

**Academic Discipline of Hospitality & Tourism Management
BA International Hotel Management
LEVEL 5**

***Critical Evaluation of Entrepreneurial Traits,
Motivations and Characteristics: Insights from
Academic Theories and Successful
Entrepreneurs in the Hospitality Industry***

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Introduction

Entrepreneurship has been widely recognized as one of the main engines of economic growth, job creation and innovation, catering to a variety of sectors including the hospitality industry. While many factors contribute to the success of entrepreneurs, one of the most discussed topics is the set of skills or attributes that entrepreneurs possess. The literature in the field highlights several theoretical models that explain these traits, motivations and characteristics, from McClelland's need for achievement to Rotter's locus of control and Knight's risk-taking propensity. This essay critically evaluates four key entrepreneurial traits and motivations—need for achievement, locus of control, risk-taking and creative tendency—using relevant academic theories and supporting these with real-life examples of entrepreneurs within our hospitality industry. In doing so, the essay demonstrates how these traits and characteristics intersect and shape entrepreneurial success in various contexts.

4 Major Entrepreneurial Traits

The Need for Achievement (McClelland)

One of the most widely cited theories on entrepreneurial motivation is McClelland's "Need for Achievement" theory (1961), which presents that individuals with a high need for achievement are more likely to become entrepreneurs. McClelland suggests that entrepreneurs are driven by a desire to excel, achieve challenging goals and constantly improve their performance. These individuals prefer to take personal responsibility for solving problems and achieving outcomes and typically set themselves moderately challenging goals where the outcome is uncertain, but achievable.

While McClelland's theory offers a useful perspective on what motivates entrepreneurs, it overlooks other important factors that contribute to entrepreneurial success, including external influences and personality traits like creativity. Additionally, McClelland's theory falls short in explaining the success of entrepreneurs who might not have a high need for achievement but are motivated by other factors, such as a desire for autonomy or a willingness to take risks.

McClelland's theory has been applied to explain why certain individuals are drawn to entrepreneurship as opposed to traditional employment. Entrepreneurs with a high need for achievement are proactive in seeking opportunities and challenges and demonstrate resilience in the face of setbacks. The hospitality industry, known for its

competitive and fast-paced environment, presents numerous examples of entrepreneurs who embody this trait.

One such example is Conrad Hilton, founder of Hilton Hotels. Hilton was driven by an insatiable desire to expand his hotel empire and set ambitious goals throughout his career. His vision of building a global hotel chain required not only hard work and dedication but also a relentless pursuit of excellence, which aligns with McClelland's theory. Hilton's early ventures in hotel management involved taking calculated risks, but his focus on delivering a high standard of customer service and creating a recognizable brand helped him differentiate his hotels in a crowded market according to the book *Be my guest* written by Hilton himself in 2012.

Hilton's need for achievement manifested in his consistent pursuit of growth, even during difficult economic times like the Great Depression, where he managed to expand his hotel business significantly (Blackwell, 2011).

Locus of Control (Rotter)

Another significant trait of entrepreneurship is the concept of locus of control, introduced by Julian Rotter in 1966. This concept describes how much individuals feel they can influence the outcomes of events in their lives. Those with an internal locus of control believe their actions can shape events and their results, whereas individuals with an external locus of control tend to attribute outcomes to outside factors like luck or fate. Entrepreneurs who possess an internal locus of control are generally more inclined to take initiative, persist through difficulties, and trust that their efforts play a crucial role in the success of their businesses (Rotter, 1966).

In the context of the hospitality industry, an entrepreneur who exemplifies this trait is Gordon Ramsay. Ramsay, a Michelin-starred chef and successful restaurateur is known for his hands-on approach and relentless pursuit of perfection in his businesses. His internal locus of control is evident in his belief that the success or failure of his restaurants hinges on his personal effort and attention to detail. Ramsay often takes full responsibility for the quality of food, customer service and overall dining experience, leaving little to chance (Burns, 2022). His direct involvement in kitchen operations and his insistence on training staff personally further emphasize his belief in controlling outcomes through individual action.

Ramsay's success is not solely due to his culinary talent, but also his ability to create a brand and expand his business empire across different regions. This sense of control and accountability is a defining characteristic of entrepreneurs who possess a strong internal locus of control. They have confidence in their ability to manage the uncertainties of the business landscape and shape their own success (Williams, 2021).

While Rotter's locus of control theory provides valuable insights into entrepreneurial behaviour, it might oversimplify the complexities involved in running a business. Entrepreneurs like chef Gordon Ramsay are certainly motivated by their belief in their ability to influence outcomes, but they are also influenced by external factors such as market conditions, competition and consumer behaviour. As a result, having an internal locus of control does not always ensure success, especially in industries like hospitality, where customer preferences can be unpredictable. Additionally, individuals with an overly strong internal locus of control may neglect the importance of external factors, which can lead to overconfidence and ultimately, failure (Rae, 2008).

Risk-Taking (Knight's Risk-Taking Propensity)

Risk-taking is often regarded as a fundamental characteristic of entrepreneurs. Frank H. Knight's theory of risk-taking, first introduced in 1921, distinguishes between measurable risk and unmeasurable uncertainty. Knight believes that entrepreneurs play a critical role in bearing uncertainty, as they make decisions in environments where outcomes are unpredictable. Entrepreneurs with a high propensity for risk are willing to take on uncertainty because they believe that the potential rewards outweigh the risks (Knight, 1921).

Although he is primarily recognized for his work in the airline and music sectors, his contributions to hospitality, especially through the Virgin Limited Edition luxury hotels and resorts, highlight his readiness to explore new and uncertain markets. Branson has repeatedly shown that he is comfortable with ambiguity, launching ventures in areas where he had minimal prior experience (Mariotti & Glackin, 2012). The growth of Virgin Hotels into markets traditionally held by established brands like Hilton and Marriott exemplifies Branson's adventurous spirit.

Branson's approach reflects Knight's theory by embracing uncertainty and recognizing that potential failure is a natural part of the entrepreneurial journey. His strategic risks have often yielded positive results, particularly with Virgin Hotels, which has found success by providing unique, boutique-style accommodations that cater to a specific market (Zimmerer & Scarborough, 2011). Nonetheless, Branson's entrepreneurial narrative also underscores the significance of making well-informed decisions, as he collaborates with knowledgeable teams and performs comprehensive market research prior to launching new ventures (Burns, 2022).

While risk-taking is an essential component of entrepreneurship, it is important to recognize that not all entrepreneurs are equally willing to take risks. The hospitality industry, in particular, is highly competitive and capital-intensive, which may discourage excessive risk-taking. Furthermore, risk-taking alone does not guarantee success; it must

be complemented by strategic planning, market research and a deep understanding of the industry. Entrepreneurs like Branson succeed not just because they take risks but because they take calculated risks, balancing bold decisions with careful consideration of potential outcomes (Williams, 2021).

Creative Tendency

The ability to think creatively is a critical trait for entrepreneurs, particularly in the hospitality industry, where innovation is essential to staying competitive. Entrepreneurs with a creative tendency are good at identifying opportunities, generating novel ideas and finding unique solutions to problems. This trait is closely linked to the concept of "opportunity recognition," where entrepreneurs see potential in situations that others may overlook (Barringer & Ireland, 2018).

One example of creative entrepreneurship in the hospitality industry is Danny Meyer, founder of the Union Square Hospitality Group and the fast-casual chain Shake Shack based in New York City. Meyer's creative tendency is evident in his pioneering of the "fine-casual" dining concept, blending the quality and experience of fine dining with the convenience of casual dining. This innovative approach to hospitality was not only about creating a unique restaurant concept, but also about transforming the overall dining experience by emphasizing "enlightened hospitality," which prioritizes the care of employees, customers and the community (Meyer, 2006).

Meyer's creative thinking also extended to his approach to customer service. Unlike many restaurants who focused primarily on food and ambiance, Meyer innovatively emphasized the importance of hospitality and customer relationships as central to his business model. This led him to establish a service-first culture in his restaurants, which became a hallmark of his success (Zimmerer & Scarborough, 2011).

His creation of Shake Shack, which started as a small hot dog stand in Madison Square Park, reflects Meyer's ability to identify and capitalize on market opportunities. He transformed Shake Shack into a global brand by offering a simple but high-quality menu in a casual setting, an idea that resonated with urban consumers looking for fast, affordable, yet gourmet dining options. This blend of creativity and strategic market positioning highlights how a creative tendency can drive entrepreneurial success in the hospitality industry (Williams, 2021).

While creativity is undoubtedly important for entrepreneurship, it must be balanced with sound business strategies. Danny Meyer's success was not solely based on his creative ideas but also on his ability to implement them through strong management, strategic brand building, and maintaining high standards of service. His creativity in recognizing the importance of hospitality and customer relations gave his restaurants a

competitive edge, but it was his operational efficiency and leadership that ensured long-term success (Burns, 2022).

Moreover, while creative ideas can be transformative, they must align with market needs and preferences. Meyer's ability to innovate while staying attuned to consumer demands—such as the rise of casual dining—was a key factor in his success. Without this balance, creative ideas alone may not be commercially viable (Timmons & Spinelli, 2008).

Short Comparison of these 4 Traits

The four entrepreneurial traits and motivations discussed—need for achievement, locus of control, risk-taking and creative tendency—intersect in several ways but also display significant differences. For example, both Conrad Hilton and Richard Branson exhibit high levels of risk-taking propensity, but their approach to entrepreneurship differs in other respects. Hilton's need for achievement is closely aligned with his strategic vision of building a global hotel chain, whereas Branson's ventures are often characterized by a willingness to explore new and uncertain markets (Barringer & Ireland, 2018).

Both Gordon Ramsay and Danny Meyer exhibit an internal locus of control, as they believe their success is a result of their own efforts and determination. However, the balance between risk-taking and creativity can differ based on the entrepreneur's industry and personal risk tolerance. For instance, entrepreneurs like Branson might be more inclined to take risks, whereas others, like Meyer, may prioritize creativity and innovation in a more stable, lower-risk setting.

Conclusion

Entrepreneurial traits, motivations and characteristics are complex varying from one individual to another. McClelland's need for achievement, Rotter's locus of control, Knight's risk-taking propensity and the creative tendency all provide valuable insights into the factors that drive entrepreneurial behaviour. The examples of Conrad Hilton, Gordon Ramsay, Richard Branson and Danny Meyer illustrate how these traits manifest in practice within the hospitality industry, highlighting both the similarities and differences among successful entrepreneurs.

While these attributes do help an entrepreneur, they are not a fix-it for all. Successful entrepreneurs often encompass a number of these characteristics in conjunction with how well they adapt to changing market conditions, take calculated risks, and tap into their creativity, which in turn determines the sustainability of their ventures.

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