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Vysoká škola
ekonomická v Praze
Fakulta podnikohospodářská

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Dispositions to Entrepreneurship



EVROPSKÁ UNIE
Evropské strukturální a investiční fondy
Operační program Výzkum, vývoj a vzdělávání

MŠMT
MINISTERSTVO ŠKOLSTVÍ,
MLÁDEŽE A TĚLOVÝCHOVY

Dispositions of Entrepreneurs

- **Dispositions** of successful entrepreneurs have already been adressed in classical theories of economic growth
- Recently there is a trend to research and examine **characteristcs of successful entrepreneurs**
- Findings are important for self-assessment of one's **entrepreneurial potential, personality management and training intervention**

Dispositions of Entrepreneurs

- Personality traits are **relatively stable** in time
- About 50 % of the variance in personality is **inherited** (Loehlin, Willerman & Horn, 1988)
- Personality traits **explain general behavior** in a number of fields like career choice, job performance and can predict outcomes for entrepreneurship

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Broad Big 5 Traits of Entrepreneurs

- **Neuroticism**
 - Represents individual differences in adjustment and emotional stability
- **Extraversion**
 - The extent to which people are assertive, dominant, energetic, active, talkative, and enthusiastic

Broad Big 5 Traits of Entrepreneurs

- **Openness to experience**
 - Intellectual curiosity, seeking new experiences and exploring novel ideas
- **Agreeableness**
 - Individuals with high agreeableness can be characterized as trusting, forgiving, caring, altruistic and gullible

Broad Big 5 Traits of Entrepreneurs

- **Conscientiousness**
 - Individual's degree of organisation persistence, hard work, and motivation in the pursuit of goal accomplishment

Specific personality traits

- The Big Five Traits are not directly related to entrepreneurship, but in **general** to job performance, leadership etc.
- There was a need to pay more attention to research of entrepreneurial traits

Specific personality traits

Trait	Definition	Predictor of Success
Need for Achievement	Choosing tasks of moderate difficulty, accepting responsibility for results, and seeking feedback on action outcomes.	High
Locus of control	Belief that one's own actions determine the rewards rather than chance events or powerful others.	Moderate

Specific personality traits

Trait	Definition	Predictor of Success
Risk taking	Pursuing goals even when the probability of succeeding is low (Steward & Roth, 2004)	Low
Need for autonomy	Avoiding restrictive environments, preference for being in control	Moderate

Specific personality traits

Trait	Definition	Predictor of Success
Innovativeness	Willingness and interest to look for novel ways of action	High
Generalized self-efficacy	Confidence in one's own capabilities to perform various tasks in uncertain situations	High

Specific personality traits

Trait	Definition	Predictor of Success
Stress tolerance	Not getting strained in situations characterized by high pressure and uncertainty	Moderate
Proactiveness	Taking the initiative, attempting to influence the environment	Moderate

The effects of personality traits

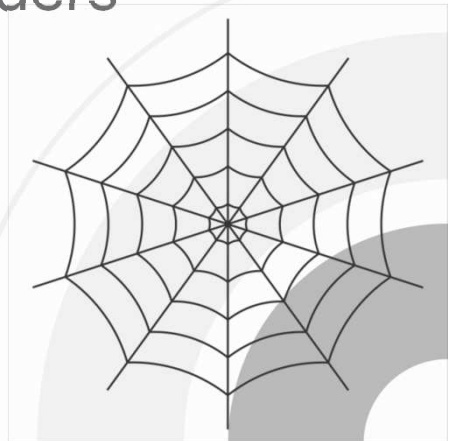
- There is a difference between prediction of **starting a business** and **business success**
- Intention to start a business observes entrepreneurship from the **career choice perspective**
- Entrepreneurs usually have to **work harder** than employees and need to make decisions under **conditions of uncertainty**

The effects of personality traits

- Entrepreneurs with **high achievement motivation** select strategies that are more successful than entrepreneurs low in achievement orientation (Rauch et al., 2000)
- Achievement oriented entrepreneurs develop **more effective** business plans than others (Rauch et al., 2000)

The effects of personality traits

- Some personality traits are not stable in time (McCrae et al. 2000)
- E.g. People tend to become more emotionally stable over their life times
- Self-efficacy can also be trained (Bandura, 1997)
 - Firstly examined on getting rid of fear of spiders



Another perspective

- Personality traits listed by the Entrepreneur magazine:
- <https://www.youtube.com/watch?v=sOjeQV5pHh4>



Motivation and passion for work

- **Motivation**
 - An important driving force that directs one's actions toward related goals and thus focuses one's attention and sustains taken actions (Locke & Baum, 2007)
- **Passion**
 - A strong inclination towards an activity that people like, find important and on which they spend time and energy on a regular basis (Vallerand, 2008)

Motivation and passion for work

- However, there is a need to create balance between work and personal life
 - Career / work
 - Relationships / romance
 - Money
 - Health and wellness
 - Family and friends
 - Physical environment
 - Recreation / rejuvenation
 - Spiritual
 - Personal growth

Programming your mind for success

- <https://www.youtube.com/watch?v=MmfikLimeQ8>

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Discussion, Q & A

