

IAB-Colloquium 2008

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The Impact of Personality Characteristics on Entrepreneurial Development

Abstract

We analyse under what conditions the character-based approach allows prediction

- of the decision to become an entrepreneur, and
- of entrepreneurial success

before businesses have been launched.

Moreover, we also analyze the impact of incubators on entrepreneurial success and on the predictive power of the character-based approach.

For the analysis we make use of a unique data set of 716 business founders who were assessed by two different methods, a one-day assessment centre (AC) and a validated questionnaire, among them 163 persons (NTs) who were not invited and 553 persons (TNs) who were invited to start their business in the incubator.

We find that there are high correlations between entrepreneurial abilities and the later success of entrepreneurs, however, only if these persons started their business with no or only little support. Intensive support by incubators seems to compensate for deficits in entrepreneurial abilities.