We already know many elements of your upbringing can have an effect on how you perform as a chief executive. But does it make a difference if you’ve got an older brother or sister?

How does someone become a chief executive? Researchers are fascinated by the life stories and experiences behind corporate leaders. What kind of people rise to the top and what sets them apart? Do they possess similar characteristics and personality traits?

Understanding how executives behave and perform is important because they control a large fraction of the resources in the economy while running their companies. Research has already revealed a little about the mindset of corporate leaders. When they are hired, chief executives are generally smarter than their colleagues, more keen to take risks, and more optimistic.

We know too that early life experiences can affect how they go about their job. Researchers have linked any brush with disaster in childhood to attitudes to risk-taking later in life. For instance, chief executives who grew up during the Great Depression tended not to be keen on financing business growth through debt – they are more risk averse.

As a parent, it’s very hard to compensate for this kind of bias. But it does help to be aware of it.

But what about the families? Does having older or younger siblings matter and is it important where you are in the family pecking order? Yes, according to our research. Whether you are the first born child, and more specifically whether you have an older brother, is likely to affect your chances of leading a business. In fact, we found that 45 per cent of chief executives in the US are the first born children in their families, using a sample of small and medium size firms from Vistage. Given the number of siblings chief executives grew up with, we’d expect this to be just 30 per cent if birth order had no impact. In addition, we found these chief executives are less likely to have older brothers than younger ones, but not less likely to have older sisters than younger ones.

In simple terms, if you want to become a chief executive, make sure you don’t grow up with a big brother. Interestingly, it doesn’t seem to matter if you have an older sister: it’s important whether you are the first born son, but for women, it doesn’t seem to make any difference if you are the first born daughter.

Now you might expect this in family firms, where traditionally the oldest child is appointed to lead the company as the firm passes through the generations. But this doesn’t explain our wider findings – which apply to both male and female
Born to win? Do first borns have the most success?
Dr Claudia Custodio
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chief executives in the wider economy, not just family businesses.

The chief executives of 45 per cent of small and medium size firms in the US are the first born children in their families.

We've also found that, as time progresses, birth order seems to matter less. In fact, the first born advantage seems to have faded away for younger people who became chief executives after the year 2000. This might be explained by changing social dynamics – the decline of traditional attitudes to rearing children, and the decline of the traditional ‘nuclear’ family – and the availability of more resources to help with raising a child.

What else is going on here? A correlation between birth order and a higher IQ is already very well established. Research also shows birth order affects levels of motivation and achievement. The theory goes that parents have more time and resources to spend with their first child. And the more children they go on to have, the more squeezed their attention. We were surprised to discover too that the importance of birth order is more pronounced with smaller families – fewer than four children – than for those with more siblings. Being the first born of seven gives very little advantage over siblings. Could it be that parental resources within larger families are too tightly spread to confer any benefits on eldest siblings?

I see first hand how this can happen at home. When my first child was born, I began reading to her as a baby. She now reads to her little brother, so she gains twice over: both from my attention earlier in her life and by learning from the experience of helping her sibling. Could this widen the advantage she already has? As a parent, it’s very hard to compensate for this kind of bias. But it does help to be aware of it.

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What about companies? Could they use this information in any useful way? It's a sensitive topic, but someone’s birth order might indicate their appetite for risk and aptitude for the role – it could give companies useful insights when hiring the right manager.

In the world today, there are plenty of examples of prominent first born achievers, from Facebook executive Sheryl Sandberg to author JK Rowling to former US President Barack Obama. Interestingly, both US business magnates Warren Buffett and Bill Gates are middle borns, but they both have an older sister rather than an older brother.

What then for the middle and younger siblings? It’s not all bad news: our research found birth order doesn’t seem to matter for entrepreneurs or founder chief executives – there doesn’t seem to be any strong correlation there. This can be linked to earlier findings that first borns are more risk averse; perhaps the cognitive benefits of being the oldest sibling are cancelled out by the need for an entrepreneur to take a gamble and feel more comfortable with risk. Hence if you are not the first born kid in your family and still want to be a CEO of a company, just start one!

This article draws on findings from the working paper “Are CEOs More Likely to Be First-Borns?” by Claudia Custodio and Stephan Siegel.

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