

MAY 2021 REPORT

SUCCESSFUL ENTREPRENEURS

PILOT DATA

RED ZONES BRIEF

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INCREASING ONE'S SELF-KNOWLEDGE IS A PROFOUND AND POWERFUL INTERVENTION.

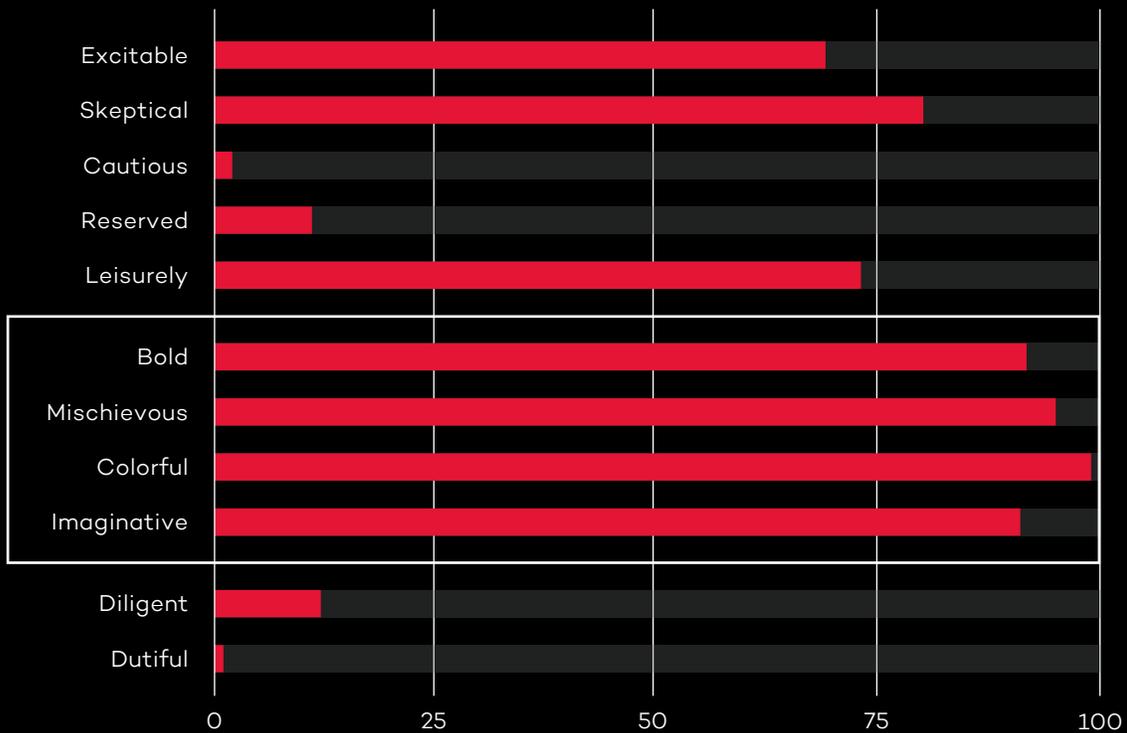
When we have awareness of our personal tendencies—of our own personality—we have greater capacity to pursue goals in ways that leverage those aspects of ourselves that will enhance our path toward successful goal achievement. Identifying our personality strengths, and mapping those on to the goal we are trying to achieve, is only one side of the coin, though. On the other, we have those aspects of our personality that may actually stand in our own way and create additional barriers to successful goal achievement. Self-knowledge of both strengths and limitations is the only comprehensive way to leverage our most powerful tool for success—ourselves.

We [previously discussed](#) some preliminary results from an ongoing research study being conducted in collaboration with [The Garage](#) at Northwestern University and [Hogan Assessment](#). This collaboration offers the first high-level personality examination of successful entrepreneurs. To start, we looked at normal-range personality characteristics—how we tend to think, feel, and behave on a day-to-day basis.

From the pilot data of this ongoing study, we identified some normal-range personality characteristics that seem highly common among successful entrepreneurs (namely, low Prudence, high Ambition, and high Sociability). Identification of these types of patterns, particularly among highly unusual and distinctive groups (in this case, founders and co-founders who have led companies and ventures to objective markers of success), starts to give us insight into what personality characteristics may facilitate the development of entrepreneurial pathways.

Yet, they do much more than that. They also highlight variability in the personalities of successful entrepreneurs, underscoring the idea that there is no one single pathway to success. Taken even further, they can give us some insights into aspects of personality that may hinder the pathway to entrepreneurial success.

In our ongoing study of successful entrepreneurial personality (SEP), we use the Leadership Forecast Series from Hogan Assessment to get a comprehensive snapshot of these types of characteristics. Here I want to focus on one



An example of a typical entrepreneurial HDS demonstrating elevated levels on the entrepreneurial cluster of Bold, Mischievous, Colorful, and Imaginative

of the three measures in this assessment suite, the Hogan Development Survey.

The HDS focuses not on our normal, day-to-day tendencies, but on personality characteristics that may show up when we are not our best selves. Leaders deal with adversity in many ways – from sleep deprivation to managing crises at work to struggling with excessive stress. One powerful aspect of self-knowledge is knowing how we act when we are NOT at our best. I like to think of these as personality “danger zones.”

When we examined the pilot data from our successful entrepreneurs (over 50 founders

and co-founders and counting!), an overwhelming pattern emerged – what we might describe as the entrepreneurial cluster of danger zones. This cluster is made up of four scales: Bold, Mischievous, Colorful, and Imaginative – and around 90% of the sample scored OVER the 90th percentile on at least one of these scales. In other words, almost every entrepreneur has personality danger zones in this space. More than that, over 1/3 of the sample scored above the 90th percentile on 3 or 4 of these. These data suggest that, if you want to get a sense of where even the most successful entrepreneurs may stand in their own way – this is a good place to look.

SO, WHAT IS THE ENTREPRENEURIAL CLUSTER OF DANGER ZONES, EXACTLY?

Individuals scoring high on “Bold” are likely to be confident and assertive. Those high on “Mischievous” present as charming and interesting. High “Colorful” individuals tend to be outgoing and socially skilled. Finally, people high on “Imaginative” are likely to be innovative and creative.

Wait, what? I thought we were talking about danger zones. These all sound pretty great! Moreover, they all sound pretty ideal for individuals wanting to succeed in entrepreneurship. So, what gives?

The important thing to remember about our danger zones, is that we don’t LIVE in our danger zones.

In fact, they are often tendencies that stem from personality traits that are actually really adaptive; in this case—personality traits that clearly facilitate entrepreneurial success. The problem with our danger zones is that when we’re under stress, facing a crisis, or sleep deprived (all of which entrepreneurs likely encounter on a regular basis), these characteristics can easily manifest in ways that decrease our effectiveness as leaders and impact our ability to successfully meet our goals.

In challenging or stressful situations, those high on “Bold” might come across as entitled and arrogant, or may be overconfident and oversell what is realistically possible. Those high on “Mischievous” may take too MANY risks, or test the limits of others on their team or their subordinates. Those high on “Colorful” may come across as attention-seeking, self-promoting, or overly dramatic. And those high on “Imaginative” may present as too eccentric or turn to ideas that are impractical and lacking focus.

In other words, personality traits that serve us well in certain contexts or in certain situations may also stand in our way or limit our achievement in other contexts.

The more we understand our strengths AND limitations, the more powerful that self-knowledge is. Indeed, this danger zone cluster has been dubbed by researchers as the “charismatic cluster” and [data shows](#) it is associated with leadership effectiveness. But, at extreme levels, these same tendencies can start to limit this effectiveness, as well.

WHAT DOES THIS TELL US ABOUT THE PERSONALITIES OF SUCCESSFUL ENTREPRENEURS?

By examining these “danger zones” we not only understand more about where entrepreneurs might encounter challenges, but we also understand more about the adaptive aspects of these traits that have helped them achieve success in the first place.

Oh, and what about danger zones that were unusually LACKING in our SEP participants?

There was one that particularly stood out. It turns out that, overall, successful entrepreneurs aren't at very high risk of being problematically “Dutiful.” Apparently, the overly deferential and ingratiating personality doesn't show up much in successful founders and co-founders. Successful entrepreneurs need their own voice, their own

vision – listening to others is important, but ultimately entrepreneurs need to have the confidence and drive to chart their own way.

Data from Hogan indicate that the strongest descriptors of those scoring LOW on Dutiful are: bold, risk-taking, brave, assertive, energetic, rebellious, impulsive, and ambitious.

Remind you of anyone?

In our next write-up, we will take a look at the third and final component of the LFS – the Motives, Values, Preferences Inventory. What can we learn about the implicit values that drive successful entrepreneurs? Up next.

About the Successful Entrepreneur Personality (SEP) Study

The SEP study is a collaboration between Jennifer L. Tackett, Ph.D., professor of psychology at Northwestern, and Melissa Kaufman, executive director of The Garage at Northwestern. Participants in our study have founded or co-founded a company and scaled it from a startup to multi-million dollars in revenue. Most have experienced either a significant exit or taken the company public. Data collection is ongoing and we are actively looking for more successful entrepreneurs interested in participating in the study! If you'd like to participate, please email [**thegarage@northwestern.edu**](mailto:thegarage@northwestern.edu).

** The authors of this study are not compensated by or affiliated with Hogan Assessments beyond a research relationship.*

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