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## A STUDY ON NEW GENERATION'S OPINION ON ACCEPTANCE TO JOIN THE FAMILY BUSINESS

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### ABSTRACT

This study explores the perspectives of the new generation in South Gujarat regarding their willingness to join and sustain family-managed businesses. With family businesses playing a crucial role in the regional economy, understanding generational dynamics is essential for ensuring business continuity and growth. The research employs primary data collection through structured questionnaire. A sample of 102 respondents was analysed using statistical tools, including frequency distribution, factor analysis, and the Kruskal-Wallis test. The study identifies three primary dimensions affecting next-generation engagement: (1) Generational dynamics and leadership challenges, (2) Business stability and growth potential, and (3) Personal fulfilment and family legacy. Results indicate no significant correlation between age and willingness to join family businesses, emphasizing that motivations are shaped more by career aspirations and business adaptability than demographic factors. The study concludes that to attract and retain younger family members, businesses must modernize management approaches, integrate innovative strategies, and foster open communication between generations.

**Keywords:** Intergenerational Entrepreneurship, Succession Planning, Career Aspirations, Work life balance, Family managed business

### Introduction

Family businesses are a dominant form of enterprise worldwide, contributing significantly to economic stability and employment generation. These businesses often benefit from strong market reputations and established operational structures, passed down through generations. However, the transition from one generation to the next is not always seamless, as younger family members may have differing career aspirations, values, and expectations regarding business operations. Understanding the perspectives of the new generation is crucial for ensuring the sustainability of family-managed enterprises.

The willingness of the younger generation to join family businesses is influenced by multiple factors, including personal ambition, financial stability, work-life balance, and the ability to innovate. While some individuals embrace the opportunity to carry forward their family legacy, others seek external work experience or prefer independent career paths. Generational differences in leadership styles, decision-making, and adaptability to modern business trends often create challenges in succession planning. Without a strategic approach to bridging these gaps, many family businesses struggle to retain young talent, leading to disruptions in continuity.

This study aims to explore the perspectives of the new generation in South Gujarat regarding their inclination to join and contribute to family businesses. It examines the key factors that drive or deter their decisions and identifies challenges such as intergenerational communication barriers and resistance to change. By analysing these insights, the research provides recommendations for enhancing family business sustainability through innovation, structured leadership development, and a balance between traditional values and contemporary business strategies.

### Literature Review

Benavides-Velasco et al. (2011) analysed trends in family business research, identifying key themes and methodologies to advance the field.

Dawson (2014) examined factors influencing later-generation family members' commitment to family businesses, highlighting identity, career interests, and financial concerns.

Smith (2014) explored how second-generation entrepreneurs shape their identity within family businesses, emphasizing the role of storytelling and personal agency.

Islam (2010) studied succession planning in family businesses, identifying leadership transition as a key factor in business continuity.

Miller (2014) highlighted the role of shared vision and family climate in developing next-generation leadership within family enterprises.

Chrisman (2003) discussed the theoretical foundations of family business research, emphasizing its significance in mainstream entrepreneurship studies.

Olson (2003) investigated the impact of family dynamics on business sustainability, finding that reducing family tension improves business success.

Hussain (2008) analysed the motivations of minority ethnic graduate entrepreneurs, revealing how cultural backgrounds influence business aspirations.

Giacon (2008) studied high-tech entrepreneurs, comparing the traditional and modern approaches of young business leaders.

Helin (2015) examined family business succession through real-time conversations, highlighting the role of dialogue in leadership transitions.

Magasi (2016) explored factors influencing business succession planning in SMEs, emphasizing the role of age, education, and gender.

Barbera (2018) analysed how entrepreneurial legacies develop across generations, emphasizing the role of future-oriented narratives.

Utami (2019) compared succession patterns in second- and third-generation family businesses, finding that leadership styles evolve over time.

Ungerer (2018) proposed a Family Business Success Map to enhance multigenerational sustainability through structured management practices.

Liu (2019) reviewed millennial entrepreneurs, identifying unique characteristics that differentiate them from previous generations.

Ongkowijoyo (2020) examined the relationship between successor readiness and family business performance, highlighting the importance of leadership preparation.

Zhao (2020) studied innovation behaviour among young entrepreneurs, emphasizing risk preferences and government support mechanisms.

Zeidan (2021) compared leadership practices of first- and second-generation family business owners, revealing differences in management approaches.

Nguyen (2022) analysed the impact of family ownership on firm performance in Vietnam, finding a U-shaped relationship between ownership and profitability.

Sonfield (2022) investigated how family business management styles evolve with business age, concluding that generational change does not always alter management practices.

## Research Methodology

This study adopts an exploratory and descriptive research design to examine the perspectives of the younger generation in South Gujarat regarding their willingness to join family businesses. The research framework is based on intergenerational entrepreneurship and career choice theories, analysing how generational differences, business stability, and personal aspirations influence decision-making. Primary data was collected through structured questionnaires, while secondary data was sourced from books, journals, and online publications. The sample consisted of 102 respondents, selected using a non-probability convenience sampling method from the Maliba campus and Bardoli region.

Quantitative analysis was conducted using SPSS and Excel, with statistical techniques including frequency distribution, factor analysis, and the Kruskal-Wallis test. Factor analysis identified key determinants influencing next-generation engagement, while the Kruskal-Wallis test assessed the significance of age in shaping opinions on joining the family business. The study also considered limitations such as potential response bias, restricted sample diversity, and context-dependent findings. Future research could expand to cross-cultural comparisons, technological influences, and long-term succession planning strategies to enhance the sustainability of family businesses.

## Data Analysis

Collected data further processed for the analyse to satisfy the objective. To find out the factor influencing the younger generation to join family business the factor analysis was performed and results are as under:

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.908
Bartlett's Test of Sphericity	Approx. Chi-Square	2002.030
	df	276
	Sig.	.000

Kaiser-Meyer-Olkin Measure of Sampling Adequacy should be greater than 0.70 indicating sufficient items for each factor. Here, the results of the KMO is 0.908 which is greater than 0.70.

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.047	54.362	54.362	13.047	54.362	54.362	7.696	32.065	32.065
2	1.836	7.650	62.012	1.836	7.650	62.012	4.348	18.118	50.184
3	1.056	4.400	66.412	1.056	4.400	66.412	3.895	16.228	66.412
4	.873	3.636	70.048						
5	.783	3.262	73.310						
6	.717	2.987	76.297						
7	.699	2.914	79.211						
8	.607	2.529	81.740						
9	.556	2.315	84.054						
10	.496	2.066	86.121						
11	.482	2.008	88.129						
12	.425	1.773	89.902						
13	.358	1.492	91.394						
14	.342	1.424	92.817						
15	.302	1.256	94.073						
16	.255	1.064	95.137						
17	.208	.867	96.004						
18	.193	.806	96.810						
19	.175	.731	97.540						
20	.159	.663	98.203						
21	.138	.577	98.780						

22	.127	.531	99.310						
23	.096	.402	99.712						
24	.069	.288	100.000						

Extraction Method: Principal Component Analysis.

The total Variance explained table shows how the variance is divided among the 24 possible factor. The three factors have eigen-value (a measure of explained variance) greater than 1.0.

#### Rotated Component Matrix<sup>a</sup>

	Component		
	1	2	3
I feel it is important to continue the family legacy by joining the family business.	.719	.316	.299
I am personally interested in working in the family business.	.762	.202	.164
Joining the family business aligns with my career goals and aspirations.	.727	.267	.182
My family encourages me to join the family business.	.563	.503	.111
The family business offers opportunities for personal growth and career advancement.	.591	.226	.501
I find it challenging to make business decisions independently in the family business.	.223	.510	.554
Managing conflicts within the family is difficult while running the business.	.268	.747	.205
The financial stability of the family business is a concern for me.	.546	.513	-.078
Balancing traditional business practices with modern approaches is difficult.	.363	.767	.062
There is a significant difference in business approaches between me and the older generation.	.217	.640	.249
The older generation values my opinions and suggestions in business decisions.	.771	.113	.327
I find it challenging to communicate effectively with the older generation in the business.	.064	.773	.349
The older generation resists changes or modern ideas in the business.	.168	.569	.494
Working with the older generation has helped me learn valuable skills.	.657	.150	.517
Working in the family business gives me a sense of pride and fulfilment.	.780	.214	.332
I feel that my contributions to the family business are valued and recognized.	.613	.130	.555
I believe the family business provides a stable and secure future for me.	.750	.301	.211
I have the freedom to innovate and implement new ideas in the family business.	.755	.222	.224
Balancing my personal life and responsibilities in the family business is manageable.	.587	.325	.434
I would need additional skills or training to feel prepared to join.	.367	.227	.739
I feel that working outside the family business first is important for gaining experience.	.183	.436	.478
The family business is innovative and adaptable to future market trends.	.540	.321	.542
I am proud of the legacy and values of my family business.	.596	.292	.605
I believe that joining the family business will provide me with a good work-life balance.	.685	.241	.431

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotated component matrix shows 24 factors minimized into 3 component which covers every factor. These 3 components are Generational dynamics & leadership challenges, Business stability & growth potential, and Personal fulfilment & family legacy.

To know the association between age and opinion of younger generation to join the family business

H0: There is no significance association between age and opinion of younger generation to join the family business

Test Statistics <sup>a,b</sup>	Chi-Square	df	Asymp. Sig.
I feel it is important to continue the family legacy by joining the family business	6.29	3	0.098
I am personally interested in working in the family business	7.37	3	0.061
Joining the family business aligns with my career goals and aspirations	7.729	3	0.052
My family encourages me to join the family business	2.524	3	0.471
The family business offers opportunities for personal growth and career advancement	0.229	3	0.973
I find it challenging to make business decisions independently in the family business	1.754	3	0.625
Managing conflicts within the family is difficult while running the business	0.51	3	0.917
The financial stability of the family business is a concern for me	2.41	3	0.492
Balancing traditional business practices with modern approaches is difficult	0.511	3	0.917
There is a significant difference in business approaches between me and the older generation	0.672	3	0.88
The older generation values my opinions and suggestions in business decisions	3.828	3	0.281
I find it challenging to communicate effectively with the older generation in the business	2.585	3	0.46
The older generation resists changes or modern ideas in the business	2.98	3	0.395
Working with the older generation has helped me learn valuable skills	4.927	3	0.177
Working in the family business gives me a sense of pride and fulfilment	3.96	3	0.266
I feel that my contributions to the family business are valued and recognized	3.758	3	0.289
I believe the family business provides a stable and secure future for me	2.306	3	0.511
I have the freedom to innovate and implement new ideas in the family business	2.099	3	0.552
Balancing my personal life and responsibilities in the family business is manageable	2.362	3	0.501
I would need additional skills or training to feel prepared to join	1.124	3	0.771
I feel that working outside the family business first is important for gaining experience	2.875	3	0.411
The family business is innovative and adaptable to future market trends	4.81	3	0.186
I am proud of the legacy and values of my family business	1.562	3	0.668
I believe that joining the family business will provide me with a good work-life balance	2.777	3	0.427

The Kruskal Wallis test here is used to determine whether there is significant association between age and opinion of younger generation to join the family business or not. The test statistic (Chi-Square values) varies across the different factors, with the highest value being 7.729 for "Joining the family business aligns with my career goals and aspirations" and the lowest being 0.229 for "The family business offers opportunities for personal growth and career advancement." The degrees of freedom (df) for all cases are 3. The Asymptotic Significance (Asymp. Sig.) values, which determine statistical significance, range from 0.052 to 0.973. The Asymptotic Significance for all factors is greater than 0.05. It indicates that there is no significant association between age and opinion of younger generation to join family business. Therefore, H<sub>0</sub> is accepted.

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## Conclusion

This study explores the perspectives of the younger generation in South Gujarat regarding their willingness to join and contribute to family businesses. Findings indicate that while many recognize the stability and legacy of family enterprises, challenges such as leadership conflicts, resistance to change, and the need for innovation impact their decisions. Key influencing factors include generational dynamics, business stability, and personal fulfilment. The study also found no significant correlation between age and willingness to join, suggesting that career aspirations and business adaptability play a greater role.

To ensure long-term sustainability, family businesses must modernize management approaches, foster open communication, and provide structured leadership development programs. Encouraging innovation, allowing autonomy in decision-making, and balancing traditional values with contemporary strategies can improve next-generation engagement. By addressing these challenges, family-managed enterprises can enhance their adaptability and ensure smooth intergenerational transitions.

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