

The Relationship Between Age and Successful Entrepreneurship

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ABSTRACT

The age of entrepreneurs is always represented how successful the entrepreneur is and the field they focus on. This study was based on analyzing the relationship between the age of the entrepreneurs and their success to investigate whether age affects the entrepreneur's success. We use the data from "Hurun top 500 private corporations in China 2020" and list several percentage charts to explain our research. The results show that the entrepreneurs aged around 50-60 were the largest group of entrepreneurs. They occupied almost half of the successful entrepreneurs, that data strongly support the relationship between the successful entrepreneurship with entrepreneur's age. These results show that the entrepreneur's age around 50-60 is more likely to be successful, and the relationship between age and successful entrepreneurship is quite important for classifying how successful an entrepreneur is.

Keywords: *Entrepreneurship, Successful, Industry, Age, Market value.*

1. INTRODUCTION

"Successful" is always meaningful for company value, for public and social, the fact that we can't ignore is to get an deep understanding of specific company, we need a formate to make a statement and the most apparent format came out--the relationship between age and successful entrepreneurship.

Once the work-seeker seek for their employer, the age of the leader were always ranking at first.

Nowadays, from the worker's aspect, choosing the right company is being imported annually, and because the age of entrepreneurs tends to correlate with their success we decide to make it more explicit.

It is tough to have a clear definition for every company existing. Still, it is relatively easy to find the data of worldwide entrepreneurs' age range and collect data to give us a clear definition of successful firms and entrepreneurs.

Based on the age of the successful entrepreneur and business founder, we explain the data we collected and list some of the top 500 company founders' ages to help

intuitively understand the connection between age and the success of entrepreneurs.

This essay begins with listing the age range data of entrepreneurs and exploring the relationship between age and successful entrepreneurship in china.

Research Question: Explore the relationship between age and successful entrepreneurship in China.

2. BACKGROUND

In twenty-oneth century, the world has been changed by several dynamic forces. Such as Technological innovation, economic undulate or Population fluctuations. To cope with these several changes. Public and private organizations are more and more conscious of the significance of entrepreneurship. Entrepreneurship can exist in multiple forms when entrepreneurship reflects on specific performance. It can be analysed as an attitude to work, a process or some behaviours. According to the Schumpeterian view, entrepreneurship composes a crucial element in the economic development of a country or company. This is because economic development and entrepreneurship have been strongly

interconnected in history [1]. And we can briefly summarize entrepreneurship as a group awareness. So, all companies should have the characteristic entrepreneurial spirit. This is because that entrepreneurship is a link between a single person and the whole company. When this spirit embodiment to each company, some of them may focus on quantity or concentrate on marketing, and create a different result for each company, group awareness can divide into several parts: Social consciousness, market consciousness, quality consciousness, benefit consciousness, civilization consciousness and moral consciousness. And all this consciousness need experience, which means time to precipitation. The objective of the article is to discover the relationship between age and successful entrepreneurship. As a major variable, the age of an entrepreneur can reflect their sophisticated, accumulated experience and mental maturity. And then affect the exert of entrepreneurship. Entrepreneurial success is very subjective; therefore, this phenomenon has various meanings, which depend on age [2]. Therefore, research on the relationship between age and successful entrepreneurship made a profound impact on society. The results may help both people intending to start a business and organizations granting funds to companies as they might facilitate estimation of one's chances for success [3]. From the existing mainstream views, older age can be a two-edged sword. The positive aspect is that when entrepreneurs get older. They have more experience to manage the company and owning more social resources and physical capital. Based on these, they can better unite employees together and create successful entrepreneurship. And lead the company to a bright future. But the other point believes that older entrepreneur does not have enough vigor, which leads to conservative decision-making and loss of learning ability. As a result, this action from the leader of the company will spread to the whole company. And the company will be shrouded with negative entrepreneurship.

3. DATA

The word "successful" has too many definitions, and the definition used in this essay is the value that the company created. Therefore, we decided to use Hurun China 500 Most Valuable Private Companies 2020 [4] as our database. The ranking criterion of Hurun China 500 Most Valuable Private Companies 2020 is similar to the definition of success that we accept. The database lists the top 500 private corporations in China according to value created by the company rather than simply sales revenue. For simplicity, we decided to use the data of the top 100 corporations in the database. In the data, we have listed the founder's age, the sector to which the company belongs to and the value created by the company.

4. RESULTS AND DISCUSSION

4.1. Age

According to Chart 1, almost half of the entrepreneurs are between 50 to 60 years old, which shows that middle-aged people are still the main force to obtain success with their enterprises; one possible reason for this is that almost half of the corporations which are ranked top 100 have 10 to 20 years history, which means that it is really difficult for entrepreneurs aged below 40 years old to own top 100 corporations. And the number of entrepreneurs who are under 50 years old is 9% more than those above 60, which indicates that younger people in China succeed more than elder people.

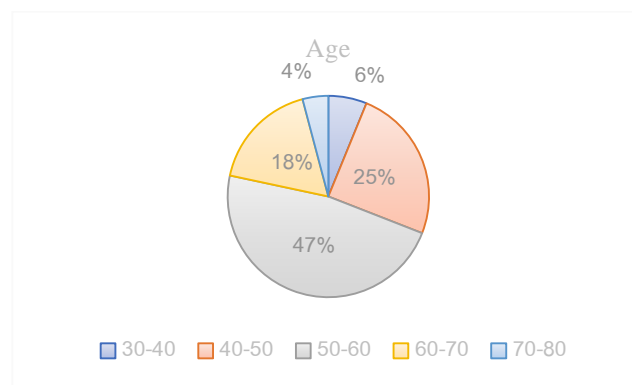


Figure 1. Age

In addition, most entrepreneurs of top 100 corporations start the business at a young age (between 20 to 35). Two main reasons can be considered.

From the perspective of education, a better environment is provided for younger people to start a business. On the one hand, the gross enrollment rate of higher education in China was 54.4% in 2020, which means that China's higher education stage has become popularised [5]. On the other hand, the Chinese government are promoting college students to be innovative. For instance, in 2012, China's Ministry of Education decided to implement the National Innovation and Entrepreneurship Training Plan for college students during the 12th Five-Year Plan, which has been put into effect for 8 years.

From the perspective of individuals, younger people are more willing to know more about new things, identify opportunities quickly, and exploit them accordingly, which is a core characteristic of an entrepreneur [6]. And because of their young age, they are closer and more acceptable to development frontiers. Since entrepreneurs also can foresee market trends and make a timely response [7] young adults have a huge potential of becoming entrepreneurs.

4.2. Entrepreneurship

To value their entrepreneurship, we used two indexes. The first one is which kind of industry they are, and the second one is how much market value they have. The former will show whether their enterprises are tradition-oriented or new-tech-oriented, and the latter is an index of how successful they are.

4.2.1. Sector of Industry

We classify the industry sector according to China's 2017 version of Industrial Classification for National Economic Activities. [8]

From Chart 2 below, we can conclude that among the top 100 enterprises in China, most of them can be classified as the manufacturing industry, that is "A" in Chart 2.

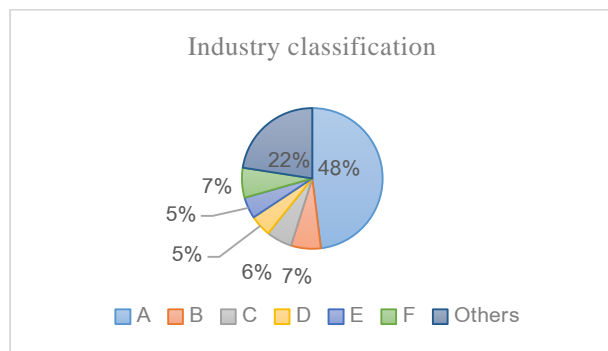


Figure 2. Industry classification

And to clearly show whether they're "new" or "traditional", we created a new assessment system referring to some most recognized definitions of entrepreneur and entrepreneurship. According to Schumpeter's definition(1911), entrepreneurs proactively create opportunities using innovative combinations, which often include the creative destruction of passive or lethargic economic markets [9]. Shane said entrepreneurship is an activity that involves discovery, evaluation and exploitation of opportunities to introduce new goods and services, and organize new markets, processes and raw materials through coordinating efforts of the entrepreneur that previously did not exist [10]. Thus, we give them the following definition:

"Traditional industries": refers to labor-intensive industries focusing mainly on manufacturing and processing.

"New industries": refers to enterprises that focus on a new concept that occurs under 10 years, and traditional enterprises which succeed because of their innovation and creation on a brand-new method or because of their combination with modern high-tech.

After the classification of the enterprises, we have Chart 3, which clearly shows that older entrepreneurs above 60 tend to build traditional enterprises, while

younger entrepreneurs between the ages 30 and 60 do their enterprises in a more modern way, especially those under their 50s. They are apparently more likely to innovate when setting up their own company. Since an "entrepreneur" is an innovator and is a person who develops new technology, we can conclude that middle-aged people have the most entrepreneurship in China and that a strong innovation trend has been created by younger people (under 50).

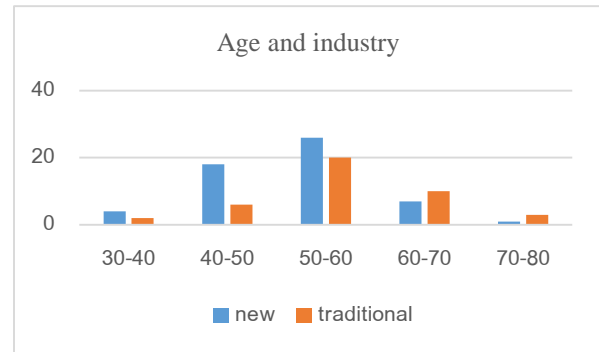


Figure 3. Age and industry

4.2.2. Market value

By dividing them into different levels of market value, we can find that entrepreneurs in China aged between 50 and 60 are the main group of success in the business field and the most powerful group of becoming more successful in general. Age group 30 to 40 follows closely and takes the lead in the first echelon. In addition, all people between 70 and 80 become the number of market value in the last level, while young people between 30 and 40 have, though not very much, brighter prospects of having more value with their enterprises. This age structure shows that more young entrepreneurs will emerge in China's most successful commercial field.

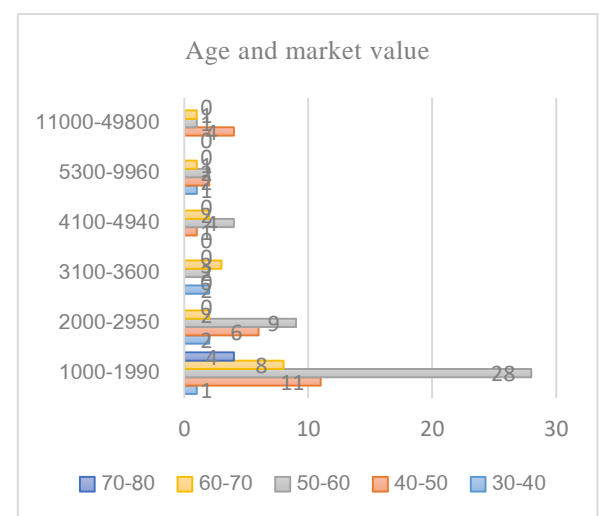


Figure 4. Age and market value

5. CONCLUSIONS

In conclusion, the essay discusses the importance of entrepreneurs' age. We have gathered information and created charts during the process of verifying the hypothesis. We can conclude that the age of the entrepreneur is an essential way for people to determine the company's authority. Even though the relationship between age and entrepreneurship is important for the public and society, there are still many limits. Even though the relationship is that important, but there are still many entrepreneurs who stand on a relatively unequable side. This research shows the generality result of the relationship between age and successful entrepreneurship but still not that exquisite to represent all variables.

Usually, entrepreneurs' ages are almost around 50-60. In this process, we find a shred of exciting evidence that the entrepreneur's age has the highest amount. Moreover, the entrepreneurs around 40-50 are more innovated compared with the rest of the entrepreneurs. Thus, we can say from exploring the age of the entrepreneur. We can easily find the field they specialized in and their business and manage spirit.

From the data we collected, the entrepreneur age around 50-60 shows the highest market value. From analyzing the data, we can find that entrepreneurs aged around 50-60 are more successful than other entrepreneurs.

By collecting the data, we can easily find that the relationship between age and successful entrepreneurship is so different between different cultural backgrounds. We expect to explore and deeply research the relationship between age and successful entrepreneurship in different cultural backgrounds.

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