

What Personality Traits Does It Take To Be An Entrepreneur?

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According to the World Economic Forum, the global economic instability of the last few years is expected to continue. From large scale layoffs to the recent banking crisis, further disruption is anticipated. Yet counterintuitively, this climate could lead entrepreneurs, whether working independently or within organizations, to launch new businesses, new product lines, and new services.

Distinctive Personality Traits

But what does it take to be an entrepreneur and can anyone do it? Stig-Rune Reese, Managing Partner of IMSA Search Global Partners Norway and A'HEAD Executive, asserts that

entrepreneurs possess unique characteristics that enable them to succeed. "In my decades of experience in executive search, I have met with hundreds of senior executives. When we search for a top leader in a role that requires entrepreneurial skills, we are looking for certain distinctive personality traits."

In assessing candidates, Reese utilizes personality tests developed by Hogan Assessment Systems, preferring Hogan's incorporation of measurements for both the "bright" and "dark" sides, plus motives, of subject personalities. A white paper by Northwestern University's Department of Psychology Department and The Garage at NU, supports Hogan Leadership Assessment tools as scientifically sound measures and states that "Hogan's assessments are used by over 75% of Fortune 500 companies and have been extensively used for leadership selection and development at the highest level."

Hogan's particular research for entrepreneurial traits, conducted among 256 entrepreneurs, reveals:

Curious Jugglers

Entrepreneurs are extroverts. They are curious, inquisitive, and open to new ideas. However, they are less sensitive to others and are not prudent. They are highly motivated, enthusiastic, and outgoing. They love to juggle, preferring to have many balls in the air at the same time. They do not sugarcoat messages or get hung up on details – they get straight to the point. Entrepreneurs are passionate about new ideas, and eager to work outside established organizations and the constraints they impose.

Fearless, Driven, and Interested in Science

Entrepreneurs who start new businesses are not concerned with traditions and doing what has been done before. They tend to be more persistent and more fearless – not scared of deviating from the norms and not scared of losing money.

Entrepreneurs also tend to be hedonists – people who "work hard and play hard". They seek to enjoy life to the fullest. Yet research indicates that they yearn for power and recognition. And, they are interested in science – logical and analytical with an interest in ideas and new ways of doing things.

The Darker Sides

When they encounter pressure, entrepreneurs tend to respond differently than the general population. During stressful situations, they tend to prioritize **their** goals over everything else, which makes them passive-aggressive, stubborn, and inflexible. And most of them are also charmers, extremely skilled in persuasion.

Entrepreneurs tend to be risk-takers and have a higher tolerance for uncertainty. Research indicates that they are very self-confident and highly creative – so creative that they may appear eccentric to others. They have in common with leaders in general that they – under stress – crave attention and tend to talk more than they listen.

The entrepreneur is an individualist, one who does not accept status quo but is passionate about new ideas. Often not caring about others' needs, they are independent and focused on their own agendas. The entrepreneur may be better suited to start their own business rather than make a career climbing a corporate ladder in an established and conservative company that is not focused on innovation and creativity.

Entrepreneurs are NOT

Research also found characteristics that are negatively correlated with entrepreneurship or starting a new business. They are not:

- Dutiful – interested in fulfilling one's duty
- Conforming – follows the norms, rules and conventions
- External locus of control – believes in luck or fate and feels little control
- Conservative – averse to change and holding traditional beliefs
- Shy – reserved and nervous about social contact
- Dogmatic – asserts opinions as facts
- Rigid – fixed and unwavering in opinions

Different than Average Leader

In sum, entrepreneurs tend to be different than most. As the entrepreneur Steve Jobs said, "Entrepreneurship involves living one's own ideas rather than living the ideas of others." Reese whose expertise is matching top leaders to businesses, in industries ranging from oil and gas, to geophysics, engineering, the green economy, and more, emphasizes the importance of assessing personality traits, particularly when searching for an entrepreneurial leader.

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