



Creative personality, opportunity recognition and the tendency to start businesses: A study of their genetic predispositions



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ABSTRACT

We explored the effect of having a creative personality on the identification of business opportunities and the tendency to start businesses. Examining a sample of 3242 twins from the United Kingdom, which we surveyed in 2011, we confirmed that people with creative personalities are more likely than others to identify business opportunities and start businesses. We investigated how much of these associations are accounted for by a shared genetic etiology and found that common genetic influences account for a significant fraction of them. We discuss the implications of our findings for research on creative personality, opportunity recognition and entrepreneurship.

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1. Executive summary

People have stable personal characteristics that affect how creatively they behave in a variety of domains – a pattern that researchers have labeled creative personality. Extant research has not yet examined whether people with creative personalities are more likely than others to identify entrepreneurial opportunities or be entrepreneurs. While research has shown some evidence of an association between creativity and both the tendency to identify opportunities and the tendency to start businesses, this pattern does not mean that creative personality is associated with entrepreneurship, as the association might exist because of the context in which entrepreneurship occurs.

In this paper we examine whether people with creative personalities are more likely than others to recognize entrepreneurial opportunities and to start businesses. We also examine whether part of the association between creative personality and opportunity recognition and between creative personality and the tendency to start businesses is accounted for by a shared genetic etiology.

Twin studies are an experiment of nature that allows us to separate both the variance in a variable and the covariance between two variables into genetic and environmental factors. Therefore, we utilize a sample of identical and non-identical twins, which

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we surveyed in 2011, to disentangle the association between creativity personality and both opportunity recognition and the tendency to start businesses into genetic and environmental influences.

This study found that people with creative personalities are more likely than others to both identify new business opportunities and to start businesses. It also found that genetic factors account for part of the correlation between creative personality and entrepreneurial behavior.

The study has implications for both research on and the practice of entrepreneurship. Our results show that creative personality is related to the tendency to be an entrepreneur at a magnitude similar to that found for other dimensions of personality, and to the recognition of opportunities at double this estimate. The significant correlation suggests that employers might want to use creative personality scales to identify employees for jobs where recognizing opportunities or being an entrepreneur is important, such as product development and corporate entrepreneurship.

Our results do *not* indicate that either genes or the environment *determine* creative personality and entrepreneurship. They only indicate the value of considering the complementary roles that biology and environment play in accounting for entrepreneurial behavior. As Plomin et al. (2013: 104) argue, “genetic influence on behavior is just that – an influence or contributing factor, not something that is preprogrammed and deterministic.” In fact, the experimental nature of a twin design provides robust evidence of the importance of environmental factors in entrepreneurship.

Readers are cautioned not to draw implications about creative behavior from our study. Our research did not examine creative behavior, but only creative personality. Moreover, much research shows that creativity is influenced by situational, contextual and cognitive factors as well as individual factors related to personality. Therefore, our results are *complementary* to other approaches to analyzing the role of creativity in entrepreneurship, including those that show that learning and cognitive structures affect creativity or opportunity recognition.

2. Introduction

Is creative personality associated with opportunity recognition and the tendency to start new businesses? Scientific evidence on this question is lacking.

While studies show some limited evidence of a statistical association between creativity – or “the tendency to generate or recognize ideas, alternatives, or possibilities that may be useful in solving problems, communicating with others, and entertaining ourselves and others” – (Franken, 1994: 396), and both opportunity recognition and the tendency to start businesses (Cliff et al., 2006; Lee et al., 2004; Shane, 2003), this evidence does not necessarily mean that people with creative personalities are more likely to be entrepreneurs. Any observed statistical association between creativity and entrepreneurship may result from situational, contextual and cognitive factors, rather than individual factors related to personality.

Moreover, even if studies were to show an association between creative personality and entrepreneurship, we do not know whether most of this association results from environmental factors or from genetic factors. The association could occur primarily because common genetic factors account for both the tendency to have a creative personality and the tendency to be an entrepreneur, or it could occur primarily because situational factors account for the tendency of people to have creative personalities and to be entrepreneurs, or the association could be accounted for by both environmental and genetic factors.

This study examines whether people with a creative personality are more likely than others to identify business opportunities and become entrepreneurs, and the extent to which common genetic factors account for the association between a creative personality and the tendency to identify opportunities and become an entrepreneur. Specifically, we explore this question using data from 1898 monozygotic (MZ) and 1344 same-sex dizygotic (DZ) twins from the United Kingdom, who we surveyed in 2011.

We find that people with a creative personality are significantly more likely than others to both identify entrepreneurial opportunities and start new businesses. Moreover, genetic factors account for 66% of the correlation between creative personality and opportunity recognition and 82% of the correlation between creative personality and the tendency to start businesses.

Our findings have implications for both research and practice. From a research perspective, our results are the first to suggest that people with creative personalities are more likely to recognize entrepreneurial opportunities and to start new businesses. They also indicate that some people have an innate predisposition to both develop creative personalities and to become entrepreneurs. From a practical perspective, our results suggest that employers investigate the use of creative personality scales to identify employees for jobs where recognizing opportunities is important, such as product development, and corporate entrepreneurship.

Of course, these results do *not* indicate that genes *determine* creative personality and entrepreneurship – the relationships that we find are nothing more than predispositions – but they show the value of considering the role of biology in accounting for entrepreneurial behavior. Thus, our study follows in the spirit of Freese et al. (2003), who emphasized that biology and sociology are *not* locked in a zero-sum game where any reference to the biology lessens the value of sociology (Freese, 2008; Freese et al., 2003), psychology, economics, or any other social science, in explaining entrepreneurial behavior.

Our study is also *complementary* to other approaches to analyzing the role of creativity in entrepreneurship. Previous studies have shown that both cognitive structures and processes (Gielnik et al., 2012; Ward, 2004), and learning, play a role in both creativity (Scott et al., 2004) and opportunity recognition (Corbett, 2005; DeTienne and Chandler, 2004). Our study does *not* challenge the importance of either learning or cognitive structures for creativity or opportunity recognition. It merely follows the approach of Kozbelt et al. (2010) who argue that to truly explain creativity one must also delve more deeply into understanding people, particularly their personalities.

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