

Proceedings
Teaching Entrepreneurship to Engineering
Students

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Attributes of Entrepreneurs: Personality
Versus Perspective

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Attributes of Entrepreneurs: Personality versus Perspective

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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

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

Ownership and Perspective

	Owner	Manager
Entrepreneurial Perspective	Most common interpretation of entrepreneur (opportunistic)	New product development, new business development
Managerial Perspective	Traditional small business owner (craftsman)	Business manager

Perspectives and Attributes

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

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”**