

2.3: Characteristics of an Entrepreneur

Learning Outcomes and Task Summary

Learning Outcomes:

- Reflect on entrepreneurial uniqueness
- Assess the value of analyzing entrepreneurial traits
- Consider the importance of analyzing entrepreneurial skills and abilities
- Validate the importance of perseverance

Task Summary:

- [Lesson 2.1.1: Entrepreneurial Uniqueness](#)
- [Lesson 2.1.2: Entrepreneurial Personality Traits](#)
- [Lesson 2.1.3: Beyond Personality Traits, Skills & Abilities](#)
- [Activity 2.1.1: Read/Watch/Listen](#)
- [Activity 2.1.2: Journal Entry](#)

Lesson 2.1.1: Entrepreneurial Uniqueness

Transcript

So what makes an entrepreneur different from a preferences and abilities lens than someone who does not want to be an entrepreneur? What consistently makes these individuals unique? Do you yourself have what it takes to become an entrepreneur? Having a great concept is not enough. An entrepreneur must be able to develop and manage the company that implements his or her idea. Being an entrepreneur requires special drive, perseverance, passion, and a spirit of adventure, in addition to managerial and technical ability.

Entrepreneurs *are* the company; they tend to work longer hours, take fewer vacations, and cannot leave problems at the office at the end of the day. They also share other common characteristics, but what are these characteristics?

Historically, descriptions of entrepreneurial uniqueness have been based on personality, behavioral, and cognitive traits (Chell,



2008; Duening, 2010).

- Three personality characteristics of entrepreneurs that are often cited are:
 - Need for achievement
 - Internal locus of control (a belief by an individual that they are in control of their own destiny)
 - Risk-taking propensity

Past studies of personality characteristics and behavioral traits have not been overly successful at identifying entrepreneurial uniqueness. As it turned out, years of painstaking research along this line has not borne significant fruit. It appears that there are simply not any personality characteristics that are either essential to, or defining of, entrepreneurs that differ systematically from non-entrepreneurs.... Again, investigators proposed a number of behavioral candidates as emblematic of entrepreneurs. Unfortunately, this line of research also resulted in a series of dead ends as examples of successful entrepreneurial behaviors had equal counterparts among samples of non-entrepreneurs. As with the personality characteristic school of thought before it, the behavioral trait school of thought became increasingly difficult to support (Duening, 2010, p. 4-5).

This shed doubt on the value of trying to change personality characteristics or implant new entrepreneurial behaviors through educational programs in an effort to promote entrepreneurship. New research, however, has resurrected the idea that there might be some value in revisiting personality traits as a topic of study. Additionally, Duening (2010) and has suggested that an important approach to teaching and learning about entrepreneurship is to focus on the “cognitive skills that successful entrepreneurs seem uniquely to possess and deploy” (p. 2).

Lesson 2.1.2: Entrepreneurial Personality Traits

Transcript

While acknowledging that research had yet to validate the value of considering personality and behavior traits as ways to distinguish entrepreneurs from non-entrepreneurs or unsuccessful ones, Chell (2008) suggested that researchers turn their attention to new sets of traits including: “the proactive personality, entrepreneurial self-efficacy, perseverance, and intuitive decision-making. Other traits that require further work include social competence and the need for independence” (p. 140).

In more recent years scholars have considered how the Big Five personality traits – extraversion, agreeableness, conscientiousness, neuroticism (sometimes presented as emotional stability), and openness to experience (sometimes referred to as intellect) – might be used to better understand entrepreneurs. It appears that the Big Five traits might be of some use in predicting entrepreneurial success. Research is ongoing in this area, but in one example, Caliendo, Fossen, and Kritikos (2014) studied whether personality constructs might “influence entrepreneurial decisions at different points in time” (p. 807), and found that “high values in three factors of the Big Five approach—openness to experience, extraversion, and emotional stability (the latter only when we do not control for further personality characteristics)—increase the probability of entry into self-employment” (p. 807). They also found “that some specific personality characteristics, namely risk tolerance, locus of control, and trust, have strong partial effects on the entry decision” (p. 807). They also found that people who scored higher on agreeableness were more likely to exit their businesses, possibly meaning that people with lower agreeableness scores might prevail longer as entrepreneurs. When it came to specific personality traits, their conclusions indicated that those with an external locus of control were more likely to stop being self-employed after they had run their businesses for a while.

There are several implications for research like this, including the potential to better understand why some entrepreneurs behave as they do base upon their personality types and the chance to improve entrepreneurship education and support services.

Lesson 2.1.3: Beyond Personality Traits, Skills & Abilities

Transcript

A person with all the personality traits of an entrepreneur might still lack the necessary business skills to run a successful company. Entrepreneurs need the technical knowledge to carry out their ideas and the managerial ability to organize a company, develop operating strategies, obtain financing, and supervise day-to-day activities. Beyond basic business, good interpersonal and communication skills are important in dealing with employees, customers, and other business associates such as bankers, accountants, and attorneys. And then there's perseverance.

When Jim Steiner started his toner cartridge remanufacturing business, Quality Imaging Products, his initial investment was \$400. He spent \$200 on a consultant to teach him the business and \$200 on materials to rebuild his first printer cartridges. He made sales calls from 8.00 a.m. to noon and made deliveries to customers from noon until 5:00 p.m. After a quick dinner, he moved to the garage, where he filled copier cartridges until midnight, when he collapsed into bed, sometimes covered with carbon soot. And this was not something he did for a couple of weeks until he got the business off the ground—this was his life for 18 months (McFarland, 2005). This brief story is a great example of how perseverance is a key factor in entrepreneurial success.

Activity 2.1.1: Read/Watch/Listen

In Unit 3 we will start to embark on the entrepreneurial process. To prepare for this and continue practicing your entrepreneurial resource gathering and innovation skills, your task is to search through the resources linked below to identify an entrepreneur who emulates the characteristics you have learned about and had success living out the definition of entrepreneurship you have started to craft throughout this module.

Reflect on the characteristics that appeal to you the most, and reflect on how the characteristics and your definition of entrepreneurship from Unit 1 have both enabled the success of this individual, and how you might be able to create your own

success developing these characteristics over the next 18 months.

The key steps are:

1. Research the links below
2. Identify an entrepreneur from these resources you admire
3. Reflect on what entrepreneurial theme from Lesson 2 within which they have had success
4. Reflect on how their success relates to your own draft definition of entrepreneurship (does it change it? support it? why?)
5. Reflect on how you can create your own success using the theme and your definition of entrepreneurship over the next 18 months

Resources:

- Read this article on [Entrepreneurial Skills](#)
- Read this article on [Entrepreneurial Thinkers](#)
- Read this article on [Entrepreneurial Characteristics](#)

Activity 2.1.2: Journal Entry

As a reminder, journaling can be a really powerful way to learn because it gets us to pause and reflect not only on what we have learned but also on what it means to us. Journaling makes meaning of material in a way that is personal and powerful.

It's time to reflect on your Unit 2, Module 1 learning experience. Part of being an entrepreneur requires a notable degree of self-reflection and self-awareness. This journal entry is all about the learning experience that you have had thus far. Identify your learning strengths, and what has come easily to you as you have gone through the first module of the course. Also, identify the areas which you want to strengthen and improve on from a learning perspective. Keep in mind this journal entry is not about the content you have learned, but rather how you have learned, and the Learning Experience. This is intended to help you better understand yourself as a learner, which is really important as you go through not only this course but also the rest of your education. Your journal entries should be either 150 to 300 written words or a video that is approximately 4 minutes.

Using your own experience and the course material, reflect in your journal (blog, vlog, etc) on all of the following prompts for this module:

- Key Concepts you have learned that help you better understand entrepreneurship
- Concepts that were easy to understand and why
 - If there was not a particular concept that was easy to understand, reflect on why this was the case
- Concepts that were difficult to understand and why
 - If there was not a particular concept that was difficult to understand, reflect on why this was the case

Next, note the key characteristics of successful entrepreneurs (aim for one or two sentences).

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References

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