

# Entrepreneurial Skills

**W**HY ARE SOME PEOPLE so successful in business, while others fail? Part of it may have to do with luck or timing, but other important factors are the individual's personality, skills, and willingness to work hard. In this unit, you will learn about skills commonly found in entrepreneurs and how you can assess those skills.



## Objective:



Explain how to assess entrepreneurial skills.

## Key Terms:



Big Five Personality Test  
charismatic  
Cognitive Style Inventory  
conscientious  
entrepreneur

extraverted  
introverted  
Myers-Briggs Type  
Indicator (MBTI)  
nature

neuroticism  
nurture  
Type A personality  
Type B personality

## Entrepreneurs

An **entrepreneur** is a person who is self-employed in a new business or a business risk-taker. One person may be cut out for this type of job, while another person may not like the risks and decisions that come with starting a new business. A variety of tests can help you determine whether you have the personality and skills needed to be an entrepreneur.

## PERSONALITY TESTS

Personality tests analyze and identify traits that may help a person succeed as an entrepreneur. The Type A and B personality test identifies two personality types. The **Type A personality** is an aggressive and driven personality. In contrast, the **Type B personality** is a relaxed and friendly personality.

## Big Five Personality Test

The **Big Five Personality Test** (OCEAN model) is a tool to analyze five personality areas with a rating scale of strongly agree, agree, neither disagree nor agree, disagree, and strongly disagree.

- ◆ In the anagram, the “O” measures openness and determines if a person is closed-minded or open to new experiences.
- ◆ The “C” measures conscientiousness. It compares disorganized and conscientious traits. A **conscientious** person is someone who is thorough and diligent in regard to task completion, with a sense of right and wrong.
- ◆ The “E” measures extraversion. It examines traits of extraversion and introversion. A person who is **introverted** is someone directed inward toward his or her thoughts, interests, ideas, and imagination. In contrast, a person who is **extraverted** is someone directed toward the outer world of activities.
- ◆ The “A” measures the level of agreeableness. It determines if a person is agreeable or disagreeable.
- ◆ The “N” measures **neuroticism**, which is a condition of being overanxious, obsessive about everyday things, or depressed and anxious. It determines if a person is calm and relaxed or neurotic.



**FIGURE 1.** Taking a personality test can help you assess whether you have the traits and skills necessary to be a successful entrepreneur.

## Cognitive Style Inventory

The online **Cognitive Style Inventory**, a personality inventory by Ross Reinhold, is an introduction to personality types in the Myers-Briggs Type Indicator. In the inventory, all answers are equally correct. Each of the four questions has two sections: a general description and a list of statements. It allows a person to determine the “Four Letter Types” of personality by comparing answers to the questions. When a person has difficulty selecting between two differing statements, the author suggests the individual remember personality traits between the ages of 3 and 12.

## Myers-Briggs Type Indicator

The **Myers-Briggs Type Indicator** (MBTI) is a test developed by Isabel Briggs Myers and her mother Katharine Cook Briggs that organizes 16 personality types by common traits.

The MBTI was first used by the U.S. Army to determine appropriate duties for new recruits. The patterns developed by organizing these common traits are found in the Cognitive Style Inventory or the MBTI. The 16 personality types are related to combinations of four-letter types. For example, the ENTJ personality is extraverted, intuitive, thinking, and judgmental.

## ENTREPRENEURIAL SKILLS

The Type A and B personality test identifies the behavior and traits of a person. Many people are a combination of both types.

Type A personality traits are a good fit for an entrepreneur. Generally, these people are motivated by success and monetary gain. They accomplish many tasks and often are in a leadership position. They are more likely to suffer from heart disease, and they find it difficult to achieve all of their goals.

Type B personalities are more flexible and are good team members. They are motivated by feelings and often are more positive and more trusting of others.

### Big Five Personality Test

The Big Five Personality Test, or the OCEAN model, ranks a person's results in percentiles.

- ◆ The score relating to openness helps identify a person's level of creativity and intellect. A high score indicates very original and creative thoughts. Meanwhile, a low score indicates conformity and the use of traditional values.
- ◆ The score relating to conscientiousness compares organizational skills. A high score indicates the person is well organized and self-disciplined, but a low score indicates the person may be unreliable and disorganized.
- ◆ Extraversion compares social and reserved traits. A high score indicates that the person is very friendly and outgoing—traits of an extraverted personality. In contrast, a low score indicates the person is quiet and restrained—traits of an introverted personality.
- ◆ Agreeableness compares friendliness and a willingness to comply. A high score indicates a friendly, forgiving, and polite personality. In contrast, a low score indicates the person is a critical judge and may have rigid opinions. Even though entrepreneurs must be friendly, there is a benefit in having lower scores in this area to keep a critical and impartial view of business situations.



**FIGURE 2.** People with Type B personalities often make good team members.

- ◆ Neuroticism compares anxiety levels in the individual's personality. A high score indicates a person is high-strung, worried, and/or obsessive. A low score, however, indicates a person is calm, relaxed, and stress-free. Entrepreneurs likely would score high in this area.

## Cognitive Style Inventory

The Cognitive Style Inventory is an introduction to personality styles. The author suggests that in the teenage years, adult learning begins to adjust the core personality developed by nature and nurture. Personality traits developed by **nature** are traits resulting from heredity or genetic influence. Personality traits developed by **nurture** are traits that result from the environmental variations of care, education, and family relationships.

Question 1 on the Cognitive Style Inventory examines a person's "most natural energy orientation." Question 2 identifies the way in which a person sees and automatically organizes thoughts, and Question 3 identifies how judgments and decisions are naturally formed. Question 4 identifies how a person takes action.

## Myers-Briggs Type Indicator

The 16 personality types combine the letters from the Cognitive Style Inventory into 16 distinct personality types. The inventory first determines whether a person is introverted or extraverted. Each of those categories is further broken down by characteristics.

Introverted personality types are:

- ◆ Dominant Introverted Intuition Personality Types
  - INTJ stands for intuition, thinking, and judging.
  - INFJ stands for intuition, feeling, and judging.
- ◆ Dominant Introverted Thinking Personality Types
  - INTP stands for thinking, intuition, and perceiving.
  - ISTP stands for sensing, thinking, and perceiving.
- ◆ Dominant Introverted Sensing Personality Types
  - ISTJ stands for sensing, thinking, and judging.
  - ISFJ stands for sensing, feeling, and judging.
- ◆ Dominant Introverted Feeling Personality Types
  - INFP stands for intuition, feelings, and perceiving.
  - ISFP stands for sensing, feeling, and perceiving.

Extraverted personality types are:

- ◆ Dominant Extraverted Intuition Personality Types
  - ENTP stands for intuition, thinking, and perceiving.
  - ENFP stands for intuition, feeling, and perceiving.



## DIGGING DEEPER...

### UNCOVERING ADDITIONAL FACTS: Famous Entrepreneurs

Research a famous entrepreneur. Find information on the Internet, in newspapers and magazines, or in biographies. Look for articles that offer background information about the business owner's personality.

Make a list of examples or anecdotes that indicate the skills and traits of the businessperson. Does the list correlate to the list of common traits and skills you read about in this unit? Prepare a short oral report about the entrepreneur to share with your classmates. As you listen to your classmates' reports, take note of the similarities between the different entrepreneurs.

- ◆ Dominant Extraverted Thinking Personality Types
  - ENTJ stands for intuition, thinking, and judging.
  - ESTJ stands for sensing, thinking, and judging.
- ◆ Dominant Extraverted Sensing Personality Types
  - ESTP stands for sensing, thinking, and perceiving.
  - STFP stands for sensing, feeling, and perceiving.
- ◆ Dominant Extraverted Feeling Personality Types
  - ENFJ stands for intuition, feeling, and judging.
  - ESFJ stands for sensing, feeling, and judging.

Knowing your personality type can help with career planning. You can select a work environment to match the introverted or extraverted area of your personality. Your personality type also may help determine your choices of courses in high school and your college major. These choices help you meet personal career goals. It is important to know that entrepreneurs often are more successful if they are from the personality types “Dominant Extraverted Intuition” or “Dominant Extraverted Thinking.”

## ENTREPRENEUR SKILLS AND TRAITS

Entrepreneur is a French word that means “a person who undertakes an endeavor.” An entrepreneur is someone who wants to improve items or processes. This is commonly referred to as “building a better mouse trap.”

A successful entrepreneur is willing to take risks. He or she is highly motivated and self-disciplined, almost to an obsession. Also, the person often is creative and **charismatic**—able to influence people to support or finance the endeavor.

An entrepreneur often has good communication and computer skills. In addition, he or she typically has an understanding of finance and a detailed knowledge of the enterprise. An entrepreneur is often considered a “people person.”

## Summary:



An entrepreneur is a person who is self-employed in a new business or a business risk-taker. Personality tests analyze and identify traits that may help a person succeed as an entrepreneur. Common tests are the Type A and B personality test, the Big Five Personality Test, the Cognitive Style Inventory, and the Myers-Briggs Type Indicator. The tests identify the skills and traits of an individual. Certain traits may make a person more likely to be a successful entrepreneur. A successful entrepreneur is willing to take risks and is highly motivated, creative, and charismatic.

## Checking Your Knowledge:



1. What is an entrepreneur?
2. What are the differences between Type A and B personalities?
3. What are the personality traits related to the Big Five Personality Test?
4. What are the eight personality traits in the Cognitive Style Inventory?
5. What skills and traits are common in entrepreneurs?

## Expanding Your Knowledge:



Interview a local business owner. Ask him or her to take a personality test and to reveal the results to you. Identify the traits he or she has that are common in entrepreneurs. Find out what the person wanted to be when he or she was a child. How did that change as he or she grew up? Does that person think his or her personality had a big impact on the decision to start a business? If the person is a risk-taker in business, find out whether he or she enjoys taking risks in other areas of life as well. For example, does he or she like to race cars or go skydiving?

## Web Links:



### Big Five Personality Test

<http://www.outofservice.com/bigfive/>

### Personality Types

<http://www.personalitypage.com/html/info.html>

### Personality

<http://www.entrepreneur.com/article/34720>