

BMIH5001

Entrepreneurship

The characteristics, traits and motivations of an entrepreneur

Trait Theory

HOSPITALITY
AND
TOURISM
MANAGEMENT

Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales



Prifysgol Cymru
Y Drindod Dewi Sant
University of Wales
Trinity Saint David

Before we start...

As there are quite a few of us here, please ensure that your microphone is muted during all teaching until you are asked a question or there is a group discussion to prevent background noise.

Your camera must be always on during lectures please.

use the Teams university background to protect your privacy.

YOU must join via a laptop or PC/MAC

You will be removed and logged as absent if you fail to adhere to these

This and all sessions will be recorded so that you can watch it again



Assessment 1

DEADLINE: Monday 21st October 2024 (23:59)

Assessment 1 – 2000 word Essay

Title – *Critically evaluate a range of entrepreneurial traits, motivations and characteristics using appropriate academic models and theories, further supported by examples of proven and successful entrepreneurs*

Guidance:

- You must investigate at least 4 different traits/motivations, supported by relevant theory, research and analysis
- Each trait/motivation identified should also be further supported by reference to an entrepreneur in practice, evidencing how that entrepreneur supports the theory (at least 4 different entrepreneurs)
- Entrepreneurs must be from within the hospitality industry and cover a wide demographic
- Compare and contrast the different traits/motivations e.g. *one trait could be evident within more than one entrepreneur*
- Conduct in-depth research from reputable literature and peer reviewed sources
- Include a minimum of 20 credible references

AI Guidance Acknowledgement

Students are now required to include a statement that declares any use of AI in an assignment:

Basic Acknowledgement format of AI tool use

I acknowledge the use of [AI Tool] [(AI Tool url)] on [Date] to [Purpose my work]. I used the prompt(s):

1. [Prompt]
2. [Prompt]
3. [Prompt]

I confirm that I have not presented any AI generated text as my own work. I confirm I have copies of my drafts, notes, and other resources I used before, and after the use of AI tools which I may be asked to provide in evidence.

AI Acknowledgement Guidance

If you have not used AI tools

If you have not used AI tools, whether because it is not allowed or because you have chosen not to use AI tools at all, you need to include the following acknowledgement.

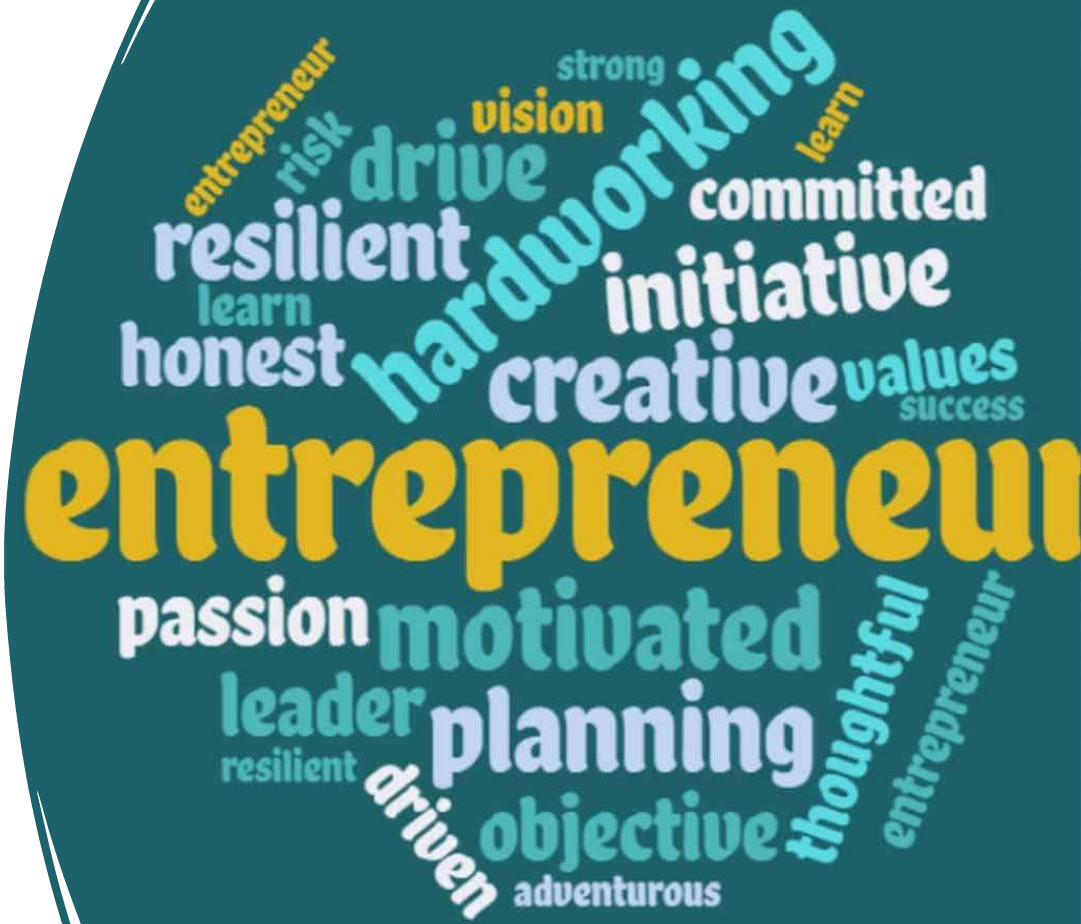
I confirm that I have not used any AI tools in the research and creation of this assignment. I confirm that I have not presented any AI generated materials as my own work. I confirm I have copies of my drafts, notes, and other resources I used, which I may be asked to provide in evidence.

**Use a variety of research sources
to support your opinion on
important entrepreneurial traits.**

*Today we'll look at research/information
from videos, journals, textbooks, websites,
research findings, and more...*

What are the traits and characteristics that make an Entrepreneur?

ACTIVITY - Let's remind ourselves of some of these from last week.

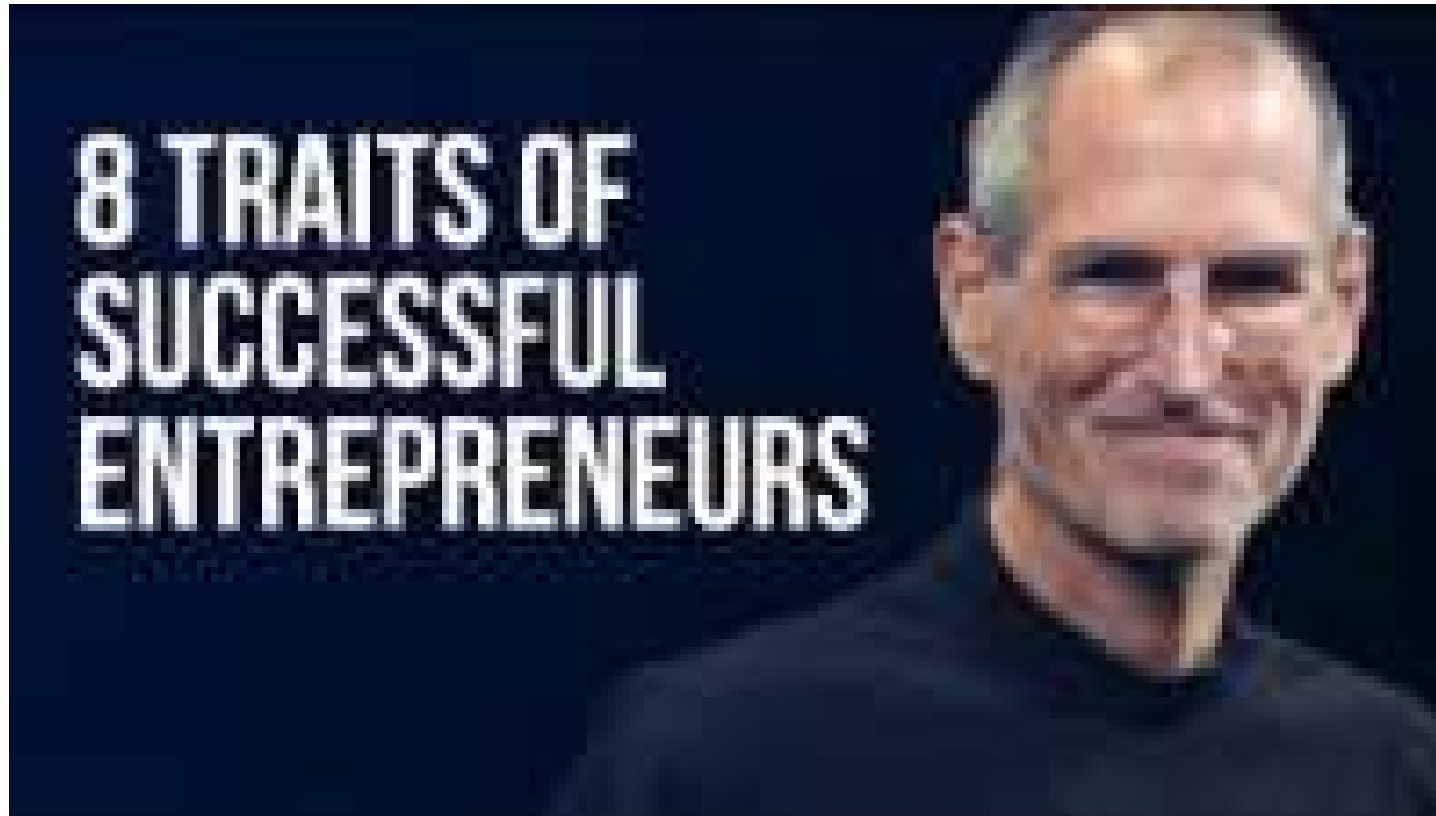


**Entrepreneurs have the traits associated with
'business owners' but also additional:**

***“almost magical qualities that the average
owner-manager does not possess”***

(Burns, 2009, p33)

From an Entrepreneur's Perspective...



5 Distinctive Qualities of a Successful Entrepreneur

THE MEANING OF ENTREPRENEURSHIP IS 'ELASTIC' (to a degree) – NOT ALL INTERPRETATIONS ARE THE SAME AND NO DEFINITION IS PERFECT... It is for you to show your understanding of the topic and apply your learning and thinking from your research.

1. Resolute motivation and passion

As a result of their passion and motivation an entrepreneur is compelled to take on new tasks and learns new things in order to reach their goal.

2. Self-discipline and awareness

They master the inner self and inner emotions to generate a sense of responsibility of getting the job done, which fosters self-direction.

3. Risk-taking ability

A successful entrepreneur knows when to take risks and which risks will be beneficial or harmful to the company or themselves. All entrepreneurs plan before taking risks, and always have a plan B.

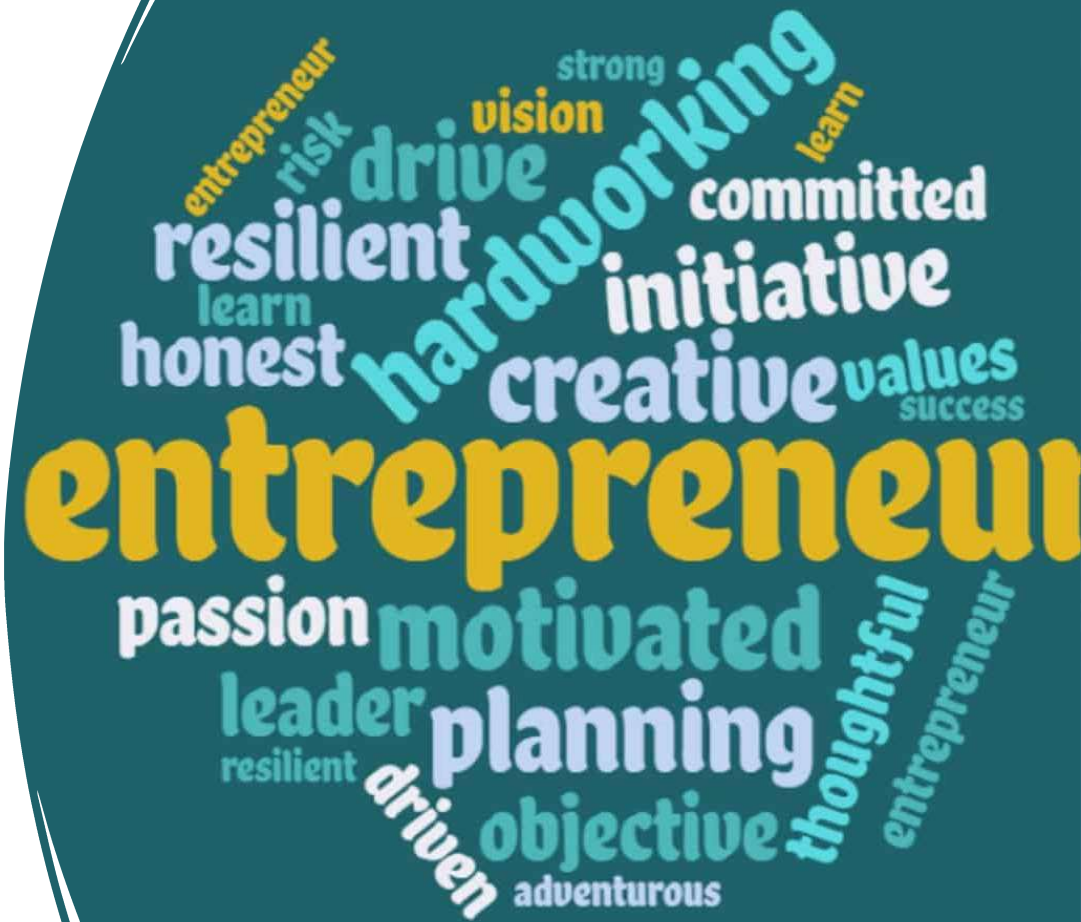
4. Creative/Innovative thinking

An ability to think of a wide range of new ideas helps an entrepreneur to initiate different types of business in a unique, creative way.

5. Persistence and Resilience

Even good entrepreneurs experience failures and hurdles, they must be able to pick themselves up and try again.

What about motivations?





ACTIVITY

Discuss:

What do you think are the motivations for an entrepreneur?

What would motivate you to start a business?



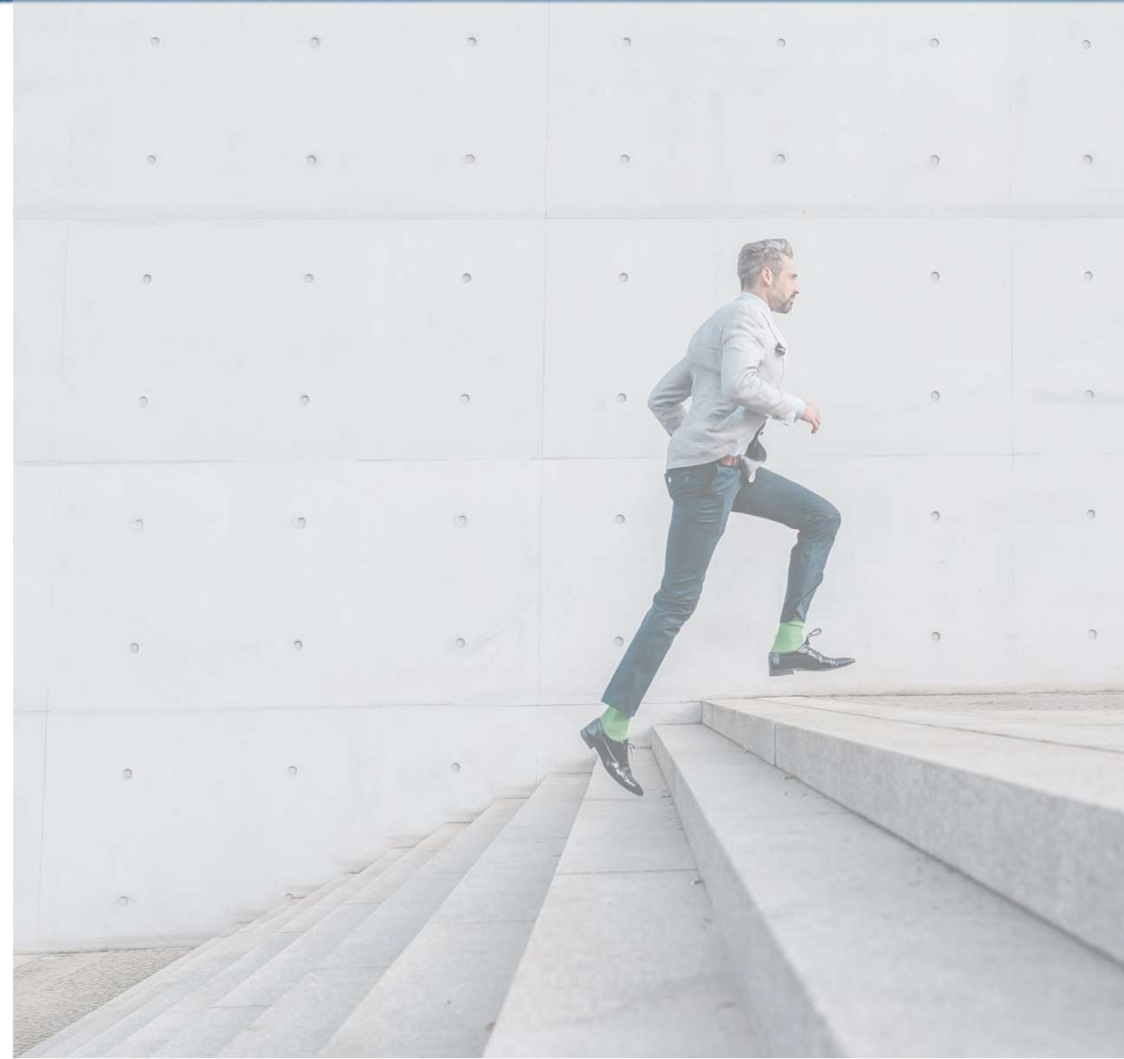
Why entrepreneurship? Why become an entrepreneur?

- To fulfil a need for personal development, something you have always wanted to try, to learn, to be become the best you can be.
- For financial reward or security
- More autonomy and independence to make decision, pursue your dreams, develop your own ideas and vision.
- Be your own boss, control your own time, schedule and workload.

Types of Start-Up

The type/size of the start-up can be a good indication of the entrepreneur's motivations:

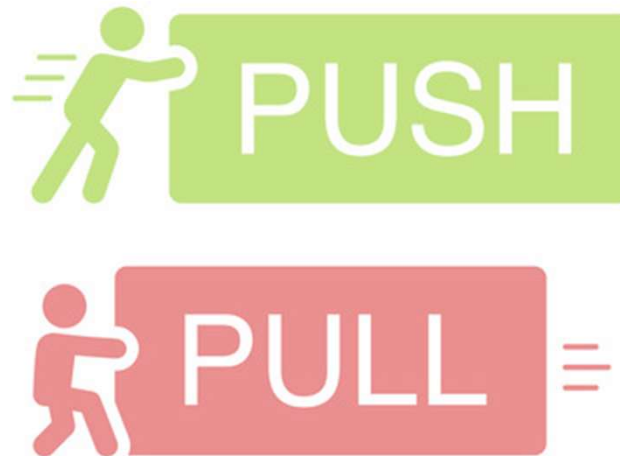
- Lifestyle Venture
Do something you love!
- Smaller Profit Venture
Work-life balance.
- High Growth Ventures
Profit and success.



The forces of entrepreneurship:

Opportunity based

- The individual is **pulled** into entrepreneurship
- **Objective:** The individual seeks greater autonomy, independence, freedom, financial gain, social status or recognition



Necessity based

- The individual is **pushed** into entrepreneurship
- **Objective:** The individual needs a source of income or pursues self-employment because there are no better options of work



Linking to
theory and
academic
models.

Generalist Trait Theory

- Looks at the importance of the human mind, human factors, and human behaviour in entrepreneurship.
- A focus on the entrepreneurial person and their individual traits, characteristics and motivations.

*... essentially what we've looked at so far.
But, what academic theory or models can we link
this to support our ideas.*



McClelland's – Theory of Needs (1960's)

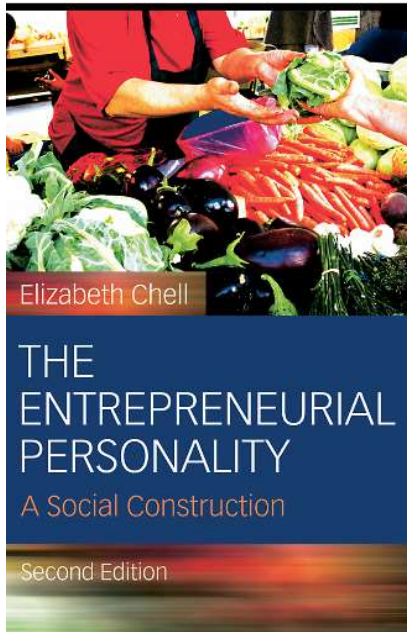
Three types of needs:

1. Need for Achievement. A drive to excel, advance and grow.
2. Need for Power. A drive to dominate or influence others and situations.
3. Need for Affiliation. A drive for friendly and close inter-personal relationships.

Entrepreneurship is the result of the individual's motivations.



****Closely linked to Maslow's Hierarchy of Needs.****



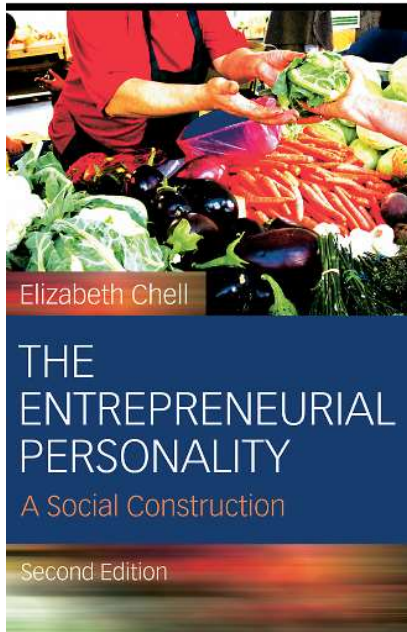
Elizabeth Chell et al. (2008) *The Entrepreneurial Personality : A Social Construction*. Hove, East Sussex: Routledge.

The Entrepreneurial Personality : A Social Construction

(Elizabeth Chell, David E. Wicklander, Shane G. Sturman, L. Wayne Hoover)

The Big Three: 1. THE NEED FOR ACHIEVEMENT

“...achievement motivation. The need to achieve is a drive to excel, to achieve a goal in relation to a set of standards. A person endowed with such a need will spend time considering how to do a job better or how to accomplish something important to them.”



Elizabeth Chell *et al.* (2008) *The Entrepreneurial Personality : A Social Construction*. Hove, East Sussex: Routledge.

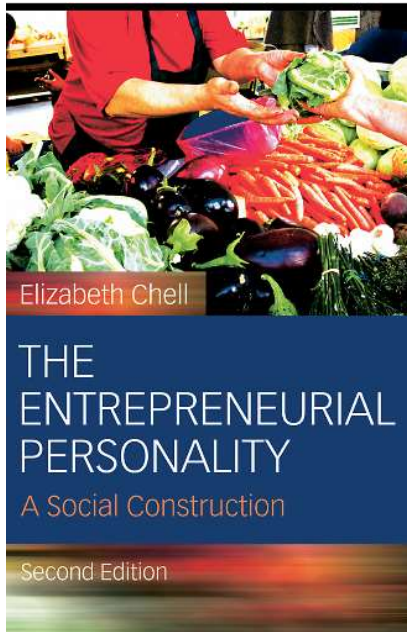
The Entrepreneurial Personality : A Social Construction

(Elizabeth Chell, David E. Wicklander, Shane G. Sturman, L. Wayne Hoover)

The Big Three: 2. LOCUS OF CONTROL

“People with an internal locus of control are those individuals who believe themselves to be in control of their destiny.”

- They do not believe in fate. You make your own luck!



Elizabeth Chell *et al.* (2008) *The Entrepreneurial Personality : A Social Construction*. Hove, East Sussex: Routledge.

The Entrepreneurial Personality : A Social Construction

(Elizabeth Chell, David E. Wicklander, Shane G. Sturman, L. Wayne Hoover)

The Big Three:

3. RISK-TAKING

- Propensity to take risks even if chance of success is low
- ...Or... is it more about taking a calculated risk?



An Entrepreneur's Attitude to Risk

A study done at Princeton University, looked at two groups of people: those who have just started their own businesses and the general population. These two groups were given three options for investments...

1. A profit of \$5 million with a 20% chance of success
2. A profit of \$2 million with a 50% chance of success
3. A profit of \$1.25 million with an 80% chance of success.

Entrepreneurs picked?

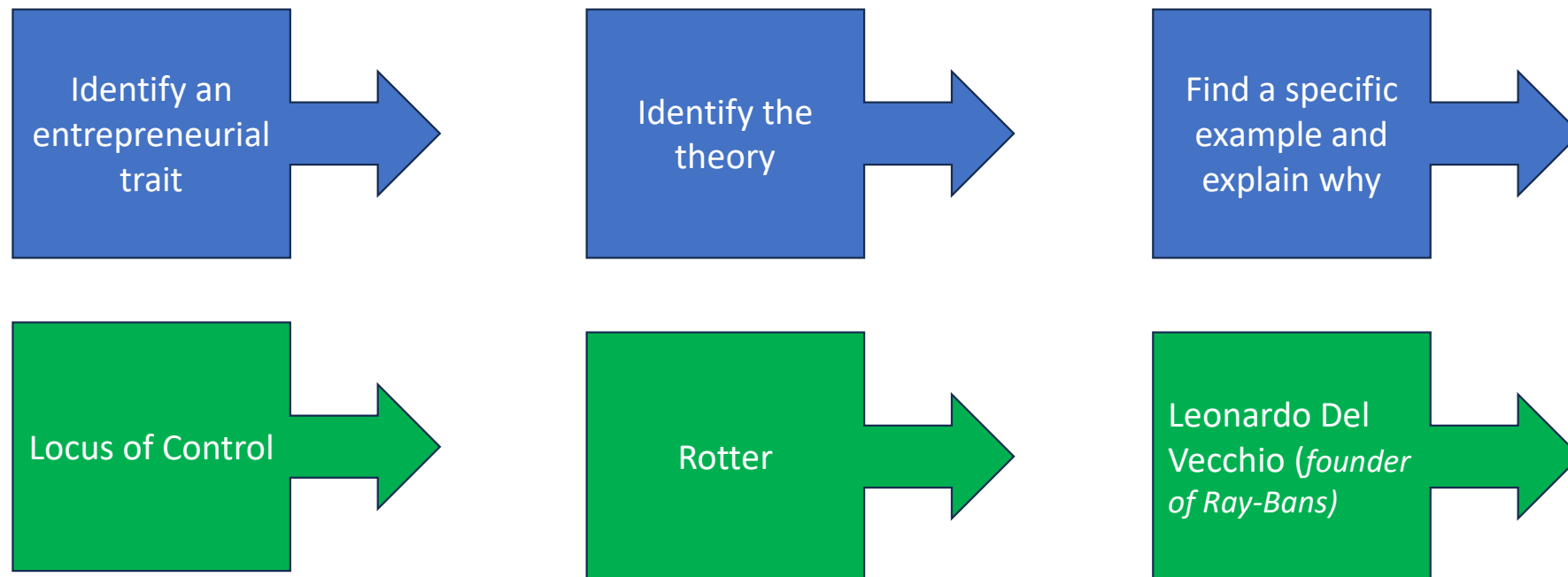
Entrepreneurs usually opted for safer option 3 – a higher chance of profit, but less of it.

General public picked?

While a higher proportion of the general population went for the riskier option 1.

Activity (15-20minutes)

Lets try to link to the theory to practice:



More entrepreneurial theories

Risk Taking Propensity (Knight, 1921)

Need for Achievement (McClelland, 1961)

Locus of Control (Rotter, 1966)

Over-Optimism (Cooper, Dunkelberg, and Woo, 1986)

Desire for Autonomy (Sexton and Bowman, 1985)

Uncertainty Avoidance (Hofstede, 1998)

Independence (Bridge et al., 2003)

Self-efficacy (Chen et al., 1998)

Dislike of Rules, Procedures and Social norms (Kets De Vries, 1977)



Take a break...

HOSPITALITY
AND
TOURISM
MANAGEMENT

ACCOR
Arora
GROUP

St BRIDES
spa hotel

*Man Geni Addysg Uwch yng Nghymru
Where Higher Education Began in Wales*

Institute
ality

EAT SLEEP & DRINK
WHITBR

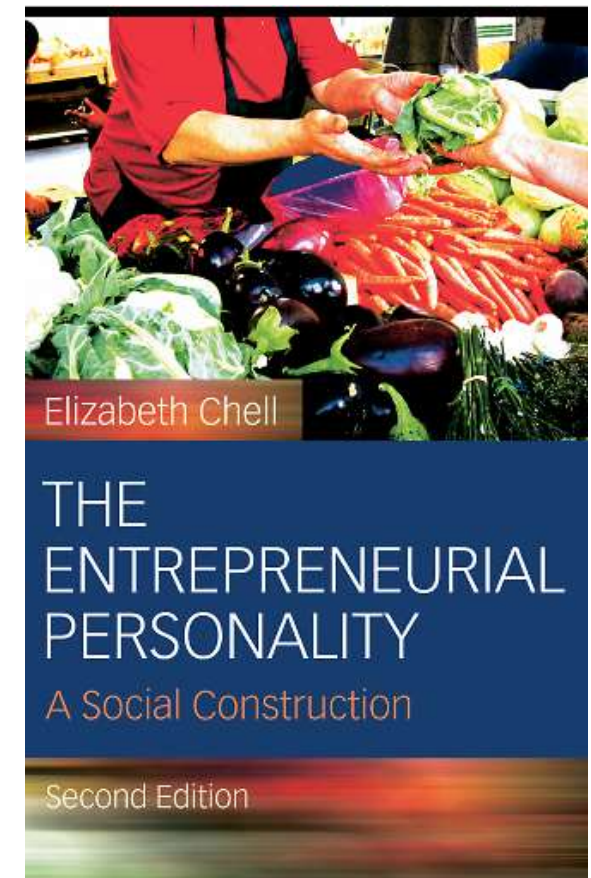


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Joining the dots – traits to academic research:

3 BIG TRAITS:

1. Need for Achievement (McClelland)
2. Locus of Control (Rotter)
3. Risk-taking (Knight's Risk Taking Propensity)



Joining the dots – traits to academic research:

Merideth et al. (1982)

The 5 core traits of entrepreneurship:

- Confidence
- Risk-taking
- Flexibility
- Achievement orientation
- Independence

*Meredith, G.G., Nelson, R.E. and Neck, P.A. (1982).
The Practice of Entrepreneurship, International
Labour Office, Geneva.*



Joining the dots – traits to academic research:

Timmons (1994)

- Some acquired traits, some innate
- Need for achievement
- Vision and ability to inspire
- Responsibility for actions / decisions
- Ambitious
- Achieved personal goals / ambitions
- Able to cope with failure
- Creative

Timmons, J.A. (1994). New Venture Creation: *Entrepreneurship for the 21st Century*, 4th Edition, Irwin: Chicago, IL.



Final thoughts on potential characteristics





ACTIVITY

How Entrepreneurial Are You? (20-40mins)

<http://www.get2test.net/get2test.html>

How well do you align to the following theories and traits:

- Need for Achievement
- Need for Autonomy
- Creative Tendency
- Calculated Risk-taking
- Locus of control

Which was highest? Which was lowest for you? Share on the chat board please.

ENTREPRENEUR VS. INTRAPRENEUR

Both of them;

- Focus on innovation
- Focus on creation of value-added products
- Require investment in 'risky' activities
- Take personal risks to make ideas happen
- Share characteristics e.g. vision, flexibility, action-orientated, dedicated, persistent, self-determined, goal-setting

- Entrepreneurs – time and capital is placed at risk
- Intrapreneur – takes organisation into new products and markets, away from core business, causes risks for firm. Intrapreneurs personal position in the company.
- Intrapreneur – may have similar qualities to entrepreneur, but wants to stay in security of established company, advance internally, receive support, gain recognition
- Entrepreneurs resources often limited, but intrapreneur can benefit from assets of larger firm – staff, resources and brand name.

Are entrepreneurs born (nature) or made (nurture)?

'Entrepreneurship: Where Nature Meets Nurture'

"From my experience, entrepreneurs are both born and made. The combination of these two forces is also not rare. Each day a new startup is launched, a new innovative idea is conceptualized and success of some kind is had. These newly successful entrepreneurs were born and nurtured toward their achievements. Their application of traits, passion, tenaciousness and yearning for knowledge is at the core of their success — a very special place where nature meets nurture."

K. Arora, Forbes.com (2019)



ACTIVITY

Read this article in full and share your thoughts on the chat board:

<https://www.forbes.com/sites/theyec/2019/03/21/are-successful-entrepreneurs-born-or-made/?sh=4d1bc0923ed1>

K. Arora, Forbes.com (2019)

Do you agree with their statements over nature versus nurture?

Do you feel that having the right traits are more important or the right support?



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K. Arora, Forbes.com (2019)

Do you agree with their statements over nature versus nurture?

Do you feel that having the right traits are more important or the right support?

We'll continue looking at this next week!

FURTHER READING:

The Heart of Entrepreneurship

by Howard H. Stevenson and David E. Gumpert,
Harvard Business Review

<https://hbr.org/1985/03/the-heart-of-entrepreneurship#:~:text=Successful%20entrepreneurs%20seek%20plateaus%20of,do%20more%20with%20less%20anyway>



Any questions?

FURTHER READING:

Essential

Barringer, B. R. & Ireland, R.D. (2008) Entrepreneurship: Successfully Launching New Ventures, 2nd Ed., Prentice Hall: New Jersey

Williams, S. (2009) FT Guide to Business Start Up 2009: The only annually updated guide for entrepreneurs, 4th Ed., Financial Times Press: Harlow.

Recommended

Burns, P. (2006) Entrepreneurship and Small Business, 2nd Ed., Palgrave Macmillan: Basingstoke

Butler, D. (2010) Enterprise Planning and Development: Small Business and Enterprise Start-up Survival and Growth. Routledge.

Rickman, C., & Roddick, D. (2013) The Small Business Start-Up Workbook: A step-by-step guide to starting the business you've dreamed of. London, How To Books

Background

Blackwell, E. (2011), How to Prepare a Business Plan: Planning for Successful Start-up and Expansion, (5th Ed) Sunday Times Business Enterprise Series, Kogan Page

Hisrich, R.D., Peters, M.P. & Shepherd, D.A. (2008) Entrepreneurship, 7th Ed., McGraw Hill: NY

Mariotti, S. and Glackin, C. (2012) Entrepreneurship: Starting and Operating a Small Business (3rd Ed), London: Prentice-Hall.

Rae, D. (2008) Entrepreneurship: from opportunity to action, 2nd Ed., Basingstoke: Palgrave Macmillan

Timmons, J. & Spinelli, S. (2008) New Venture Creation: Entrepreneurship for the 21st Century, McGraw Hill: Boston

Zimmerer, T.W. & Scarborough, N.M. (2011) Essentials of Entrepreneurship, 6th Ed., Prentice Hall: New Jersey

Thank you!

I look forward to seeing you next week, if you have any questions in the meantime please send me an email...

n.dyer@uwtsd.ac.uk

...(from your student email account ALWAYS!).

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