

# *Are Entrepreneurs Made or Born?*

By Dr. Stephen A. Laser

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### **Key Points:**

- Basic entrepreneurial profile is imbedded in personality
- Some skills can be taught
- Core abilities are required
- Needs for control and recognition
- Bright individuals

## **Are Entrepreneurs Made or Born?**

One of the keys to growing our economy in the 21<sup>st</sup> Century, much as in past eras, has been the importance of the entrepreneur. These are the individuals who take the risks and build the enterprises that employ people, bring innovation and new products to the economy, and serve as an incentive for others to try their luck and become a success in the tradition of the American Dream.

Over the past 10 to 15 years there has been a concerted effort to establish programs in Entrepreneurship with the idea of teaching eager and ambitious people how to start their own businesses and realize their entrepreneurial potential. This is an admirable idea with a worthwhile goal in mind, but there's a catch. While certain proficiencies such as developing a business plan or finding sources of funding can be taught, the basic profile of the entrepreneur is deeply imbedded in the personality structure of the individual. And no matter how much specialized education and training is offered to a person, they either have the right stuff or they don't.

I like to make the analogy to someone like myself being taught to be a professional basketball player. Let's take the center's position for example. I stand 5'4" (all right 5' 3<sup>3</sup>/<sub>4</sub>" – let's not quibble here). The point remains, regardless, that I could probably be taught all of the right moves and the proper positioning on the basketball court in order to play the center's position. Once I acquired the necessary knowledge of the game, however, I doubt that I would be equipped to keep Shaquille O'Neal (or anyone else for that matter) out of the lane or away from the basket.

In the case of the entrepreneur, the lessons of success can be imparted to anyone, but actually having the ability to implement these lessons is something else altogether. What will be probably even more disconcerting to our erstwhile educators is the observation that the entrepreneurial personality is not necessarily a healthy or a well-adjusted one. In fact, the entrepreneur's personality is formed early in life, and it is likely locked into place by the per-

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son's late adolescence. (Sorry, Dr. Freud, I think that age five is a bit too young.)

At the heart of the matter are two basic needs that have a big say in whether a person is cut out to be an entrepreneur, and they are the twin needs for control and recognition. Ironically, most entrepreneurs start their own enterprises because they resist being controlled by other people. For example, when asked why they left a former employer to start their own business, many entrepreneurs will say they "didn't want to be put in a box," referring to the neat set of boxes that comprise the typical organizational chart. What do these same individuals who resist control first do when they start their own operation? The irony is they immediately impose control upon the people who work for them.

Interestingly, high controlling individuals tend to manage at the extremes. Initially, when they start their own businesses and their span of control is small, but manageable, they tend to be very controlling. They are unlikely to delegate to others and they have to have their hand in everything that goes on at the company. If their enterprise is successful and starts to grow rapidly, the entrepreneur soon realizes that he or she can't control everything, and their management style takes on a new approach --180-degrees in the other direction from what they did previously. Specifically, the high controlling entrepreneur relinquishes all control of the operation, because that person realizes that it is impossible to control each and every detail with so many things going on at once. It is often at this stage the new business either goes to the next level -- under the guidance of more professional management -- or it shrinks back and it remains a smaller operation for the duration of its life span.

What about the role of recognition in the development of an entrepreneur? The need to please, be praised and recognized is critical to the entrepreneur, just as with most people. Without sounding too psychological, however, entrepreneurs typically have a desire to please the parent of the opposite sex

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that lasts throughout their lifetime, regardless if that parent is still alive. Pleasing mom or dad is a huge part of the drive that marks the entrepreneur's motivation to succeed and be recognized for doing well.

There are other attributes that define the entrepreneur, that again are not necessarily flattering. For example, their highs are higher and their lows are lower. Related to this observation is an attribute psychologists like to refer to as "splitting." Specifically, this kind of behavior occurs when the entrepreneur makes a hiring decision. Initially, the new hire is seen as flawless and capable of doing everything short of walking on water. With hopes and expectations built on unrealistic notions of success, the person eventually begins to appear human and makes mistakes. When the latter occurs, the entrepreneur immediately goes from overvaluing or idealizing the new employee to devaluing the person and looking for reasons to terminate their employment. This kind of black and white thinking, when taken to extremes, can produce a lot of unnecessary turnover and make entrepreneurs hard to work for.

Oh by the way, there is one other natural-born quality that sets entrepreneurs apart from most people. They're usually very smart. There are many people who possess high needs for control and recognition, but without the intelligence to offer a new idea or organize a business operation, they are unlikely to be entrepreneurs. In their case, they are termed "difficult employees," and they are, perhaps, the topic for another newsletter at a future date and time.

In the meantime, what are your thoughts? Did you like the topic, the format, and/or the views that we expressed? We welcome your comments and your thoughts. Please let us know what you think. You can respond with your comments directly on our Web Site at [www.laserassociates.net](http://www.laserassociates.net). If you wish to be removed from our mailing list, let us know; if you would like to pass along the newsletter to an interested colleague, please feel free to do so. We are always looking to widen our audience. Thanks again for taking the time to read our initial offering.