Babies born in late fall face disadvantage making it to the CEO’s job, study reveals

BY JENNY LEE, VANCOUVER SUN  OCTOBER 23, 2012

Canadian babies born in late fall are less likely to be CEOs, according to a new study by the University of BC Sauder School of Business. It boils down to the relative age of the children compared to their classmates, the study said.

Photograph by: Rick Loomis, MCT

Canadian babies born in late fall are less likely to be CEOs, according to a new University of BC Sauder School of Business study.

And American babies born in the summer suffer the same fate, said Sauder finance professor Maurice Levi, co-author of a study on a CEO sample of companies on the Standard & Poor’s 500 index.

It boils down to the relative age of the children compared to their classmates.

Children born late in the school intake year are likely to be smaller and less able than their older classmates. The older children, appearing more capable, tend to be chosen more often for leadership roles in school and that, in turn, leads to increased confidence which stays with the children as they grow up, Levi suggested.

“You’d expect that to diminish through time,” Levi said. “When you’re four or five years old, a year is a lot of time….By the time you reach 55, you’d think it wouldn’t matter at all. It turns out, statistically,
you’ve got a lot less chance of becoming a CEO if you were born in those months where you’re one of the younger kids in class.”

Levi’s study showed that only six per cent of an S&P 500 American CEO sample was born in June and a similar percentage was born in July. In comparison, babies born in March and April represented closer to 13 per cent and 11 per cent of the American sample.

The idea that birth month affects future success is not new, but having solid data to support the contention is, Levi said. He and co-authors former Sauder students Qianqian Du and Huasheng Gao started investigating the effect of birth months on 375 CEOs from S&P companies long before author Malcolm Gladwell famously wrote about the effect of birth month on success in hockey. But getting clean data turned out to be a very complex process. The Sauder researchers adjusted their data for many factors including the higher number of people born in June and July.

Levi believes the best way to counteract the birth month disadvantage is to “be sensitive that it exists and give the little kids opportunities to have the speaking part even if they fluff the lines.”

He has already started work to discover if children with late birth dates who become CEOs then perform better than their early birth date peers.

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