Emerging Strategies and Generation Gaps
Among entrepreneurs: Differences between baby boomers and Generation X

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EMERGING STRATEGIES AND GENERATION GAPS AMONG ENTREPRENEURS: DIFFERENCES BETWEEN BABY BOOMERS AND GENERATION X

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ABSTRACT

Our study aims to understand the inconsistency found in research about the known entrepreneurial characteristics of Generation X (G-Xers) and the existing entrepreneurial prevalence among Baby Boomers (BBers). We argue that it derives from generational work-related attitudes that influence perceptions of external threats imposed on a business. In line with the strategic adaptive model and the business development stage construct, the results of MANOVA analyses revealed that generational groups differ in perceiving certain external conditions as threats and differ significantly in perceiving and responding to threats deriving from external environmental conditions at different points of four business development stages. The most significant differences emerged at the start-up stage and the least significant at the initiation stage. The most differentiating strategies perceived as having an effect on the business were know-how in marketing and sales followed by know-how in the use of an enlarged network.
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SCOPE AND PURPOSE OF THE STUDY

The media have raised the profile of entrepreneurs, and we imagine them as young, innovative and creative, with a risk-taking spirit. Yet recent studies in the US, Canada and western European countries (Stangler, 2009; Wadhwa, Freeman & Rissing, 2008) found that the highest rate of entrepreneurial activity occurs among the Baby Boomers (BBers), born between 1946 and 1959, and not among the younger generations, i.e., Generation X (G-Xers), born between 1960 and 1980, and Generation Y, born from 1981 on. The literature describes BBers as target-oriented, accepting of the chain of command, more bureaucratic, and non-receptive to change (Cennamo & Gardner, 2008). G-Xers, meanwhile, are portrayed as having more entrepreneurial characteristics than their predecessors, e.g., being creative, innovative, proactive, willing to take risks and more technologically savvy (Martin & Tulgan, 2006). Some studies have attempted to explain the generational differences by highlighting the fact that BBers and G-Xers have come to entrepreneurship with a different blend of experience, role models and education. For example, while G-Xers have benefitted from early entrepreneurial role models, BBers have more prior business ownership or management experience. The empirical evidence on and explanations of the generational differences may make the inconsistency even more bewildering. BBers currently engage in more entrepreneurial activities than G-Xers (Stangler, 2009), and even when controlling for prior experience and educational level, many studies find G-Xers at a disadvantage compared to BBers in certain measures of their entrepreneurial performance (Stangler, 2009). These inconsistencies were the stimulus for this study.

In line with the findings on the entrepreneurial characteristics of BBers and G-Xers (Stangler, 2009; Wadhwa et al., 2008), we postulated that the explanation for these inconsistencies lies in the differences in the entrepreneurial conduct of BBers and G-Xers, such as the strategies used to manage their businesses. BBers and G-Xers may use different strategies—perceived by each group as the best practices—but the strategies BBers use apparently produce a higher entrepreneurial activity than those used by G-Xers. The question is, Why do these generational groups use different strategies in their businesses? We would expect
that entrepreneurs who face similar external environmental conditions, i.e., threats and opportunities, would use similar strategies to respond to these conditions.

To understand more thoroughly the use of different strategies to manage their businesses and how these can explain the inconsistency in generational entrepreneurial activity, we draw on two main conceptual constructs—the adaptive strategy model and the business development stage model.

The adaptive strategy model, presented by Chaffee (1985), focused largely on the development of the best match between business capabilities and threats/opportunities presented by the external environment, in the business’s attempt to cope with the threats or exploit the opportunities. The guiding concept of the adaptive strategy model suggests that the external conditions a business faces will vary as the organization progresses, e.g., threats imposed at the start-up stage will become irrelevant at more established stages. Consequently, a continual evaluative process of the extent and nature of the external environmental conditions imposed on the business is inherent to the entrepreneurial process. Thus, entrepreneurs may use different strategies to adjust to the different conditions they encounter. Differences in evaluating such conditions may play a significant role in developing strategies to adjust business activities.

Concurrently, studies on generational differences in the work world have consistently revealed substantial differences between generational groups in their perceptions of and attitudes towards work (Cennamo & Gardner, 2008). Generational groups may differ in how they perceive the conditions imposed on their businesses by the external environment; thus, the strategies that the entrepreneurs develop and use to adapt and best manage the business, in response to these external conditions, may differ from one generation to the other. Because of their different attitudes towards work, generational groups may decode or perceive external environmental conditions differently, some seeing them as threats and others perceiving them as opportunities. As a result, each generational group develops different strategies, as they are responding in different ways to different perceptions of the same environmental characteristics and conditions.

Despite the complexity and uniqueness of each case of new venture creation, authors have attempted to present that process in structures by stages. Churchill and Lewis (1983) were pioneers in the approach. Borges, Simard and Filion (2005) suggested a structure in four business development stages: initiation, preparation, start-up and operation.

Most strategic management literature (Chandler, 1962; Miller & Friesen, 1984) recognizes that the business development stages (e.g., initiation, preparation, start-up, operation) are an important factor in strategy formulation and that different strategies are appropriate for different stages (Churchill & Lewis, 1983; Greiner, 1972; Kazanjian, 1988; Kazanjian & Drazin, 1990; Shane & Venkataraman, 2000). Yet research has scarcely addressed the different perceptions that individuals might have regarding the external conditions imposed on their
businesses at each stage of development. For instance, as G-Xers are portrayed in research as thinking more creatively and innovatively than BBers (Zemke, Raines & Filipczak, 2000), they may perceive certain conditions imposed on their businesses, especially in the first stages of business development (e.g., Quinn & Cameron, 1983), as opportunities rather than threats. In contrast, BBers, typified as conforming more readily to the chain of command and accepting of organizational bureaucracy (Cennamo & Gardner, 2008; Seaton & Boyd, 2007), may perceive as opportunities rather than threats conditions encountered at the more developed stages of business development, when rules, norms and regulations have been established in the business. Thus, because of their generation-based perceptions and attitudes towards work, the generational groups may perceive differently—as threats or opportunities—external conditions imposed on their businesses at the different stages of business development, and so use different strategies to handle these external environmental conditions in the best possible way. This study focuses on the differences in perceived threats\(^3\) reported by BBer and G-Xer entrepreneurs and the consequent strategies that each generational group used in handling these conditions. The results of such explorations may provide additional insight on the generation gap in entrepreneurial activity.

**The generation gap and entrepreneurship**

The concept of generation has been a part of common discourse for many years (Coupland, 1996). Research has generally identified generation as including members who share common views, values and attitudes because they have experienced similar economic, demographic, political, technological and media environments (Martin & Tulgan, 2006). Differences between generations are confounded with changes due to aging, education, accumulation of work experience, and life and career stages. Moreover, because each generation was introduced to the work world at different points in time, their work values and images of their environments and of themselves differ, and therefore behaviors differ between generations.

Two significant work-related differences between individuals of different generations are relevant to this study: work values (Cennamo & Gardner, 2008) and the strategies used as best fit in adapting business capabilities to external threats. While most studies have addressed the first difference, the research has almost overlooked the second. Explorations associating generational differences and strategies, especially in the context of entrepreneurship, have elicited very little debate among researchers, although research on this subject now appears to be imperative.

**Generational work values**

Research has revealed generational differences in work attitudes between BBers and G-Xers. BBers favor influence and leadership at work; choose jobs that provide personal growth and gratification; value reputation, promotions, position and money as best rewards (Raines, 2003; Zemke et al., 2000); and demonstrate a
willingness to sacrifice personal or family time for a career. Technology has been the primary driver of growth and change for BBers: they developed and used new technologies to be able to create new goods and services, and this has also shaped their work values (Davis, Pawlowski & Houston, 2006; Seaton & Boyd, 2007). Many researchers have also recognized that the BBers' work model has driven the creation of an entrepreneurial spirit in the business market.

G-Xers, on the other hand, are more independent, self-motivated and self-sufficient than BBers. They expect more balance between work and leisure time and thus thrive in a workplace that is flexible and informal and offers freedom with respect to rules, including working hours. Ultimately, G-Xers expect work to be fun (Krug, 1998; Zemke et al., 2000). They do not attribute significance to job security or positions, and they perceive career as coming from the transferability of one's skills to other jobs (Coupland, 1996; Davis et al., 2006; Tulgan, 1996). Studies on IT professionals have shown that G-Xers ranked higher than BBers on statements such as "freedom from supervision is very important to me" and "I would quit my job if I inherited a lot of money," while BBers agree more strongly than G-Xers that "work should be one of the most important parts of a person's life" (Davis et al., 2006). The goal of attaining status sought by the entrepreneurs of the BBer generation has been replaced with the G-Xers' desire to find intellectually challenging work that is meaningful and contributes to society. Although G-Xers possess the characteristics of successful entrepreneurs, they may be equally satisfied working within either corporations or entrepreneurial businesses, as long as they find challenge and meaning (Eisner, 2005; Johns, 2003; Martin, 2004). In sharp contrast to BBers, the impetus for G-Xers to become entrepreneurs is related to challenge, variety and meaningful tasks rather than to financial gain.

Such differences in work attitudes seem complementary to the implication presented in Chaffee's (1985) adaptive strategy model and most relevant to deciphering generational differences in entrepreneurship.

Work-related behavior

Strategies designed and used in managing a business are typically described as a set of actions that responds to external conditions confronting the business (Carland & Carland, 2003; Chandler, 1962; Smith, Mitchell & Summer, 1985).

Studies on work-related behavior have found that most BBer entrepreneurs began their careers working for a company and, by acquiring work-related abilities, knowledge and experience in that environment, gained the confidence to move into their own businesses and pursue their entrepreneurial ideas (Seaton & Boyd, 2007). Their socialization in corporations is reflected in several behavioral characteristics: a strong work ethic and commitment; an association between the number of working hours and high performance (Smola & Sutton, 2002; Zemke et al., 2000); an effort to carry out work-related obligations to perfection and
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According to the requirements of the professional organization; a tolerance for organizational rules and policies (Raines, 2003; Zemke et al., 2000); and a workaholic approach. These characteristics imply that BBers may be more confident in handling threats encountered at the more established stages of business development, when the entrepreneurial business exhibits more similarities to traditional businesses.

G-Xers, on the other hand, are portrayed as more innovative, technologically oriented and tech savvy than their generational predecessors (Johns, 2003). They tend not to thoroughly study the organization or a task in order to exploit it (Eisner, 2005; Lewis, 2003), and most G-Xer entrepreneurs seek work they find meaningful (Lewis, 2003). While G-Xers have a vigorous entrepreneurial spirit, some researchers suggest that it lacks direction (Eisner, 2005; Tulgan, 2000; Yrle, Hartman & Payne, 2005), likely because G-Xers tend to embrace change, lack company loyalty and are willing to change the rules to satisfy their own needs. Studies depict G-Xers as individualistic and outcome-focused with respect to getting things done quickly, even if this means bending the rules a little (Eisner, 2005; Yrle et al., 2005). These findings imply that G-Xers may be more confident in handling external threats in the initial business development stages, even before start-up of the business, i.e., at the entrepreneurial stages where their self-empowerment occurs through creativity, ideas evolve, and rules and norms are blurred and ambiguous (e.g., Quinn & Cameron, 1983).

This study proposes an exploration of the differences in strategies that entrepreneurs of different generations use at different points in four stages of business development. We first identify the conditions that entrepreneurs of different generations perceive as threats imposed on their businesses, examining each business stage separately. We base our empirical foundation on research literature concerning the adaptive model (Chaffee, 1985), on studies concerning the adaptation of business capabilities to external environmental conditions, on models of business development stages (Kazanjian & Drazin, 1990) and on threats encountered at the different business development stages (Quinn & Cameron, 1983), as illustrated in Model 1.

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Insert Model 1 here
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Hypotheses

The literature suggests that generational groups hold different work-related perceptions and are characterized by different work-related behavior. Accordingly, we propose:

H1. External environmental conditions imposed on businesses will be differently perceived, in extent and nature, as threatening by entrepreneurs of different
generations. BBers, more than G-Xers, will perceive conditions as threatening their business at the early business development stages; G-Xers, more than BBers, will perceive conditions as threatening their business at the later business development stages.

The second research hypothesis is:

H2. External environmental conditions perceived as threats at the different business development stages will elicit different strategies from BBers and G-Xers to manage their businesses in response to these perceived threats.

Research design

A sample composed of 201 entrepreneurs was formed in the Quebec region, Canada. The businesses ranged in age from one to four years. The entrepreneurs were asked to address each point in their business development stages separately by responding to a questionnaire (Borges et al., 2005).

The questionnaire

The research team designed and tested a questionnaire that included questions on the following topics: (1) the external environmental conditions imposed on the business in a broad range of areas (e.g., exploiting opportunities, evaluating the project’s potential, allocating the relevant and most reliable information on the product, evaluating financial sources); (2) strategies used to manage the business (e.g., financial operations, deepening knowledge in technologies used for the product/services, building a reputation, addressing competitors); (3) personal characteristics of the entrepreneur (e.g., gender, age, level of education, previous experience in entrepreneurship).

Results

To determine if differences between the generational groups emerge in perceiving external environmental conditions as threats imposed on their businesses (H1), a two-step procedure was followed. First, a factor analysis was performed separately for each business stage (i.e., 1. Initiation, 2. Preparation, 3. Start-up, 4. Operation). The results are summarized in Table 1.

The results showed that by extracting factors with eigenvalues of 1.0 or higher, four factors explaining approximately 60.35% of the total variance emerged for the initiation stage (first stage). In the rotated matrix, the factor with the highest loadings is associated with evaluating the capacity and feasibility of the product.
idea (IDEA), followed in descending order by a factor associated with knowing how to develop a business, e.g., financial sources and business processes (LAUNCH). In the design and preparation stage (second stage), three factors explaining 69.17% of the total variance emerged, with the factor related to financial topics first (e.g., planning financial plans and budgets, finding investors, negotiating with banks) (FINANCE), followed by a factor associated with marketing and sales (MARKETING).

Five factors emerged for the start-up stage (third stage), explaining 67% of the total variance of this stage, with a factor related to topics on administrative management, e.g., managing the business resources and capabilities, costs, technology, legislative issues and administration (ADMINISTRATIVE MANAGEMENT) first, followed by research and development (R&D). Finally, at the operation stage (fourth stage), three factors emerged that together account for 63% of the total variance of this stage; the factor addressing maintaining profitability and sustainability (SUSTAIN) emerged as most significant.

The second step in exploring H1 included a one-way ANOVA analysis. The analysis revealed significant differences between the generational groups for five factors. The factor that appeared significant in the initiation stage is HR related to maintaining human resources-related processes. BBers scored the statements included in this factor higher than G-Xers, indicating they perceived these factors as difficulties and more threatening to their businesses, in accordance with H1. At the preparation stage, two factors emerged as significant: FINANCE, with BBers scoring higher than G-Xers (i.e., perceiving financial issues as more difficult to handle); and HR, with G-Xers scoring higher. These results were thus in partial accordance with H1. In the start-up stage, HR emerged significant, with G-Xers scoring higher than BBers, in accordance with H1. Finally, in the operation stage, two factors—MARKETING AND SALES and SUSTAIN—emerged significant. In both, G-Xers ranked higher than BBers on the statements included in these factors, in line with H1.

In nearly full accordance with the first hypothesis, significant generational differences emerged in perceiving conditions imposed by the external environment as threats at the different business stages. BBers, more than G-Xers, addressed the conditions experienced at the first stages of business development (i.e., initiation and preparation) as more difficult to manage and thus as threats. G-Xers addressed the conditions encountered at the more advanced stages (i.e., start-up and operation) as more threatening, apart from HR in the preparation stage.

To further investigate the second hypothesis (H2), a multivariate analysis of variance (MANOVA) was performed. The findings are summarized in Table 2.

Six statements representing strategies the entrepreneurs used to manage their business entered as dependent variables and the factors representing the external conditions entered as independent variables, in four multivariate analyses, each
for a different stage of business development and split by generational group (BBers and G-Xers).

The multivariate statistics for all MANOVA analyses emerged significant. At the initiation stage, two predictor variables were statistically significant (p < 0.05). In particular, as shown in Table 2, for external threats associated with the evaluation, capacity and feasibility of the idea (IDEA), BBers ranked significantly higher than G-Xers in both strategies: know-how in financial issues and know-how in marketing and sales. This outcome suggests that the generational groups were significantly differentiated in perceiving the contribution of these two strategies at the initiation stage to cope with threats associated with evaluating the business/product idea. Furthermore, BBers ranked these two strategies significantly higher at this stage, thus in line with H2. It should be noted that these results also indicate that the generational groups are not differentiated in perceiving the contribution of the four other strategies used to cope with external threats related to the business idea. The multivariate MANOVA for the preparation stage emerged statistically significant, with two factors of the external threats—MARKETING and FINANCE—significantly differentiating between the generational groups. The follow-up tests revealed two strategies differentiating between BBers and G-Xers when marketing-related threats were imposed on the business—know-how in general management skills and know-how in using an enlarged network. In both, BBers ranked higher than G-Xers, implying that when confronted with difficulties related to marketing and sales at the preparation stage, BBers, more than G-Xers, perceived the use of managerial skills and large networks as contributing to business success. The other threat that emerged as significant at the preparation stage is related to financing the business. The F value showed that two strategies appeared significant, indicating the generational groups’ differentiation in perceiving these as contributing to the business: know-how in technology and know-how in marketing and sales. Compared with G-Xers, BBers ranked both strategies significantly higher. The multivariate MANOVA for the start-up stage is statistically significant, with two factors of the external threats significantly differentiating between the generational groups—FINANCE and ADMINISTRATIVE MANAGEMENT. Four strategies emerged significant in differentiating between the generational groups when facing financial threats at the start-up stage—financial know-how, technology know-how, and know-how in marketing and sales and using an enlarged network. BBers ranked significantly higher than G-Xers on the contribution of financial know-how and technology know-how, while G-Xers ranked significantly higher than BBers on marketing and sales and using an enlarged network. Three strategies significantly differentiated the generations when confronted with difficulties in the areas of managing business resources, legislative issues, etc. (ADMINISTRATIVE MANAGEMENT): know-how in marketing and sales, leveraging your reputation and using an enlarged network. Specifically, BBers ranked significantly higher than
G-Xers in *know-how in leveraging your reputation* and *using an enlarged network*, and G-Xers ranked significantly higher than BBers in *marketing and sales* as contributing to the business at the start-up stage and to respond to administrative-related threats. Finally, the multivariate MANOVA for the operation stage is statistically significant. *ADMINISTRATIVE MANAGEMENT* emerged significant, and the follow-up tests revealed that four strategies significantly differentiate BBers from G-Xers: perception of *know-how in financial issues*, *in general management skills*, *in marketing and sales*, and *in leveraging your reputation*. G-Xers ranked significantly higher than BBers on perception of *know-how in financial issues*, *general management skills* and *marketing and sales*. BBers ranked significantly higher on perception of *know-how in leveraging your reputation* when faced by such threats at the operation stage.

In summary, the results that emerged indicate that the generational groups differ significantly in perceiving threats deriving from external environmental conditions imposed on their businesses, thus supporting H1. In accordance with H2, when encountering perceived threats at the different stages of business development, BBers and G-Xers are also significantly differentiated in perceiving the contribution of the different strategies to manage their business. The most significant differences emerged at the start-up stage and the least significant at the initiation stage. The most differentiating strategies perceived as having an effect on the business were *know-how in marketing and sales* followed by *know-how in using an enlarged network*. 

CONCLUSIONS

Our research delineates how perceptions of external environmental conditions imposed at different stages of business development affect the strategies that entrepreneurs of different generations use to manage the business. We argue that the inconsistency found in research on the entrepreneurial characteristics attributed to G-Xers and the current entrepreneurial prevalence among BBers derives from generational work-related attitudes that influence how BBers and G-Xers decode the external threats imposed on a business. Consequently, perceptions about business threats affect the generational groups with respect to the decisions they make, the strategies they design and the ways in which they manage.

Our study fills a theoretical gap by highlighting the origins and basis of generational differences in perceiving external threats to a business. As research on these relationships is scant, our study endeavored to combine two well-established perspectives—the adaptive strategy model (Chaffee, 1985) and models of business development stages, sometimes referred to in the literature as the business development stage construct (Churchill & Lewis, 1983). Our empirical findings on generational work attitudes and behavior could be used to craft a model that may improve our understanding about differences in the way entrepreneurial activities are shaped among different generations. The results support both the adaptive strategy model (Chaffee, 1985) and the business development stage construct (Churchill & Lewis, 1983) in the context of generational differences, in that both generational groups were found to use strategies that they perceived as contributing the most, thus consisting of the best fit between business capabilities and external conditions perceived as threats. The strongest level of support was found for the role of the business stages in the generational strategies used, by revealing that while encountering similar external threats—but at different stages of business development (i.e., initiation, preparation, start-up and operation)—BBers and G-Xers tend to use different strategies to manage their businesses. The results deepened our understanding of the inconsistency found between generational characteristics and their entrepreneurial activity. First, significant differences emerged in the perceptions each generational group attributed to the external conditions their businesses faced at different stages. These conditions were classified differently by BBers and G-Xers according to the level of difficulty each group experienced in handling them—thus as threats. Second, BBers were more likely to rank external conditions as threatening their businesses at the pre-start-up stages of the business, and G-Xers tended to report threats at the more advanced stages of business development, thus offering additional evidence in support of prior findings on the generational entrepreneurial-related attitudes and behavior and supporting our proposition that these relationships should be applied in the entrepreneurial realm. In particular, as BBers have been characterized in previous studies as being more tolerant of organizational norms and rules, we suggested...
and found that they may be more apt to report threats at the pre-start-up stages, where norms and rules are scarce. For G-Xers, who have been typified in previous research as more independent and innovative, we proposed and found that they perceive threats at the more developed stages, those that are more "traditional" and allow less independent behavior. Third, in building a model of the generational perceptions of external threats, we tried to provide a lens on a variety of strategies that differ widely and about which the differences are not always easily understood. Studies have been interested in explaining the differences in entrepreneurial activity by generational groups; our framework can usefully integrate both perspectives, strategies used and business development stages, by emphasizing the role of the perceived external threats in the strategies used. Together, the perceived threats and strategies that we explored offer a purposefully broad and integrative overview of the ways in which generational entrepreneurial activity can be understood. Our study aims to fill this gap by tracing the under-examined role of the generations’ perceptions of the external threats in relation to the strategies used along the different stages of their enterprise development, thus allowing for a better understanding that could lead to improving entrepreneurial activity among each of these two generations.

The limitations of this research should be mentioned. Accurate measurement of entrepreneurs’ strategies is essential to understanding generational differences and advancing the field. Yet measurement in entrepreneurial settings is often one of the main shortcomings of entrepreneurship research: entrepreneurs are difficult to locate and non-random samples are used. Although such samples are always suspect in generalizing to a broad population, the sample in this study is both fairly large and comprehensive. The generalized nature of this study may be a disadvantage; however, its limitations are not unusual in research on entrepreneurship. The value of enhanced understanding of generational differences in the strategies used—thus understanding why Gen-Xers are at a disadvantage with respect to entrepreneurial activity, compared to BBers—outweighs the study’s technical limitations.

Moreover, researchers rely largely on self-reports with respect to the perceptions, attitudes and behaviors of entrepreneurs. Such self-reports may be viewed as biased and subjective, since entrepreneurs may under-report behaviors that the researchers deem inappropriate while over-reporting behaviors viewed as appropriate. However, such measures are common in the entrepreneurial realm, as they are relatively easy to obtain and often the only feasible way to assess constructs of interest. Future research on the subject could compare additional generations, enlarge the data, compare firms managed by partners of different generations, and compare the results of mixed partnerships that include entrepreneurs from different generations.

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NOTES

1 The highest rate of entrepreneurial activity is aligned to a more successful entrepreneurial performance in terms of survival, among others (Reynolds, Camp, Bygrave, Autio & Hay, 2001).

2 This study targets BBers and G-Xers, the two most prevalent workforce groups. The next generation, the Generation Y-ers (the Millennials), are still limited in numbers in the labor market (Jennings, 2000).

3 It was decided to focus on threats rather than treating threats and opportunities at the same time, in order to understand more thoroughly the generational differences in this context. Differentiating between threats and opportunities suggests that these are two different entities that should be studied separately.

4 As findings in research are inconsistent, as presented, we will present a more general hypothesis rather than a specific hypothesis to determine the relationship between the perceived threats and the different strategies used by BBers and G-Xers. Endeavors of hypothesizing the exact strategies used for each perceived threat at the different stages of the business are still immature based on the existing literature in the topics discussed above.

5 The study was conducted by the Rogers–J. A. Bombardier Chair of Entrepreneurship, HEC Montréal with the financial support of the Ministry of Economic Development, Innovation and Export Trade (MDEIE) of Québec and a federal agency, the Economic Development Office for the Development of the Québec Region (DEC).

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Model 1: The Research Model

Entrepreneurs' generation:
- Baby Boomers
- Gen-Xers

Factors in the environment perceived as threats:
- The business idea
- How to launch a business
- Recruiting and managing the best employees
- Finance
- Marketing and sales
- Administrative management
- R & D

Strategies used most contributing:
Know-how in:
- Financial
- Technology related to the product
- General management skills
- Marketing and sales
- Leveraging your reputation
- Using enlarged network

Business life cycle:
- Initiation
- Preparation
- Start-up
- Operation

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Table 1: The Major Threats Reported for Each Business Stage – Factor Analysis

<table>
<thead>
<tr>
<th>Business Stage</th>
<th>Initiation</th>
<th>Preparation</th>
<th>Start-up</th>
<th>Operation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Factors</td>
<td>Initial eigenvalues</td>
<td>Initial eigenvalues</td>
<td>Initial eigenvalues</td>
<td>Initial eigenvalues</td>
</tr>
<tr>
<td></td>
<td>(% of variance)</td>
<td>(% of variance)</td>
<td>(% of variance)</td>
<td>(% of variance)</td>
</tr>
<tr>
<td>IDEA (e.g., evaluating the capacity and feasibility of the idea)</td>
<td>2.726 (24.8)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>LAUNCH (e.g., knowing how to launch a business, including knowledge of financial sources, business processes)</td>
<td>1.597 (14.5)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HR (e.g., finding the best human capital; managing staff, associates; maintaining motivation)</td>
<td>1.058 (9.6)</td>
<td>1.295 (9)</td>
<td>1.216 (8.1)</td>
<td></td>
</tr>
<tr>
<td>FINANCE (e.g., financial topics: seeking financial resources, investors; managing relationships with banks)</td>
<td></td>
<td>3.186 (24.5)</td>
<td>1.140 (7.6)</td>
<td></td>
</tr>
<tr>
<td>MARKETING AND SALES (e.g., gathering information on the sector/product; seeking clients; selling-related topics; managing relationships with suppliers)</td>
<td>1.257 (11.4)</td>
<td>1.921 (14.8)</td>
<td>1.658 (11.1)</td>
<td>1.502 (9.4)</td>
</tr>
<tr>
<td>ADMINISTRATIVE MANAGEMENT (e.g., managing the business resources, administration, costs, legislative-related issues; human resources)</td>
<td></td>
<td></td>
<td>2.79 (18.6)</td>
<td>1.408 (8.8)</td>
</tr>
<tr>
<td>R&amp;D (research and development of the different business processes)</td>
<td></td>
<td></td>
<td>2.038 (13.6)</td>
<td></td>
</tr>
<tr>
<td>SUSTAIN (e.g., maintaining profitability and sustainability)</td>
<td></td>
<td></td>
<td></td>
<td>3.054 (19.1)</td>
</tr>
</tbody>
</table>
Table 2: Summary of Multivariate Analysis (MANOVA) – Strategies used for external threats imposed on the business for each business stage

<table>
<thead>
<tr>
<th>Business Stage</th>
<th>Initiation Stage</th>
<th>Preparation Stage</th>
<th>Start-Up Stage</th>
<th>Operation Stage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>IDEA</td>
<td>MARKETING</td>
<td>FINANCE</td>
<td>FINANCE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FINANCE ADMINISTRATIVE MANAGEMENT</td>
<td>FINANCE ADMINISTRATIVE MANAGEMENT</td>
<td></td>
</tr>
<tr>
<td>External environment threats (factors)</td>
<td>Mean3 (SD)</td>
<td>F value</td>
<td>Mean3 (SD)</td>
<td>F value</td>
</tr>
<tr>
<td>Finance</td>
<td>3.8 (1.4)</td>
<td>3.1 (1.7)</td>
<td>4 (1.3)</td>
<td>3.75 (1.4)</td>
</tr>
<tr>
<td>Technology related to the product</td>
<td>4.1 (1.3)</td>
<td>4.5 (1.38)</td>
<td>.01</td>
<td>4.5 (9)</td>
</tr>
<tr>
<td>General management skills</td>
<td>3.0 (1.3)</td>
<td>2.29 (1.3)</td>
<td>.03</td>
<td>4.2 (9)</td>
</tr>
<tr>
<td>Marketing and sales</td>
<td>3.56</td>
<td>4</td>
<td>3.0*</td>
<td>3.78 (1.3)</td>
</tr>
<tr>
<td>Leveraging your reputation</td>
<td>4.1 (1.3)</td>
<td>3.57 (1.6)</td>
<td>.04</td>
<td>4.42 (8)</td>
</tr>
<tr>
<td>Using enlarged network</td>
<td>4.4 (1.0)</td>
<td>4.51 (7.3)</td>
<td>.04</td>
<td>3.7 (1.3)</td>
</tr>
</tbody>
</table>

1 Only factors of statistically significant multivariate tests (p<.05) are displayed.
2 *p<.05; **p<.01
3 Range: 1 (not important) 5 (very important)