

# Next-Gens Want Peers, Not Parents, to Lead Them

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Millennials, those born between the end of the '70s and the beginning of the new millennium, are accustomed to the limitless possibilities of the online world, where local or even country borders are no barrier. They are now the largest living generation, according to the Pew Research Center. As they begin moving into the management ranks of their family firms, they can be more fearless in helping family firms expand their customer base worldwide.

But our study of 92 Italian family firms revealed an important caveat: Millennials work harder and more successfully to expand their family firm globally if their CEO is a fellow millennial and is not a family member. Our research, published in the [Journal of Family Business Strategy](https://www.sciencedirect.com/science/article/abs/pii/S187785852100036X) (<https://www.sciencedirect.com/science/article/abs/pii/S187785852100036X>), suggests that non-family peers can motivate millennials better than parents or other older relatives in the firm, and help increase “export intensity,” or the weight of international sales to total revenues.

Our research takes place during a time when many family firms are seeking to expand their markets, but older generations may be more hesitant to do so because they are newer to technology and have grown up with a different worldview. Italy is the perfect setting because family businesses are the backbone there, accounting for nearly two-thirds of all companies with annual sales of more than 20 million euros (nearly \$21 million.) Millennials also account for about 28 percent of the Italian population.

## What We Studied

We looked at what other researchers have found – about millennials’ education, their attitude toward technology and the global viewpoint they’ve acquired from their life and social experiences. We assumed that their involvement in the internationalization process of their family firm would increase the export intensity. From studying what others have found about complex family dynamics, we also figured that an outside leader might have better luck getting sustained efforts from the millennials in the business. Furthermore, we guessed that non-family leaders who were millennials themselves would coax out the highest performance from their peers.

We sent the questionnaire to a group of privately held family businesses whose employees included family millennials (based on their membership in an organization for young professionals) in a region of northern Italy. This choice improved the odds that the millennial family members had similar experiences and lived similar events as belonging to the same “era”. More than half of the 92 respondents were working in small firms (fewer than 50 people); 27 percent were from medium-sized firms (50 to 250 people); and 9 percent were large firms (more than 250 people).

We asked the respondents about the percentage of global sales; the degree of involvement of family millennials in internationalization effort; the age of the CEO and whether he or she was from inside or outside the family. We controlled for a number of factors that could have skewed the results: age of the firm, financial resources, size, industry and whether or not the firm had a board of directors.

## Results

The results of our study confirmed all three of our hypotheses: millennial involvement increased the percentage of exporting, especially when led by CEOs that are millennial themselves and not belonging to the same family. Thus, we've seen that societal generation – the shared historical and social events of the age cohort – shapes the attitudes of managers and leaders towards the business and its possibilities.

The findings of our study suggest that the involvement of family millennials in promoting and supporting internationalization enhances export intensity. In addition, family millennials led by a non-family CEO help increase export intensity even further. This finding echoes the need to balance family involvement with external (non-family) leadership in family firms. Lastly, according to our findings, having a millennial CEO seems to be beneficial for family millennials involved in internationalization to increase their positive effect on export intensity.

## Takeaways

Our research offers some important practical advice for family firms seeking to grow their business around the world:

- Family millennials are willing and able to help their business expand globally.
- They seem even more effective with a leader who shares the same generational cohort, but not their family membership.
- Family owners in need to expand globally should consider involving millennials in the internationalization process, but also hiring a non-family millennial CEO.
- Millennials should also be considered in succession planning, especially at family firms seeking to expand beyond country borders.

We encourage family business scholars to pursue the numerous research opportunities available to enrich the exciting line of investigation we opened with this paper. And while our study took place in Italy, we'd like to see similar studies set in other countries where attitudes towards family members within family businesses might be different.

## Explore the Research

[Exploring family millennials' involvement in family business internationalization: Who should be their](#)

### leader?

(<https://www.sciencedirect.com/science/article/abs/pii/S187785852100036X>)

*EDITOR'S NOTE: This article was produced in partnership with the Journal of Family Business Strategy, a leading journal in the field of family business, as part of our mission to bring research-proven insights and practical advice to our readers.*