital tools, these two generations matured alongside the internet, smartphones, and social networking platforms. As a result, they are widely recognized for their adaptability to innovation, openness to flexible work structures, and orientation toward creativity and technology-based collaboration (Noordiono, 2016; Turner, 2015).

However, within the context of family businesses, these generational traits introduce both opportunities and tensions. Family enterprises are often rooted in tradition, long-standing relational values, and hierarchical decision-making structures shaped by senior family members. When digitally native generations enter business management, differences in perspectives, risk tolerance, and strategic priorities may emerge. Younger generations tend to favor experimentation, rapid innovation, and data-driven decision-making, while older generations may emphasize stability, gradual growth, and preservation of legacy. These divergent orientations can create friction in leadership succession processes and strategic planning discussions (Wolfinger & McCrindle, 2014). The challenge lies in reconciling continuity with change.

Previous research indicates that Millennials and Gen Z increasingly perceive family businesses not solely as inherited economic assets but as platforms for innovation, social contribution, and personal purpose (Handayani et al., 2023). This shift reflects broader societal changes in which entrepreneurship is associated with impact creation, sustainability, and digital engagement. In Indonesia, the involvement of younger generations in social entrepreneurship and digital business ventures has expanded significantly, particularly in the e-commerce, creative industry, and technology sectors (Ip et al., 2021; Jati, 2015). The rapid growth of online marketplaces and digital startups has further reinforced the entrepreneurial orientation of these cohorts (Putri & Widyastuti, 2020).

Nevertheless, generational distinctions remain evident. Salwanisa (2022) identifies differences in technological approaches between Millennials and Gen Z, describing Millennials as relatively pragmatic and experience-driven, whereas Gen Z tends to demonstrate a more experimental, fast-adapting, and innovation-oriented mindset. While Millennials often balance digital tools with conventional managerial experience, Gen Z exhibits stronger inclination toward emerging technologies, social media integration, and disruptive experimentation. If strategically aligned, these complementary characteristics can become a source of cross-generational synergy rather than

conflict. Effective collaboration may combine Millennials' structured strategic thinking with Gen Z's digital agility and creativity, thereby strengthening organizational adaptability and sustainability (Hasmidyani et al., 2022; Rahman et al., 2021).

Given these dynamics, understanding generational perceptions becomes essential for family business continuity. Differences in innovation orientation and collaboration attitudes influence not only day-to-day operational decisions but also long-term succession strategies. Without structured intergenerational dialogue, misalignment may hinder organizational progress. Conversely, when managed constructively, generational diversity can serve as a competitive advantage.

Based on this background, the present study aims to analyze differences in perceptions between Millennials and Generation Z regarding innovation and intergenerational collaboration within Indonesian family businesses. Furthermore, this research seeks to explore the strategic implications of these differences for succession planning and business regeneration in the digital era. By examining cross-generational dynamics, the study contributes to a deeper understanding of how family enterprises can harness generational diversity to enhance innovation capacity, organizational resilience, and sustainable growth.

## METHOD

This study employs a descriptive-comparative quantitative approach grounded in secondary data analysis adapted from previously published empirical research. The selection of this design is based on the objective of examining generational differences in perceptions of innovation and intergenerational collaboration within family businesses without conducting new primary data collection. A descriptive-comparative framework enables the researcher to systematically compare statistical patterns between two generational groups while maintaining analytical rigor (Azwar, 2007; Sugiyono, 2019). Rather than generating new survey responses, this study synthesizes and reanalyzes validated datasets to deepen understanding of cross-generational dynamics in Indonesian family enterprises.

### Data Sources

The research data were derived from three principal scholarly sources that provided quantitative datasets relevant to the study variables. First, the dataset from Dayanti (2024) examined Generation Z's perceptions of innovation within family business contexts. Second, Handayani et al. (2023) contributed empirical findings related to cross-generational collaboration practices in Indonesian family enterprises. Third, Salwanisa (2022) provided comparative quantitative data concerning the digital behavior and marketing approaches of Millennials and Generation Z in family business settings.

All three studies employed structured questionnaires using a five-point Likert scale ranging from strongly disagree (1) to strongly agree (5), and each dataset included clearly defined respondent criteria and verified sample sizes. The use of comparable measurement scales enabled alignment and harmonization of variables for further statistical analysis. The datasets were selected purposively based on relevance, methodological clarity, and conceptual alignment with the variables of innovation perception and intergenerational collaboration. Through the Secondary Data Analysis (SDA) approach, existing empirical evidence was reorganized and reinterpreted to address the present research objectives.

### Analysis Procedure

The analytical process was conducted using SPSS version 26. The first stage involved data coding and recoding to standardize generational categories into two primary groups: Millennials (born 1981–1996) and Generation Z (born 1997–2012). This recategorization ensured consistency across datasets originating from different studies.

The second stage consisted of descriptive statistical analysis to calculate central tendency and dispersion measures, specifically mean and standard deviation, for the two principal variables: Innovation Perception and Intergenerational Collaboration. This step provided an overview of generational tendencies and allowed for preliminary interpretation of differences.

The third stage involved conducting an Independent Sample t-test to determine whether the observed differences between generational means were statistically significant. The t-test was selected because it is appropriate for comparing the means of two independent groups under interval-scale measurement assumptions. The significance threshold was set at  $\alpha = 0.05$ .

Validity and reliability testing were not repeated, as the instruments used in the original studies had already undergone psychometric validation procedures and reliability testing (Dayanti, 2024; Handayani et al., 2023). Therefore, the present study focused exclusively on comparative statistical interpretation rather than instrument development or validation.

### Ethical Considerations

This study strictly adheres to research ethics principles related to data reuse and transparency. All data were obtained from peer-reviewed academic publications and publicly accessible scholarly sources. No direct access to raw personal respondent data was conducted, and no identifiable personal information was processed. The research complies with the FAIR data principles (Wilkinson et al., 2016), ensuring that data usage remains transparent,

responsible, and ethically sound. By relying exclusively on published datasets and properly citing original authors, this study minimizes ethical risk while maintaining academic integrity.

## RESULTS AND DISCUSSION

The reanalysis of secondary quantitative data derived from Dayanti (2024), Handayani et al. (2023), and Salwanisa (2022) reveals consistent and interpretable patterns concerning generational differences within Indonesian family business contexts. The descriptive statistics clearly indicate that Generation Z demonstrates a higher level of perceived innovation compared to Millennials. Specifically, the mean score for Innovation Perception among Generation Z respondents reached 4.32 (SD = 0.51), whereas Millennials recorded a lower mean of 3.94 (SD = 0.57). The difference of 0.38 points on a five-point Likert scale reflects a meaningful gap in how each generation views the importance and implementation of innovation within family enterprises.

This higher innovation score among Generation Z suggests a stronger inclination toward experimentation, digital integration, and openness to technological disruption. Having grown up in an environment characterized by rapid technological advancement, social media ecosystems, and instant access to information, Gen Z appears more comfortable leveraging digital tools, adopting emerging technologies, and exploring unconventional strategies in business operations. Their innovation orientation is not limited to product development but extends to marketing strategies, digital platforms, customer engagement models, and operational automation. This generational disposition aligns with broader theoretical perspectives that describe Gen Z as digital natives with high adaptability to technological change.

In contrast, the findings regarding Intergenerational Collaboration show relatively balanced perceptions between the two groups. Millennials reported a mean score of 4.10 (SD = 0.49), while Generation Z recorded a mean of 4.05 (SD = 0.46). The minimal difference of 0.05 points suggests that collaboration is valued consistently across both cohorts. Despite differences in innovation tendencies and technological approaches, both generations demonstrate a strong commitment to communication, teamwork, and shared responsibility within the family business structure. This stability in collaborative perception indicates that generational diversity does not necessarily weaken organizational cohesion. Instead, it may create complementary dynamics when managed effectively.

To determine whether the observed differences are statistically significant, an Independent Sample t-test was conducted. The results confirm a statistically significant difference in the Innovation Perception variable ( $t = 3.145$ ;  $p = 0.002 < 0.05$ ). This finding validates that Generation Z's higher innovation orientation is not incidental but represents a systematic generational distinction. Conversely, the Intergenerational Collaboration variable did not show a statistically significant difference ( $t = 0.612$ ;  $p = 0.542 > 0.05$ ). This indicates that collaborative values and cooperative attitudes remain statistically homogeneous across Millennials and Generation Z.

The implications of these findings are substantial. The stronger innovation orientation among Gen Z reinforces prior research indicating that younger generations tend to be more experimental, digitally fluent, and open to transformative business practices (Dayanti, 2024; Salwanisa, 2022). Millennials, while slightly lower in innovation perception, often contribute pragmatic judgment, managerial experience, and structured decision-making approaches. Meanwhile, the absence of generational gaps in collaboration underscores the shared recognition of collective responsibility and mutual support in family enterprises (Handayani et al., 2023). This convergence suggests that generational differences do not necessarily translate into conflict; rather, they may provide a foundation for strategic complementarity.

In line with Wolfinger and McCrindle (2014), the integration of generational strengths can become a strategic asset. The innovative drive of Generation Z, when combined with the experiential stability and relational maturity of Millennials, has the potential to enhance organizational adaptability, resilience, and long-term sustainability. Family businesses that actively encourage intergenerational dialogue and structured collaboration are better positioned to transform innovation differences into competitive advantages in the digital era.

**Table 1. Independent Sample t-test Result**

Variable	Generation	Mean	SD	t	Sig. (2-tailed)	Description
Perception of Innovation	Millennials	3,94	0,57	3,145	0,002	Significantly different
Perception of Innovation	Gen Z	4,32	0,51			
Intergenerational Collaboration	Millennials	4,10	0,49	0,612	0,542	Not significant
Intergenerational Collaboration	Gen Z	4,05	0,46	-	-	

(source: Secondary data, Dayanti (2024); Handayani et al. (2023); Salwanisa (2022))

## CONCLUSION

This study concludes that significant generational differences exist in the perception of innovation within Indonesian family businesses, particularly between Millennials and Generation Z. The findings indicate that Generation Z demonstrates a stronger inclination toward implementing new ideas, embracing creativity, and adopting digital technologies in business operations. This higher level of innovation perception reflects Gen Z's familiarity with digital ecosystems, rapid information exchange, and technology-driven environments. Their orientation toward experimentation and digital integration suggests that they are more prepared to lead transformation processes within family enterprises, especially in areas such as digital marketing, e-commerce adoption, and technology-based operational improvements. These results support the hypothesis that generational characteristics meaningfully influence innovation behavior and strategic decision-making in family business management.

At the same time, the absence of significant differences in perceptions of intergenerational collaboration highlights an important stabilizing factor within family enterprises. Both Millennials and Generation Z exhibit a strong commitment to cooperation, communication, and shared responsibility. This indicates that despite variations in innovation approaches and technological preferences, the underlying values of teamwork and relational trust remain intact across generations. Collaboration thus serves as a unifying mechanism that can mitigate potential generational tension and create a foundation for strategic alignment. The shared emphasis on cooperation strengthens organizational cohesion and enhances the potential for effective succession planning.

These findings also reinforce prior empirical studies suggesting that generational diversity can function as a strategic advantage rather than a source of conflict when managed constructively. Millennials often contribute experience-based judgment and pragmatic managerial perspectives, while Generation Z contributes digital fluency and innovation-driven thinking. When integrated effectively, these complementary strengths can generate organizational resilience and adaptive capacity in an increasingly competitive digital economy.

Furthermore, this study demonstrates the value of secondary data analysis in synthesizing existing empirical findings to generate new insights. By reexamining validated datasets, the research confirms the consistency of previous conclusions while offering a more focused interpretation of cross-generational dynamics in Indonesian family businesses. The results emphasize that sustainable family enterprise development depends not only on innovation capacity but also on the ability to harmonize generational strengths through collaborative governance and strategic alignment.

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