

CHAPTER V

CONCLUSIONS

This chapter concludes the study by presenting conclusions based on the analysis and discussion conducted in the preceding chapters. Furthermore, it outlines the theoretical and managerial implications derived from the findings, addresses research limitations that may have influenced the results, and offers recommendations for future research. Thus, this chapter is expected to contribute to the development of both theory and practice regarding family business management in the face of digital transformation challenges.

5.1 Conclusions

This section presents the research conclusions, formulated based on the results of hypothesis testing and the research discussion. The conclusions provide answers to the research problem statement and indicate the extent to which the research objectives have been achieved.

- a. Digital Leadership has a negative and insignificant effect on Family Business Performance. This indicates that the estimated direct relationship between Digital Leadership and Family Business Performance was negative, however, the relationship was not statistically significant. The effect of Digital Leadership on performance may not be immediate, it requires another variable to mediate the relationship Digital Leadership and Family Business Performance.
- b. Dynamic Capability has a positive and significant effect on Family Business Performance. This finding indicates that as dynamic capability in business

increases, family business performance tends to increase based on the direct relationship estimated by the model.

- c. Organization Flexibility has a positive and significant effect on Family Business Performance. This finding indicates that as organization flexibility in business increases, family business performance tends to increase based on the direct relationship estimated by the model.
- d. Digital Leadership has a positive and significant effect on Dynamic Capability. This finding indicates that as digital leadership of a leader in business increases, dynamic capability in a business tends to increase based on the direct relationship estimated by the model.
- e. Digital Leadership has a positive and significant effect on Organization Flexibility. This finding indicates that as digital leadership of a leader in business increases, organization flexibility in a business tends to increase based on the direct relationship estimated by the model.
- f. Dynamic Capability significantly mediates the relationship between Digital Leadership and Family Business Performance through a positive indirect effect. This finding indicates that stronger Digital Leadership is associated with higher Dynamic Capability, which subsequently contributes positively to Family Business Performance. In other words, Digital Leadership can contribute to improved Family Business Performance through the development and strengthening of Dynamic Capability.
- g. Organization Flexibility significantly mediates the relationship between Digital Leadership and Family Business Performance through a positive

indirect effect. This finding indicates that stronger Digital Leadership is associated with higher Organizational Flexibility, which subsequently contributes positively to Family Business Performance. In other words, Digital Leadership can contribute to improved Family Business Performance through the development and strengthening of Organizational Flexibility.

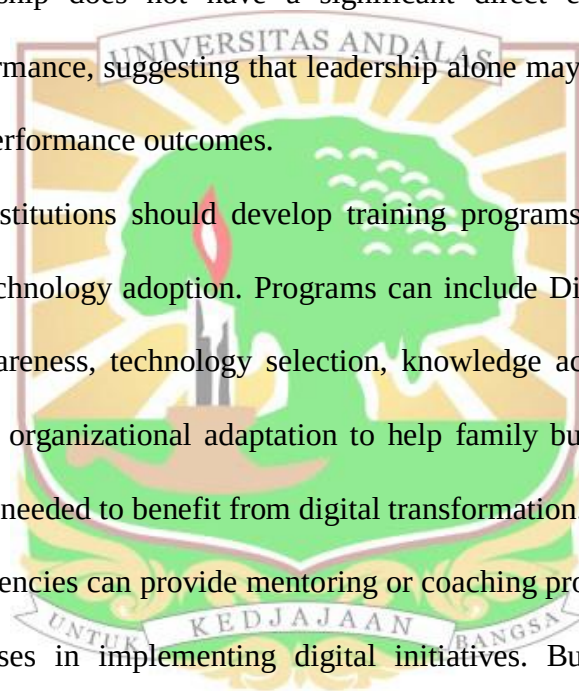
5.2 Implications

The findings of this study provide several implications for owners and managers of family businesses in Padang.

- a. Family business owners and managers should translate Digital Leadership into concrete practices by providing clear direction on digital technology, communicating technological opportunities and risks, and supporting employees in learning and using appropriate digital tools. This can help ensure that digital leadership is translated into organizational capabilities rather than relying solely on technology adoption.
- b. Family businesses should establish regular routines to monitor customer feedback, competitor activities, market trends, and technological developments. Owners and managers should also encourage employees to acquire, share, and integrate relevant external knowledge to improve products, services, and business processes.
- c. Managers should create an organizational environment that supports adaptation by encouraging communication, collaboration, employee initiative, and adjustments to existing work processes. Small-scale trials can

be conducted before implementing new technologies or major process changes across the business.

- d. Family businesses should implement digital transformation according to their organizational capacity and readiness. Technology adoption should be accompanied by employee training, knowledge integration, and process adjustment. This is particularly relevant because the findings show that Digital Leadership does not have a significant direct effect on Family Business Performance, suggesting that leadership alone may not immediately translate into performance outcomes.
- e. Government institutions should develop training programs that go beyond basic digital technology adoption. Programs can include Digital Leadership, digital risk awareness, technology selection, knowledge acquisition, digital marketing, and organizational adaptation to help family businesses develop the capabilities needed to benefit from digital transformation.
- f. Government agencies can provide mentoring or coaching programs that assist family businesses in implementing digital initiatives. Businesses can be connected with digital practitioners, consultants, technology providers, universities, or business communities to receive practical guidance during the transformation process.
- g. Government institutions should facilitate family businesses' access to relevant information, technology providers, training institutions, financing opportunities, and business networks. Such support can strengthen their



ability to acquire and integrate external knowledge, which is particularly relevant to the development of Dynamic Capability.

- h. Government digitalization programs should consider the limited resources and organizational capacity of small family businesses. Rather than requiring immediate adoption of complex technologies, policies can encourage affordable and incremental digitalization through practical tools, targeted assistance, and readiness-based programs. This can help family businesses gradually develop the Dynamic Capability and Organizational Flexibility needed to convert Digital Leadership into improved business performance.

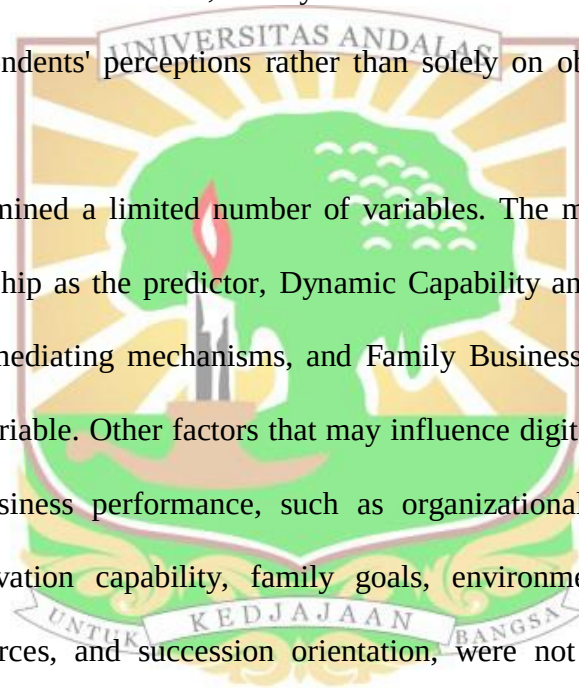
5.3 Research Limitations

Despite the contributions of this study, several limitations should be acknowledged.

- a. This study used a cross-sectional research design, meaning that data were collected at a single point in time. Consequently, the findings describe the relationships among Digital Leadership, Dynamic Capability, Organizational Flexibility, and Family Business Performance based on the conditions observed during the data collection period. The cross-sectional design limits the ability to examine how these relationships develop or change over time.
- b. The study focused on family businesses operating in Padang City. Although this geographical focus provides a relevant context for understanding family businesses in the local environment, the findings may not be fully generalizable to family businesses in other regions of Indonesia. Differences in economic conditions, business environments, cultural contexts,

technological infrastructure, and family business characteristics may influence the relationships examined in this study.

- c. The study relied on self-reported responses from owners, managers, and owner-managers. Although these respondents possess direct knowledge of their businesses, self-reported data may be subject to perceptual bias, social desirability bias, or differences in individual interpretations of the questionnaire items. In addition, Family Business Performance was measured based on respondents' perceptions rather than solely on objective financial data.
- d. The study examined a limited number of variables. The model focused on Digital Leadership as the predictor, Dynamic Capability and Organizational Flexibility as mediating mechanisms, and Family Business Performance as the outcome variable. Other factors that may influence digital transformation and family business performance, such as organizational culture, digital maturity, innovation capability, family goals, environmental dynamism, financial resources, and succession orientation, were not included in the model.
- e. The businesses included in the study varied in terms of business sector, business age, number of employees, and level of digital technology use. Although this variation provides a broad view of family businesses in Padang, differences between business sectors and organizational characteristics may influence the relationships among the variables. The study did not conduct separate analyses for each business sector or business characteristic, which



may limit the ability to identify potential differences between specific groups of family businesses.

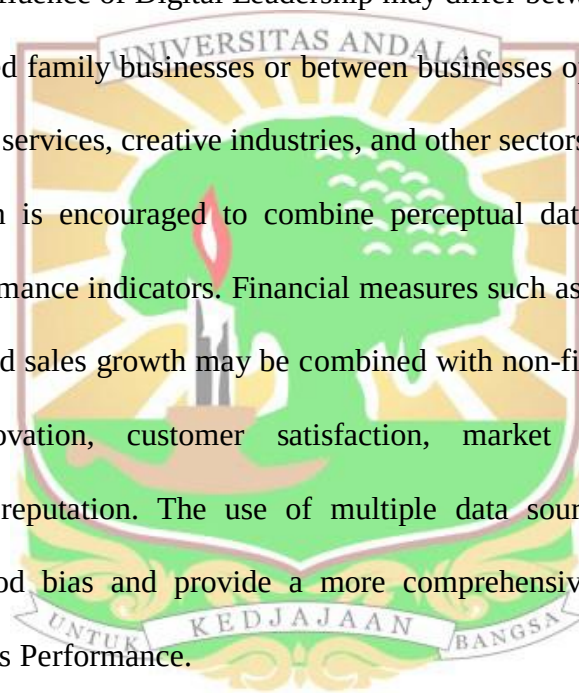
5.4 Recommendations for Future Research

Based on the limitations of this study, several recommendations can be proposed for future research.

- a. Future studies are encouraged to use longitudinal research designs to examine how Digital Leadership, Dynamic Capability, Organizational Flexibility, and Family Business Performance develop over time. A longitudinal approach would enable researchers to examine whether the development of Dynamic Capability and Organizational Flexibility occurs gradually and whether the performance benefits of digital leadership become more evident after the implementation of digital transformation initiatives.
- b. Future research may expand the geographical scope of the study by examining family businesses in other cities, provinces, or regions of Indonesia. Comparative studies between different regions may provide a broader understanding of how local economic conditions, cultural characteristics, technological infrastructure, and institutional environments influence the relationship between Digital Leadership and Family Business Performance.
- c. Future studies may incorporate additional variables into the research model. Potential variables include digital maturity, organizational culture, innovation capability, family goals, environmental dynamism, absorptive capacity, and organizational learning. These variables may provide additional explanations

regarding how and under what conditions Digital Leadership contributes to improved business performance.

- d. Future research may examine the role of business characteristics as moderators or conduct multi-group analyses. Differences in business sector, business age, firm size, generation, and level of digital technology adoption may influence the strength of the relationships examined in this study. For example, the influence of Digital Leadership may differ between younger and more established family businesses or between businesses operating in trade, manufacturing, services, creative industries, and other sectors.
- e. Future research is encouraged to combine perceptual data with objective business performance indicators. Financial measures such as revenue growth, profitability, and sales growth may be combined with non-financial measures such as innovation, customer satisfaction, market expansion, and organizational reputation. The use of multiple data sources may reduce common method bias and provide a more comprehensive assessment of Family Business Performance.
- f. Future research may further investigate the complex relationship between Digital Leadership and Family Business Performance. The negative direct effect and positive indirect effects found in this study suggest that the effect of Digital Leadership may depend on the organizational mechanisms through which digital transformation is implemented. Future studies may therefore examine additional mediators or sequential mediation models to identify how leadership influences organizational capabilities, innovation, adaptability, and



ultimately business performance. Such research may provide a more comprehensive understanding of how family businesses can convert digital leadership into sustainable competitive advantage and long-term performance.

