

Personality Based Preferences for Careers in Entrepreneurial Firms

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Motivation:

- To determine if certain personality traits predict interest in joining startups, to better understand startup culture
- As more companies rely on pre-employment tests, this data could help them target certain candidates for either diversity or similarity
- Pinpoint possible areas of weakness for established firms and startups both when hiring and when evaluating their organization

Objectives:

- Understand the “joiner” group and “entrepreneur” group with reference to their personality
- Get a basic idea of perceived differences between startups and established firms
- Determine if personality predicts “joiner” interest

Methods/Measures:

- The Big 5 Aspects subdivide the well established Big 5 personality measures into ten aspects (two for each)

Table 1	Extroversion	Agreeableness	Conscientiousness	Neuroticism	Openness/Intellect
Aspects	Enthusiasm, Assertiveness	Politeness, Compassion	Industriousness, Orderliness	Withdrawal, Volatility	Openness, Intellect
Descriptors of “high scorer”	Outgoing, talkative, Energetic	Caring, Cooperative	Vigilant, Organized, Efficient	Guilt, Anger, Irrationality	Questioning, Imaginative, Accepting

- Risk propensity, often associated with entrepreneurship, was also measured
- Sent an email to 7,144 Engineering Students at ISU, 687 valid responses were identified. Students were given their test results after participating
- We asked the following questions (color coded for similarity);

Questions
I see Myself starting my own company
Becoming an entrepreneur does not really appeal to me
One day I would like to become an entrepreneur
I would like to work in an entrepreneurial firm one day
I would enjoy being part of a new company
I would rather work in an established firm
Working in an established firm would be very different from a startup
There are significant differences between startups and established firms
Startups are not that different from established firms
Organizations with few employees appeal to me
I would rather join a firm with few employees
The size of the organization isn't that important to me
Money is very important to me when considering job prospects
The goal of working is to make money
I believe startups pay less than established firms

The average of questions 1,-2, 3 indicate the “entrepreneur” variable and the average for questions 4,5,-6 indicate the “joiner” variable

Hypotheses/Results:

**Indicates proven hypotheses*

Items that will not be statistically significantly correlated with joiner interest:

Enthusiasm, Assertiveness, Politeness

Items that will be statistically significantly positively correlated with joiner interest:

Compassion, Industriousness, Openness*, Intellect*, Risk Propensity*, Small number of employees*, The belief that differences exist**

Items that will be statistically significantly negatively correlated with joiner interest:

Orderliness, Withdrawal*, Volatility, Importance of Money at Work**

Areas for Future Study:

- Determine if certain personalities drive success in startup ventures
- Determine the personalities of joiners that have joined startup ventures
- Continue to identify factors that differentiate “joiners” from “others” and “entrepreneurs”
- Identify perceived societal differences between startups and established firms

Conclusions:

- Joiners are in many respects the same type of people as entrepreneurs — not only do they share the same personality traits but they often want to become entrepreneurs themselves
 - Note that joiners are less concerned about money, more concerned about the size of the company, and are more likely to believe differences exist which may be problematic as the company grows
- Candidates with high levels of assertiveness, openness, enthusiasm and risk propensity are more likely to be interested in startup firms
- Candidates with high orderliness and high politeness are more likely to be interested in established firms
- A significant gender gap persists between those interested in joining startups versus established firms

Table 2 Correlations	Entrepreneur interest	Joiner interest
Enthusiasm	0.17	0.19
Assertiveness	0.28	0.20
Politeness	-0.21	-0.11
Compassion	0.083	0.13
Industriousness	0.004	-0.004
Orderliness	-0.095	-0.15
Withdrawal	-0.11	-0.14
Volatility	-0.018	-0.06
Openness	0.22	0.22
Intellect	0.13	0.13
Risk Propensity	0.26	0.24
Believe Differences	0.035	0.16
Money is Important	0.02	-0.14
Small # of employees	0.18	0.35
Entrepreneur Interest	1	0.67
Joiner Interest	0.67	1

Table 3 Regression Model	Joiner Interest	p-Value
Enthusiasm	0.08	0.30
Assertiveness	0.06	0.52
Politeness	-0.09	0.37
Compassion	0.15	0.06
Industriousness	0.15	0.10
Orderliness	-0.18	0.01
Withdrawal	-0.12	0.18
Volatility	0.00	0.96
Openness	0.35	0.00
Intellect	-0.17	0.06
Risk	0.54	0.00
Gender	-32.10	0.00
Age	-0.55	0.59
Internships	-0.55	0.45

Joiner interest is measured as a scaled percentage per an increase of 1 “score” on the personality test

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