The Personality Characteristics of Ireland’s Most Successful Entrepreneurs

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Introduction

Who wants to be an entrepreneur? It seems that everyone does! Entrepreneurs are the role models and heroes of modern day society. Moreover, current economic conditions will inevitably see increasing numbers of “necessity entrepreneurs” (Global Entrepreneurship Monitor). The reality however is that not everyone is suited to entrepreneurship and although everyone knows that entrepreneurs are different to the general population, empirical research has failed to provide evidence to this effect (Gartner, 1989; Mitchell et al., 2002).

As a small open economy, in great difficulty and overly dependent on external forces, entrepreneurship and enterprise has never been more important to Ireland. The importance of entrepreneurial activity to the well-being of an economy is widely accepted (Drucker 1985; Kirchoff 1991). Indeed, international research indicates that the more entrepreneurial activity there is within a country, the greater the number of value adding, high growth potential new ventures that will be founded (Global Entrepreneurship Monitor). Entrepreneurship is therefore of central importance to the long-term prosperity of Ireland, and any research that contributes to an understanding of the entrepreneurial phenomenon has an important role to play in Ireland’s economic and social well-being. Some serious questions remain unanswered however: who are those with entrepreneurial potential? How can this talent be harnessed to our advantage?

Considerable research has been carried out in the area of entrepreneurship but there is a lot of variation in viewpoints and a consensus has not been reached about what entrepreneurship is (Hisrich and Peters 2002). Many definitions of the entrepreneur exist but few rarely agree on the essential characteristics of the person (Cole 1969; Gartner 1990). There is no accepted definition or model of what an entrepreneur is or does (Brockhaus and Horwitz 1985).

Successful entrepreneurs however are different from the general population. Entrepreneurial performance, indeed any individual’s performance in a given role, is largely a function of character and skills. This is just as valid for roles in sport, social, political, personal and family settings as it is in business.

Taking an example from sport, the skills-set of a 100 metre hurdler is very different to that of a marathon runner. The 100 hurdler needs to be able to run fast while navigating hurdles; very different to the skills required for the marathon runner. They are also quite different from a character perspective, not just physically but also from a psychological and personality point of view. While the physical differences can be quite apparent and describable, the same is not the case for
personality characteristics; the differences may be quite apparent and real, but they can be very difficult to articulate or conceptualise.

Similarly, successful sales people, accountants, doctors, nurses, radio presenters and airline pilots are all very different types of characters. Observed in everyday life, the way in which they are different is very apparent and real, but once again, very difficult to articulate or conceptualise.

This would suggest that for any given role there is an ideal skills-fit and an ideal character-fit. In the same way that a top-performing marathon runner will never be a top-performing 100 metre hurdler, or vice versa, a top-performing accountant will never be a top-performing sales person, or vice versa.

![Figure 1: Performance – Character Fit + Skills Fit = Excellence.](image)

Because skills can be continually learned, developed and honed, but character is fixed and stable (Nettle, 2006), a prerequisite to top-performance in any role is getting the character-fit right. The key point being that while character is function of genetics and life experiences, by the end of the a person’s formative years character is fixed and does not change in the vast majority of people thereafter.

An individual therefore with an ideal skills-fit but a suboptimal character-fit, for a given role, will never have the potential to be a consistent top-performer, because character is fixed. On the other hand however, an individual with an ideal character-fit but a suboptimal skills-fit, for a given role, will have the potential to be a consistent top-performer, because skills are learned.
Although the above theory may make logical sense, the question is: how does it 'stack up' in practice? This is the question that this exploratory study attempts to answer in the context of entrepreneurship. Do Ireland’s most successful entrepreneurs share common personality traits?

The next section provides a background to this study. In the methodology section the research instrument is outlined, a theoretical personality profile of an entrepreneur is assembled, and the sample frame for the study, administration of the research instrument and response rate are discussed. The subsequent section provides an analysis of the data and conclusions that can be drawn from it. The final section provides an overall conclusion and discusses the implications of this study.

**Background**

This search for entrepreneurial uniqueness is not new. Although past research has failed to identify this uniqueness – primarily via the psychological or trait approach – there still exists a commonly held belief that entrepreneurs are somehow unique. Very little empirical evidence exists however to support this conjecture. Despite the lack of progress and ‘on-going confusion’, research on the psychological traits of the entrepreneur was widespread in the 1970’s and 1980’s (Gartner 1989).

The persistence with the trait approach highlights the commonly held belief that people are at the centre of entrepreneurship and that entrepreneurs are somehow unique. In order to fully appreciate the phenomenon of entrepreneurship therefore, entrepreneurial uniqueness needs to be explained. It has, however, been largely left unexplained and ‘the failure of past entrepreneurial personality-based research to distinguish the unique contributions to the entrepreneurial process of entrepreneurs as people, has created a vacuum within entrepreneurship research that has been waiting to be filled’ (Mitchell et al., 2002a, p.93). Consequently, in order to fully understand the phenomenon of entrepreneurship it has been asserted that a ‘truly psychological perspective on new venture creation is needed’ because although economy, marketing and finance are important ‘it is in the person’s mind that all of these possibilities come together’ (Shaver and Scott 1991, p.39).

Unfortunately however, the well publicised failure of the psychological trait approach in isolating entrepreneurial uniqueness – which had ‘a chilling effect on personological research’ (Katz and Shepherd 2003, p.2) – resulted in a ‘tendency to concentrate on almost anything except the individual’, and this continued for several years (Shaver and Scott 1991, p.39). Indeed, research to
identify cognitive processes, attitudes or behaviours that distinguish entrepreneurs from others ‘remains somewhat marginal’ (Markman et al., 2003, p.73).

Although past research on the psychological traits of entrepreneurs has proved futile, a recent study (n=60) in France (Lucas-Conwell, 2006) suggests that successful entrepreneurs share a common personality profile and perceptions of behavioural demands required for performance.

Using a mature and robust empirical indicator (Predictive Index, 1955; 1963; 1974; 1989; 1992; 1998) to measure and describe personality, drives, motivational needs, and perceptions of the demands of the environment, Lucas-Conwell (2006) found that 65% of participants in the study shared a common personality profile, and 85% shared common perceptions of behavioural demands required for performance. The findings of this study not only represent major progress in this area of entrepreneurship research, but also have important implications for theory, future research, policy and practice.

This study replicated the French study in Ireland.

**Methodology**

**The Research Instrument: Assessment Tool**

The Predictive Index® is one of a class of objective assessment techniques based on certain fundamental assumptions of behavioural psychology - the first being that work/social behaviour is primarily an expression in activity of a variety of responses to environmental stimuli, recognisable as consistently expressed personality traits (Rorschach, 1921; Thurstone, 1934). The Predictive Index adjective checklist is essentially a symbolic environment composed of a variety of stimuli associated with personality traits.

**Validity and Reliability**

The measurements of relative response magnitude made by the Predictive Index are scored on the norms which have been compiled from a large number of subject responses to the checklist; those norms, which are provided on the Predictive Index Data Sheets, were first established tentatively in 1954.

Numerous studies of the criterion-related validity of the Predictive Index have consistently confirmed its work-relatedness and accuracy. Studies conducted in the U.S. (where the guidelines of
the Equal Employment Opportunities Commission demand vigorously proven statistical significance from tools such as PI) and in other countries where PI validation studies are also regularly conducted, show that Predictive Index has continually exceeded accepted validation standards by a considerable margin.

A Theoretical Profile of an Entrepreneur
Some of the personality traits and characteristics commonly associated with entrepreneurs are: self-confident, self-starter, persuasive, visionary, tenacious, independent, alert to opportunities, need for achievement, internal locus of control, creative, decisive, energetic, moderate risk-taker, innovative, ambitious, tolerant of ambiguity and networker (Allen, 2006; Barringer & Ireland, 2006; Boyd & Vozikis, 1994; Carland et al., 1984; Chen et al., 1998; Hisrich & Peters, 2002). Using the Predictive Index as a conceptual framework, these traits can be represented in a theoretical personality profile of an entrepreneur by using a distinct combination of four primary factors of personality.

This study examined the appropriateness of this theoretical profile by gathering and analysing data from a sample of successful Irish entrepreneurs.

Sample Frame and Response Rate
As a group that epitomises successful entrepreneurs, the Ernst & Young Irish Entrepreneurs was deemed to be an ideal group with which to conduct this study. Each year, for the past 11 years, hundreds of successful Irish entrepreneurs are nominated and participate in the Entrepreneur of the Year Programme. Only a select few make the final; these represent Ireland’s most successful entrepreneurs, as defined by Ernst & Young. Ernst & Young uses the Harvard University definition of entrepreneurship which is “...the pursuit of opportunity beyond the resources you currently control”.

Since the inception of the programme in 1998 there have been approximately 260 finalists. This group of 260 successful entrepreneurs was used as the sample frame for this study.

The Predict Index was administered to all finalists (1998-2009) via a web survey. Thus far, 100 valid responses have been received, representing a response rate of 38%.

Analysis of the Data and Conclusions
Analysis of the data and resultant conclusions are discussed in this section.
Examining Natural Behaviours

The data shows that 82% of the respondents are assertive, self-confident, challenging, venturesome, independent and competitive individuals, with 20% being extremely so. The data also shows that 85% have low patience, and are tense, restless and driving individuals, with 16% being extremely so. The entrepreneurs tend to be more serious, introspective, matter of fact and analytical rather than outgoing, enthusiastic and empathic. Some are into details and like rules and structure, some will be attentive to details considered to be important, and some prefer freedom from rules, structure and details.

Moreover, the data shows that the entrepreneurs clearly have a proactive, take charge style. There is an emphasis on initiative, self-motivation, competitive drive to get things done, positive response to pressure and challenge, ambition for achievement, and an impatience and dissatisfaction with routine. The entrepreneurs are careful with the rules, thorough, precise, and concerned with the accuracy of the details. They also do not easily delegate details and are strict about punctuality and correctness. Despite this, they are predominantly venturesome and risk taking; this would seem to suggest that the entrepreneurs are cautious or moderate risk takers. The data also suggests that the entrepreneurs are quick to connect to people. They have a lively, enthusiastic and optimistic style of expression, are stimulating positive communicators, tend to be more task-focused than socially-focused, and more authoritative than persuasive in their management style.

The Typical Profile for an Ernst & Young Entrepreneur

A very distinctive PI Profile for the entrepreneurs emerged from the data. A person with this “typical” profile is naturally proactive, assertive, has a sense of urgency for achieving their goals, and will communicate directly and to the point. They will openly challenge the world, be independent in putting forth their own ideas, which are often innovative and, if implemented, cause change. They will resourcefully work through or around anything blocking completion of what they want to accomplish. Impatient for results, they will put pressure on themselves and others for rapid implementation, and are far less productive when doing routine work. Task-focused; they often notice and are driven to fix technical problems, cutting through any personal/emotional issues. In areas of interest, they will have an aptitude to spot trends in data or figure out how complex systems work. They are relatively independent in thinking and action; often comfortable taking action without input from others, and have an assertive drive to accomplish their personal goals by working around or through roadblocks.

70% of the entrepreneurs have a profile that is similar to, or is a close variation of, the typical profile.
The typical profile compares very closely to the Theoretical Profile of an Entrepreneur discussed earlier, with one exception. The typical profile suggests that the entrepreneurs are more introspective, task-focused, authoritative, and more independent in thinking and action, than the theory might suggest; the theoretical profile suggests that the entrepreneurs are more outgoing, empathetic, persuasive and team-oriented.

**Examining the Impact of the Environment**

**Behavioural Adaptation**
The data suggests that in general, the entrepreneurs perceive the need to be more outgoing, persuasive, willing to delegate authority, stimulating and open in communication, and more team oriented. They also feel the need to be more flexible and less formal in dealing with work and other people, more tolerant in delegating detail, determined in closing sales, venturesome, risk-tolerant and more proactive.

Most importantly, a closer examination of the data reveals that while 70% of the entrepreneurs naturally have an entrepreneurial type profile, 82% are adapting their behaviours to be more entrepreneurial. This suggests that those who do not have an entrepreneurial personality understand what kind of behaviours are required for success as an entrepreneur, and are trying to behave accordingly. In other words, they are trying to adopt an entrepreneurial personality.

**Tension: the Degree of Adaptation**
Most people adapt their behaviour to some extent in response to the demands of the environment. Some adaptations are easy while others are quite difficult.

The data suggests that most of the entrepreneurs are making adaptations to their behaviour that are sustainable. In a number of the cases however, certain individuals are expending lots of energy trying to behave in a way that is not natural to them; trying to adapt to the environment in a way that is not sustainable in the long-term.
The data suggests that while 86% of the entrepreneurs are experiencing tension that may be sustainable, 11% are experiencing much tension and 3% are experiencing extreme tension that is not sustainable.

**Morale: Responsiveness to Expectations**

When morale is high the individual has an energised response to expectations. Two conditions are therefore necessary for high morale: clarity in relation to expectations and an energised response to those expectations. The absence of either results in low morale.

Examination of the data suggests that while 74% of the entrepreneurs’ morale is normal, 5% have very high morale, 20% have low morale and 1% have very low morale.

**Resultant Behaviour**

Resultant behaviour of an individual is a manifestation of both natural behaviour and efforts to adapt to the environment.
The data suggest that in general, behavioural adaptation among the entrepreneurs is small and therefore the resultant behaviour is similar to the natural behaviour. This suggests that, in general, the entrepreneurs behave in a way that is natural to them; their actual behaviour is an accurate reflection of who they really are.

**Overall Conclusion and Implications**

The evidence of this study clearly suggests that successful entrepreneurs in Ireland, as defined by Ernst & Young, have a common personality profile. Moreover, it suggests that an ideal character-fit for entrepreneurship may indeed exist. Furthermore, the evidence suggests that there is general agreement in relation to the type of behaviours that are required for success in an entrepreneurial role.

These types of behaviours come naturally to the majority of the entrepreneurs who participated in this study, and some express these behaviours more forcefully than others. A proportion of those individuals however, who do not have the typical entrepreneurial personality, are clearly trying to adopt one. In most cases, only minor adaptations to natural behaviours are required, but in a small number of cases significant tension exists between who the individual really is and who they are trying to be.

The data also provided examples of environmental impact on entrepreneurial behaviours; some cases clearly show that entrepreneurial behaviours are being suppressed, while in other cases entrepreneurial behaviours are being fostered.

The evidence also shows that a small proportion of the entrepreneurs neither have the typical entrepreneurial profile nor are trying to adopt one. This suggests that an individual does not need to have the typical entrepreneurial profile in order to be a successful entrepreneur. In a number of these cases however evidence exists to suggest that a number these individuals partnered with others to build successful entrepreneurial businesses. Future research into this area, with this group of entrepreneurs, will provide additional insights.

The above findings are compelling; this study therefore has important implications for theory, for policy, practice and education, and for future research that will be considered next.
Implications for Theory

The key implication for theory as a result of this study is the supportive evidence it provides for the notion of an entrepreneurial personality. This supportive evidence provides clear, precise and objective insights into entrepreneurial uniqueness that has been largely left unexplained by past research. It has helped to fill ‘a vacuum within entrepreneurship research that has been waiting to be filled’ (Mitchell et al., 2002a, p.93) because of the ‘past failure of the psychological trait approach in isolating entrepreneurial uniqueness’ (Gartner, 1989). This study therefore has implications that need to be considered by theorists when conceptualising models of entrepreneurship in the future, and ‘tendency to concentrate on almost anything except the individual’ (Shaver and Scott 1991, p.39) needs to be reconsidered.

Policy, Practice & Education

The primary insights provided by this study from a practical perspective facilitate the objective assessment of both individual and organisational entrepreneurial potential, and the impact the environment has on entrepreneurial behaviours. Combining this with tools and techniques from the domain of entrepreneurial cognition that facilitate the assessment of entrepreneurial skills-fit (O’Leary & Fleming, 2006), opens up a host of opportunities for individuals, organisations, government bodies and educational institutions.

The insights provided by this study can therefore be employed, for example: to aid individual entrepreneurial career decisions; as a framework for entrepreneurial audits and organisational development; to foster organisational innovation; as a tool for entrepreneurial coaching and education; to assist the development of entrepreneurial partnerships and teams; to aid technology transfer initiatives; to create enterprise development initiatives; to evaluate and assist entrepreneurial performance; and to make more informed venture capital investment decisions.

Future Research

This study has important implications for future research from a research topic point of view. It is hoped that the clear insights provided by this study will encourage more research in the area of entrepreneurial personality. Indeed, extending this study to the other countries where other Ernst & Young Entrepreneurship of the Year programme are hosted is a likely possibility.

Furthermore, very little research has been carried out in relation to the personality of entrepreneurial partnerships and teams, or in relation to entrepreneurial personality and
performance. Additional data from the participants of this study would provide valuable insights into this.

As a way of concluding, the quotation below epitomises the notion of ideal character-fit for those who find a role in life in which they can excel and be passionate about; by behaving in a way that feels natural to them, and that seems effortless.

“I never know I’m in a race...I just love to run!”

Sebastian Coe.
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