Spotlight
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Can being too successful as an entrepreneur discourage your kids from following in your footsteps?

Parental entrepreneurial success boosts children's confidence but can also trigger paralyzing comparison

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What happens when a parent's entrepreneurial success becomes so visible, so celebrated, that their children feel they can never match it? This study examines the psychological dynamics of growing up in the shadow of a successful entrepreneur—and how that shadow shapes whether the next generation chooses to follow the entrepreneurial path or avoid it entirely.

Using data from **265 parent-child dyads in family businesses**, the authors test how parental entrepreneurial success influences offspring entrepreneurial intentions through two competing psychological mechanisms: **perceived parental support** (which encourages) and **fear of failure** (which discourages). The study finds that both mechanisms operate simultaneously, creating a tension that helps explain why some children of successful entrepreneurs become entrepreneurs themselves while others do not.

WHAT WE STUDIED

The sample consists of 265 matched pairs of entrepreneurial parents and their adult children, drawn from family businesses in multiple countries. The study measures parental entrepreneurial success (business performance and growth), offspring entrepreneurial intentions (the stated desire to start or take over a business), perceived parental support (the extent to which offspring feel their parents encourage their entrepreneurial aspirations), and fear of failure (the anxiety about not meeting the standard set by the parent's achievements).

The theoretical framework combines **social learning theory** (which predicts that children learn entrepreneurial behavior by observing successful parents) with **self-efficacy theory** and **fear of failure research** (which predict that high parental achievement can undermine offspring confidence). The study tests both direct and indirect effects, asking not just whether parental success affects offspring intentions, but through which psychological channels.

KEY INSIGHTS

Parental success has no simple direct effect on offspring intentions

The study finds no significant direct relationship between parental entrepreneurial success and offspring entrepreneurial intentions. This is the most important finding, because it overturns the common assumption that successful entrepreneurs naturally produce entrepreneurial children. The relationship is entirely mediated—meaning that parental success affects offspring intentions only through the psychological mechanisms it activates, and these mechanisms push in opposite directions.

Perceived parental support is the positive channel

When offspring perceive their successful parents as supportive of their entrepreneurial aspirations—offering encouragement, sharing knowledge, providing resources—their entrepreneurial intentions increase. The support signal communicates that the parent believes the child is capable, which builds self-efficacy and reduces the perceived risk of entrepreneurial action. This is the social learning channel: children

who feel supported by successful entrepreneurial parents are more likely to internalize the entrepreneurial identity.

Fear of failure is the negative channel

At the same time, parental success can trigger fear of failure in offspring. The parent's achievements set a benchmark—often an impossibly high one—that the child feels they must match or exceed. The more visible and celebrated the parent's success, the greater the performance pressure on the next generation. This fear does not just reduce entrepreneurial intentions; it can redirect the child toward safer career paths where the comparison with the parent is less direct.

Both channels operate simultaneously

The study's key contribution is showing that perceived support and fear of failure are not alternative explanations but concurrent mechanisms. A child of a successful entrepreneur can simultaneously feel encouraged by parental support and paralyzed by fear of not measuring up. The net effect on entrepreneurial intentions depends on which mechanism is stronger—and that balance is shaped by how the parent communicates about success, failure, and expectations.

The parent's behavior determines the balance

Parents who frame their success as a resource for the next generation—rather than as a standard to be matched—activate the support channel more strongly. Parents who emphasize achievement, comparison, or legacy pressure inadvertently strengthen the fear channel. The practical implication is that the parent's communication style and behavior during the offspring's formative years may matter more for intergenerational entrepreneurship than the objective level of business success.

TAKEAWAYS

Success alone does not create the next generation of entrepreneurs

Family business leaders should not assume that building a successful enterprise automatically inspires the next generation. The psychological effects of parental success are mixed, and without deliberate attention to how success is communicated, the net effect may be to discourage rather than encourage offspring entrepreneurship.

Reframe success as a platform, not a benchmark

Parents who want to encourage entrepreneurial intentions in their children should present their achievements as a foundation the next generation can build on—not as a bar they must clear. Emphasizing learning, experimentation, and the inevitability of failure reduces performance anxiety and strengthens the support channel.

Address fear of failure explicitly

Fear of failure is often invisible in family business conversations. It operates quietly, redirecting talented offspring away from entrepreneurship without anyone naming the dynamic. Families that acknowledge and discuss this fear openly—normalizing it rather than dismissing it—give the next generation a better chance of working through it.

IMPACT

This study makes a clear contribution by demonstrating that the intergenerational transmission of entrepreneurship is not automatic. It is psychologically mediated, and the mediating mechanisms can work against each other. For family business scholars, the dual-channel model provides a more nuanced account of why entrepreneurial dynasties sometimes continue and sometimes do not. For practitioners, the message is that the emotional environment surrounding succession matters as much as the business environment. Families that address the psychological dimensions of intergenerational entrepreneurship—support, fear, identity, expectation—are more likely to produce a next generation that chooses entrepreneurship freely rather than avoiding it out of anxiety.

RECOMMENDATIONS

1. **Encourage experimentation early.** Give offspring opportunities to try, fail, and learn in low-stakes entrepreneurial settings before they face the pressure of the family business.
2. **Separate identity from achievement.** Help the next generation develop their own entrepreneurial identity rather than measuring themselves against the founder's legacy.
3. **Create space for honest conversation.** Families that discuss fear of failure openly—rather than treating it as weakness—reduce its power. The sooner families name these dynamics, the sooner they can manage it constructively.

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