



Understanding the psychology of the successful; Most are independent and socially intelligent

By Todd Harris, Financial Post

February 25, 2008

On a recent visit to Barcelona, my wife and I were struck by the sheer variety of activities that could be considered entrepreneurial in nature.

Vendors selling handmade artistic wares in stalls in front of the Cathedral de Barcelona, restaurateurs operating four-seat tapas bars, farmers selling their produce at the La Boqueria, one of the largest daily farmers' markets in the world are just a few examples of the global phenomenon known as entrepreneurship.

The benefits that can accrue to individuals, corporations and societies via entrepreneurship can be substantial. It can be a driver of job creation, innovation, economic mobility, and a sense of independence and personal accomplishment. There are consistent indications that entrepreneurial efforts are on the rise, with roughly one in 10 adult members of the global workforce being engaged in entrepreneurial ventures.

From a demographic standpoint, there are a number of noteworthy trends, with especially heavy concentrations of entrepreneurial activities among women (perhaps due to an increasing drive toward economic independence) and Generation Y-- individuals roughly born from 1980 onward (perhaps because of that generation's quest for independence and work/life balance).

Academic disciplines including business, economics, sociology and psychology are making significant contributions to our understanding of entrepreneurship. As an industrial psychologist, I have long been fascinated by the mind of the entrepreneur. Can the science of psychology provide some clues as to what conditions may enable and promote venture creation? While there is no sure-fire, magic formula, the following are all likely to play an important role.

As a researcher and practitioner in the field of personality, I have seen first-hand that the personal characteristics of those who view entrepreneurship as a feasible career choice, persist at it, and succeed at it, can be distinctive. Nascent entrepreneurs are often relatively comfortable with ambiguity, uncertainty and risk, strongly influence events (what psychologists refer to as self-efficacy), and have high levels of work motivation.

A recent finding of interest is that contrary to the popular conception of successful entrepreneurs being solely independent, single-minded and devoted to their unique passions, they are also characterized by high levels of social competence and social intelligence, with an ability to build relationships and to connect with others on a social and interpersonal level.

As well, early research has indicated that successful entrepreneurs seem to think a bit differently from the rest of us, viewing the world and the potential risks in it through a different lens. For example, they often have a unique ability to see opportunities others fail to recognize. Or they may judge ambiguous business conditions in more positive, enthusiastic, and optimistic terms. One of the appealing notions of exploring these and other cognitive strategies employed by successful entrepreneurs is they are likely learnable skills that education, training and practice can improve upon.

Many business schools and other organizations devoted to entrepreneurship invite aspiring entrepreneurs to pitch their business plans to audiences of students, faculty, fellow entrepreneurs, and investors, with feedback and information sharing to follow.

Additionally, evidence indicates startup firms that take advantage of resources such as mentoring, counseling and other small business development assistance have a better survival and growth rate than do their peers.

One area of research that is somewhat unexplored is the connection between personality characteristics and success at various stages of or different types of entrepreneurship. For example, are the same personality characteristics as helpful for a solo entrepreneur who is at the very initial point in his or her business as they would be in a more mature or team-based setting?

Psychology has a lot to tell us about the role of intelligence in entrepreneurial success. There is some evidence general mental ability as measured by standardized assessments positively predicts some entrepreneurial outcomes.

However, another "type" of intelligence is even more important to the outcome of an entrepreneurial venture. Some blend of critical analytical thinking, creativity, and practical implementation of ideas, which psychologists often refer to as "successful intelligence" can also predict outcomes such as business growth rate.

Entrepreneurs with higher levels of successful intelligence are likely to be better positioned to navigate the environment they are in -- an environment often characterized by urgency, uncertainty, insufficient resources and rapid change.

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