Attributes of Entrepreneurs: Personality Versus Perspective

Caron H. St. John
Clemson University
Attributes of Entrepreneurs: Personality versus Perspective

Caron H. St. John
Director, Spiro Center for Entrepreneurial Leadership
CLEMSON UNIVERSITY
Topics

• Entrepreneurs
  ▪ What is an entrepreneur?
  ▪ What are the attributes of a successful entrepreneur?
    ▪ Personality
    ▪ Perspective
    ▪ Context
  Do entrepreneurs differ from small business owners... corporate managers?
Historical Perspective

• Early 1700s France - “an active person who gets things done” - verb entreprendre
• Farmer-entrepreneur - bears risk of production in face of uncertain yields and prices - risk taker in face of uncertainty
• Early 1900s - Schumpeterian view, entrepreneurs innovate, setting in motion cycles of creative destruction
Schumpeter’s View of Entrepreneurial Process

- Stage 1: Discovery or invention that provides opportunity for “new combinations” (Knowledge expert)
- Stage 2: Recognition of the opportunity (Entrepreneur)
- Stage 3: Organization of resources to exploit the opportunity (Entrepreneur)
- Stage 4: Redeployment of resources to “new combinations” results in “creative destruction.”
The Role of Entrepreneurship in the Innovation Process

“Imbedded in the distinction between an invention and an innovation is a process whereby inventions become applied. This process is central to what we call entrepreneurship”

(Audretsch et al., 2002, The Economics of Science and Technology, Journal of Technology Transfer, 27, 155-203)
Successful Entrepreneurs Are Described As:

• Confident, decisive
• Intelligent, creative, optimistic
• Driven (determined, high energy)
• Willing to take initiative and responsibility
• Willing to take calculated risks
• Can influence others
• Tend to redefine failure
But, Are Entrepreneurs a Unique Personality Type?

Research has not demonstrated a difference in personality between successful entrepreneurs and successful corporate executives.
Are Entrepreneurs Different in What They Do?

• Craftsman Entrepreneurs:
  ▪ existing products and services for new market segments
  ▪ Often a sole proprietor or lifestyle business owner

• Opportunistic Entrepreneurs:
  ▪ Looks for “new combinations”
  ▪ Discovery, opportunity recognition, and organization of resources
### Differences in Perspective

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneur Perspective</th>
<th>Manager Perspective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by</td>
<td>Perception of opportunity</td>
<td>Resource currently controlled</td>
</tr>
<tr>
<td>Commitment to Opportunity</td>
<td>Fast reaction, short term</td>
<td>Evolutionary, long term</td>
</tr>
<tr>
<td>Management of Resources</td>
<td>Staged allocation, minimal exposure</td>
<td>Single-staged, with complete commitment</td>
</tr>
<tr>
<td>Structure and Rewards</td>
<td>Flat, organization, use of networks, individual rewards</td>
<td>Formalized hierarchy Shareholder rewards</td>
</tr>
</tbody>
</table>
# Ownership and Perspective

<table>
<thead>
<tr>
<th>Entrepreneurial Perspective</th>
<th>Owner</th>
<th>Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td>Most common interpretation of entrepreneur (opportunistic)</td>
<td>New product development, new business development</td>
<td></td>
</tr>
<tr>
<td>Managerial Perspective</td>
<td>Traditional small business owner (craftsman)</td>
<td>Business manager</td>
</tr>
</tbody>
</table>
# Perspectives and Attributes

<table>
<thead>
<tr>
<th>Perspectives and Attributes</th>
<th>Entrepreneur Perspective</th>
<th>Entrepreneur Attribute</th>
</tr>
</thead>
<tbody>
<tr>
<td>Driven by Perception of opportunity</td>
<td>Entrepreneurial insight, what “can be” in future</td>
<td></td>
</tr>
<tr>
<td>Commitment to Opportunity Fast reaction, short term</td>
<td>Tolerate uncertainty</td>
<td></td>
</tr>
<tr>
<td>Management of Resources Staged allocation, minimal exposure</td>
<td>Build relationships with other resource holders</td>
<td></td>
</tr>
<tr>
<td>Structure and Rewards Flat organization, use of networks, individual rewards</td>
<td>Identify and motivate highly skilled team</td>
<td></td>
</tr>
</tbody>
</table>
Distinguishing Attributes

• Insightful, creative, forward-thinking
  – *Individual* (intelligence, experience, disposition)
  – *Domain of knowledge* within which the individual works
  – *Field or social context* within which the merits of the work are judged and evaluated

• High tolerance for uncertainty
  – Self confidence

• Cultivate relationships with resource holders
  – Communication skills, trustworthiness

• Establish a vision and persuade others to join
  – Leadership, judgment
Implications for Teaching Entrepreneurship

- Reinforce the “entrepreneurial perspective” through business plans, case analyses…requiring students to demonstrate how they will employ the concepts
- Create an experimental learning environment - high level of uncertainty, team-based, negotiation and communication intensive
- Encourage industry experiences that build domain knowledge
- Encourage mentoring/shadowing of entrepreneurs to observe the “entrepreneurial perspective”