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Generational Experiences Shape Your Business Priorities

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> Beliefs about success, responsibility, and value creation are not formed in isolation—they are echoes of the time and place in which business owners grew up.

Entrepreneurs don't just wake up one day and decide how they will run their businesses. Their choices—whether to chase profits, focus on social impact, or strike a balance between the two—are often shaped long before they even think about starting a company. In our recent study, we set out to understand how the past, particularly the historical and social events that shaped different generations, leaves a lasting imprint on entrepreneurs' decision-making. The question at the heart of this research was simple: Do entrepreneurs from different generations approach these choices differently, and if so, how and why?

We had a strong hunch about what we might find. Entrepreneurs who grew up in more conservative times, where stability and financial security were the top priorities, would likely focus on maximizing financial performance. In contrast, those raised in more progressive eras—times marked by social change and activism—might be more inclined to see business as a vehicle for social impact, engaging more deeply in corporate social responsibility (CSR). This idea, rooted in theories of generational imprinting, suggested that the economic, political, and cultural climate during an entrepreneur's formative years could have long-term effects on their business philosophy.

What We Studied

To test this, we conducted two studies in Mexico, a country with clearly distinct generational shifts: a conservative generation and a progressive generation. The first study analyzed data from 86 entrepreneurs leading publicly traded companies, tracking how their businesses performed financially and how actively they engaged in CSR initiatives over time. This approach resulted in a dataset covering more than 1,200 data points, where each data point represents a single company in a specific year—meaning we examined multiple years of data for each firm to identify long-term trends and patterns rather than just a snapshot in time.

The second study took a more personal and qualitative approach, involving in-depth interviews with 33 entrepreneurs from the conservative and progressive generations. These interviews uncovered factors such as family traditions, religious beliefs, and personal experiences that influenced their decision-making and approach to business. Together, these studies provide both quantitative evidence and rich personal narratives, offering a well-rounded understanding of how generational differences shape entrepreneurial strategies and values.

What We Found

The findings were striking. As expected, conservative entrepreneurs placed a strong emphasis on financial success, prioritizing return on assets (ROA) over social impact. Their approach to business was deeply rooted in the idea of preserving wealth and maintaining stability. On the other hand, progressive entrepreneurs—those who had come of age in times of political and social upheaval—saw business differently. They leaned into CSR, believing that entrepreneurship should contribute to the greater good rather than simply generating profits.

But beyond these broad trends, other patterns emerged. Entrepreneurs with strong family ties or religious

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upbringings were more deeply influenced by their generational imprint, reinforcing either their financial or social priorities. Women, in particular, experienced generational imprinting differently. Many faced societal and family expectations that limited their access to business opportunities, yet those who overcame these barriers often had a heightened sense of responsibility toward their communities and employees. Age also played a role—older entrepreneurs showed stronger signs of generational imprinting than their younger counterparts.

Takeaways

These insights matter for anyone leading or starting a business today. Understanding that your business instincts may be shaped by your generational background can help you make more conscious decisions. Entrepreneurs focused solely on profits might benefit from considering social impact strategies, while those prioritizing CSR might need to think about financial sustainability. Family businesses, in particular, should be aware of how generational influences affect leadership transitions and long-term strategy.

At its core, this research highlights a simple but powerful truth: entrepreneurs carry the past with them, often without realizing it. Their beliefs about success, responsibility, and value creation are not formed in isolation—they are echoes of the time and place in which they grew up. Recognizing this can help business leaders make more intentional choices about the future.

Explore the Research

Echoes of the past: The long-lasting effects of entrepreneurs' generational imprints on value-creation models (https://www.sciencedirect.com/science/article/abs/pii/S0883902624000740) . *Journal of Business Venturing*, January 2025.

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