



Role of Personality Traits in Entrepreneurial Success: A Comprehensive Study

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Abstract

This study investigates the critical role of personality traits in shaping entrepreneurial success, focusing on postgraduate students. Recognizing that entrepreneurship is not solely influenced by external factors like finance or policy framework, this paper explores internal psychological traits that significantly contribute to entrepreneurial outcomes. Data have been collected through a structured questionnaire from the post graduate students of Assam University, Silchar. For the purpose of this paper 71 respondents have been selected through convenient sampling from the department of Commerce and Business Administration. The study would employ descriptive statistics, including mean and standard deviation, to assess the perceived impact of specific traits. Key personality attributes such as self-confidence, resilience, optimism, decision-making, creativity, and leadership were analysed across domains including cognitive, interpersonal, innovative, and managerial dimensions. The study would highlight a strong correlation between positive personality traits and the ability to innovate, adapt, and manage ventures successfully. Additionally, it underlines the importance of educational institutions in nurturing these traits through targeted training and curriculum.

Keywords: Business Performance, Entrepreneurial Success, Personality Traits, Leadership, Resilience.

1. Introduction

Entrepreneurship is the backbone of modern economic system, serving as a catalyst for innovation, economic development, and social progress. Entrepreneurs, through their ventures, not only address the market needs but also contribute to job creation and the efficient allocation of resources. Yet, the journey of entrepreneurship is fraught with uncertainties and challenges that require a unique set of skills and personal characteristics. While external factors like market opportunities, access to finance, and governmental support are crucial, the entrepreneur's internal attributes—particularly their personality traits—often play a decisive role in determining the success or failure of their endeavours. Personality traits are enduring characteristics that shape how individuals perceive the world, interact with others, and respond to challenges. In the context of entrepreneurship, these traits influence critical aspects of business management, including opportunity recognition, decision-making, innovation, and leadership. Traits such as resilience, risk-taking, creativity, and emotional intelligence have been identified as common denominators among successful entrepreneurs. These traits are not just innate but can also be cultivated through experience, learning, and exposure to entrepreneurial ecosystems.

The academic discourse on the role of personality traits in entrepreneurship has evolved significantly over time. Early studies primarily focused on the economic and managerial aspects of entrepreneurship, leaving psychological dimensions relatively underexplored. However, with the growing recognition of the importance of behavioural and cognitive factors, researchers have increasingly turned their attention to the interplay between personality and entrepreneurial outcomes. Frameworks like the Big Five Personality Traits, along with additional constructs such as locus of control, self-efficacy have proactively provided valuable insights into why some individuals are more inclined towards entrepreneurship and why some ventures achieve sustained success while others fail.

2. Background of the Study

The success of entrepreneurial ventures is often attributed not only to external factors such as market dynamics and

financial resources but also to internal factors, particularly the entrepreneur's personality traits. Scholars have long argued that certain traits—including risk-taking propensity, innovativeness, resilience, and need for achievement—are consistently associated with entrepreneurial outcomes (Rauch & Frese, 2007; Zhao, Seibert, & Lumpkin, 2010). As entrepreneurship becomes a critical driver of economic growth and innovation, understanding the relative contribution of these traits to perceived entrepreneurial success is increasingly important. Furthermore, variations in entrepreneurs' demographic backgrounds, such as age, education, and prior experience, may also shape their perceptions of how personality influences business outcomes.

Despite the growing body of literature, empirical studies that systematically measure and compare the perceived importance of different personality traits, particularly across diverse demographic groups, remain limited. This study seeks to bridge this gap by evaluating the perceived significance of key personality traits and analysing how demographic profiles may influence these perceptions. Moreover, a better understanding of these dynamics can offer valuable insights for entrepreneurship education, training programs, and policy-making aimed at fostering successful entrepreneurial behaviour (Ciavarella et al., 2004; Brandstätter, 2011).

3. Conceptual Framework

Personality traits play a crucial role in determining entrepreneurial success, as they influence how individuals perceive opportunities, make decisions, and navigate challenges in business environments. These traits not only shape their behaviour and decision-making processes but also determine how they respond to external factors like competition, market trends, and resource constraints. Certain traits, such as risk-taking ability, creativity, and resilience, are particularly significant.

However, personality traits alone are not enough. Their impact is often moderated by external factors such as market dynamics, cultural influences, and resource availability. For instance, while an entrepreneur may possess a proactive personality, the success of his endeavour also depends on access to financial resources, supportive networks, and industry conditions. In order to

have better comprehension on the personality traits which are considered important for efficient entrepreneur, few traits are identified and are described in this section

- a. **Self-Confidence:** Belief in one's abilities is vital for an entrepreneur. It helps them take risks, make decisions, and communicate effectively with others. Self-confidence fosters the courage to face setbacks and challenges with determination.
- b. **Persistence:** The ability to continue pursuing goals despite obstacles is essential for overcoming the inevitable difficulties of entrepreneurship. Persistent entrepreneurs keep pushing forward even when results are delayed or setbacks occur.
- c. **Resilience:** Resilience refers to the ability to recover from failure and keep going. Entrepreneurs face a lot of uncertainty, and being resilient helps them bounce back from business failures, financial difficulties, or personal disappointments.
- d. **Optimism:** A positive outlook is essential for entrepreneurs. Optimistic individuals see opportunities rather than limitations, which motivates them to keep trying, even in tough times.
- e. **Self-Motivation:** Entrepreneurs must be driven from within. Self-motivated individuals set their own goals, find the internal drive to work hard, and push themselves to succeed without external prompting.
- f. **Risk-Taking Ability:** Entrepreneurs often have to make bold decisions with uncertain outcomes. Risk-taking is necessary to innovate and capitalize on opportunities, but it should be balanced with calculated judgment to avoid reckless decisions.
- g. **Decision-Making Ability:** Entrepreneurs must make decisions quickly and effectively, sometimes with limited information. Good decision-making involves assessing options, weighing risks, and making the best choice for the business.
- h. **Problem-Solving:** Problems and challenges are inevitable in any business venture. Entrepreneurs need to think critically and find solutions that allow the business to move forward,

whether it's a financial issue, a market challenge, or a team conflict.

- i. **Strategic Thinking:** Entrepreneurs need to think ahead and plan for long-term success. Strategic thinking involves setting clear goals, developing a plan to achieve them, and anticipating future challenges or opportunities in the market.

4. Review of Literature

Lazear (2004) analysed the role of personality traits and human capital in entrepreneurial performance. Conducted in the USA, the research involved stratified random sampling of 400 entrepreneurs and used regression analysis. The findings indicated that both cognitive abilities and social skills strongly influenced entrepreneurial success.

Zhao and Seibert (2006) sought to evaluate the role of personality traits in entrepreneurship through a meta-analysis of 120 prior studies. Conducted in China, the study applied meta-regression analysis guided by the Big Five Personality Traits framework. The findings revealed that extraversion and openness to experience were strong predictors of entrepreneurial success, enhancing adaptability and opportunity recognition.

Murnieks and Mosakowski (2007) explored the influence of entrepreneurial personality on opportunity exploitation. Conducted in the USA, the study involved convenience sampling of 100 entrepreneurs and utilized multivariate regression analysis. The findings indicated that risk-taking and innovation were strongly linked to the ability to exploit entrepreneurial opportunities.

Rauch and Frese (2007) aimed to analyse the direct and indirect influences of personality traits on entrepreneurial success. Conducted in Germany, the study sampled 100 new ventures through convenience sampling and employed structural equation modelling. Findings emphasized openness, conscientiousness, and internal locus of control as key contributors to entrepreneurial success.

Kautonen and Vasilenko (2013) aimed to analyse how entrepreneurial personality traits affect the decision to start a business. Conducted in Finland, the study utilized snowball

sampling of 150 entrepreneurs and applied logistic regression. The findings highlighted that self-confidence, internal locus of control, and openness to experience positively influenced entrepreneurial start-up decisions.

Frese and Gielnik (2014) aimed to explore the link between the Big Five personality traits and entrepreneurial action. Conducted in Germany, the study used snowball sampling of 150 entrepreneurs and employed structural equation modelling. Findings showed that conscientiousness, openness to experience, and extraversion significantly influenced entrepreneurial outcomes, fostering innovation and execution.

Karimi and Salehi (2015) examined the interaction between entrepreneurial mindset and personality traits in achieving venture success. Conducted in Iran, the study used purposive sampling of 200 entrepreneurs and applied factor analysis. The findings identified resilience and adaptability as essential traits for overcoming challenges and driving venture growth.

Neneh (2016) investigated the role of proactive personality traits in entrepreneurial success within competitive environments. The study used snowball sampling of 180 entrepreneurs and employed regression analysis. Findings demonstrated that proactive traits such as initiative and forward-thinking significantly enhanced entrepreneurial success.

Baron and Tang (2011) investigated the impact of personality traits on opportunity recognition among entrepreneurs. Conducted in the USA, the study randomly sampled 250 entrepreneurs and applied multivariate analysis. Findings showed that extraversion and openness to experience significantly enhanced the ability to identify and exploit opportunities in dynamic market environments.

Hagenauer (2023) aimed to identify key determinants of entrepreneurial personality and their impact on business success. The study referenced data from 24 countries using the Ipsos Online Panel System, adopting a literature review methodology across diverse geographical contexts. The findings revealed that both fixed factors (such as gender, age, and culture) and changeable personality traits significantly shape entrepreneurial personalities, influencing business success. The study emphasized

integrating personality assessments into start-up consulting to reduce business failures.

The survey of existing literatures pointed out the fact that handful of studies have been conducted to address the personality traits of entrepreneurs and the researcher could come across only one study that was conducted in order to identify the personality traits of entrepreneurs. But no studies have been conducted to address the personality traits of entrepreneurs which leads to entrepreneurial success. Therefore, the present study seeks to fill this gap by measuring and ranking the relative worth of different personality traits in relation to perceived entrepreneurial success. The present study is a modest attempt to address the present research gap and thus the study aims to attain the following research objectives.

To measure the relative worth of different personality traits in relation to perceived entrepreneurial success.

To examine the correlation between respondents' demographic profiles and their perceptions to the role of personality traits in entrepreneurial success.

To assess the overall perception regarding the influence of personality traits on entrepreneurial success.

5. Methodology

- Type of research: The present study is both descriptive and empirical in nature.
- Data Source: The study is based on a primary survey. Post Graduate students of Mass Communication studying in Assam University, Silchar were the respondents for the study.
- Sampling technique: Simple random sampling method was adopted for the study. (Post Graduate students of Department of Commerce and Business Administration of Assam University, Silchar who were 71 in number).
- Survey Instrument: Structured questionnaire was prepared to obtain the response of the respondents in a five-point scale.
- Statistical Tools used: Average, Percentage method and correlation was used to find out the relationship between the

respondents' demographic variables and their perception about personality traits of a successful entrepreneur.

7. Results

7.1 Profile of the respondents

The demographic details of the respondents, as shown in Table No. 1, indicate a slightly higher number of female participants (54.93%) compared to male participants (45.07%). In terms of education, most respondents were postgraduate students, with 43.67% studying in the first semester and 53.52% in the third semester, while only 2.81% were pursuing Ph.D. programs. Regarding parental monthly income, 42.25% of respondents reported their family earning less than ₹20,000 per month, whereas 57.75% came from families earning more than ₹20,000 per month.

Table 1: Profile of the Respondents

Demographic Variables		Frequency	Percentage (%)
Gender	Male	32	45.07
	Female	39	54.93
Educational Qualification	PG 1st Semester	31	43.67
	PG 3rd Semester	38	53.52
	Ph.D.	2	2.81
Parental Monthly Income	Less than ₹20,000	30	42.25
	More than ₹20,000	41	57.75

Source: Field Survey

Ranking of the Traits

Table 2: Ranking of the Traits

Personality Traits	Mean	Rank
Goal Oriented	4.13	1st
Self-Motivation	4.06	2nd

Problem Solving Ability	4.06	3rd
Leadership Quality	4.06	4th
Learning Orientation	4.03	5th
Creativity	4.03	6th
Strategic Thinking	4.07	7th
Resilience	3.97	8th
Decision Making Ability	3.97	9th
Innovation	3.93	10th
Time Management	3.94	11th
Accountability	3.94	12th
Risk Taking Ability	3.86	13th
Ethical Integrity	3.86	14th
Networking Skills	3.82	15th
Openness to Feedback	3.83	16th
Cultural Sensitivity	3.80	17th
Persistence	3.76	18th
Curiosity	3.90	19th
Emotional Stability	3.69	20th
Conscientiousness	3.48	21st

Source: Field Survey

The results presented in Table No. 2 highlight the relative importance of different personality traits in perceived entrepreneurial success. Goal orientation received the highest mean score (4.13), ranking first, followed closely by self-motivation, problem-solving ability, and leadership quality, all with mean scores slightly above 4. These findings suggest that being driven by clear goals, staying self-motivated, solving problems effectively, and demonstrating leadership are seen as the most valuable qualities for entrepreneurial success. Learning orientation, creativity, and strategic thinking also ranked highly, indicating that the ability to adapt, think creatively, and plan strategically are essential. Traits like resilience, decision-making ability, and innovation were moderately rated, while emotional stability and conscientiousness were ranked the lowest.

7.2 Correlation of the variables

Table 3 presents the correlation between various demographic profiles and personality traits in the context of entrepreneurial success. Looking at the correlation coefficients, we can see that demographic factor such as gender and parental income show weak or no significant correlations with most of the personality traits. For example, gender has a very weak or no significant relationship with cognitive and decision-making abilities (0.153), interpersonal skills (0.164), innovation (0.026), and ethics (0.154). Similarly, parental income has weak negative correlations with personal attributes, cognitive and decision-making abilities, interpersonal skills, innovation, and ethics, indicating that income does not strongly influence these entrepreneurial traits. This suggests that demographic factors like gender and income are not major determinants in shaping entrepreneurial qualities, in line with the objective to explore their limited role in entrepreneurial success.

On the other hand, Table 3 reveals strong positive correlations between personal attributes and key entrepreneurial traits such as cognitive and decision-making abilities (0.712), interpersonal skills (0.677), innovation and creativity (0.678), and ethics and values (0.505). These traits are crucial for entrepreneurial success, showing that individuals with strong personal attributes are more likely to excel in areas like decision-making, creativity, and ethics. Notably, cognitive and decision-making abilities are strongly correlated with interpersonal skills (0.842), innovation and creativity (0.755), and organisational skills (0.677), emphasizing the importance of these abilities in shaping successful entrepreneurs. This finding reveals that personality traits, especially decision-making, creativity, and interpersonal skills, are key factors influencing entrepreneurial success, while demographic factors such as gender and parental income play a lesser role.

	Correlation Coefficient	Genders of the Respondents	Parental Monthly Income	Educational Qualification	Personal attributes	Cognitive and Decision-Making Abilities	Interpersonal and Social skills	Innovation and Creativity	Organisational and Material Skills	Ethics and Values
Genders of the Respondents	1.000		-.030	-.142	.141	.153	.164	.026	.180	.154
	Sig. (2-tailed)		.805	.237	.240	.204	.172	.827	.133	.201
Parental Monthly Income	-.030		1.000	.021	-.136	-.112	-.188	-.164	-.104	-.217
	Sig. (2-tailed)	.805		.859	.259	.354	.117	.172	.390	.069
Educational Qualification	-.142		.021	1.000	-.151	-.150	-.222	-.087	-.096	.082
	Sig. (2-tailed)	.237	.859		.207	.211	.063	.472	.427	.499
Personal attributes	.141		-.136	-.151	1.000	.712**	.677**	.678**	.626**	.505**
	Sig. (2-tailed)	.240	.259	.207		.000	.000	.000	.000	.000
Cognitive and Decision-Making Abilities	.153		-.112	-.150	.712**	1.000	.842**	.755**	.677**	.594**
	Sig. (2-tailed)	.204	.354	.211	.000		.000	.000	.000	.000
Interpersonal and Social skills	.164		-.188	-.222	.677**	.842**	1.000	.772**	.722**	.686**
	Sig. (2-tailed)	.172	.117	.063	.000	.000		.000	.000	.000

Innovation and Creativity	Correlation Coefficient	.026	-.164	-.087	.678**	.755**	.772**	1.000	.847**	.587**
	Sig. (2-tailed)	.827	.172	.472	.000	.000	.000	.	.000	.000
Organisational and Managerial Skills	Correlation Coefficient	.180	-.104	-.096	.626**	.677**	.722**	.847**	1.000	.679**
	Sig. (2-tailed)	.133	.390	.427	.000	.000	.000	.000	.	.000
Ethics and Values	Correlation Coefficient	.154	-.217	.082	.505**	.594**	.686**	.587**	.679**	1.000
	Sig. (2-tailed)	.201	.069	.499	.000	.000	.000	.000	.000	.

** Correlation is significant at the 0.01 level (2-tailed).
Source: Own Calculation

Descriptive Statistics Table 4: Descriptive Statistics of Overall Traits

Categories of Traits	Range	Mean	SD
Personal attributes	2.80	3.89	0.68
Cognitive and Decision-Making Abilities	3.75	3.98	0.91
Interpersonal and Social skills	3.50	3.87	0.89
Innovation and Creativity	3.75	3.97	0.96
Organisational and Managerial Skills	3.75	3.92	0.97
Ethics and Values	4.00	3.66	1.03

Source: Own Calculation

Table 4 presents the overall perception of respondents about the influence of different personality traits on entrepreneurial success. It is observed that all six categories of traits—personal attributes, cognitive and decision-making abilities, interpersonal and social skills, innovation and creativity, organisational and managerial skills, and ethics and values—are rated positively by the respondents. Among them, cognitive and decision-making abilities (mean = 3.98) and innovation and creativity (mean = 3.97) were perceived as having the highest influence on success. Ethics and values, while still important, received the lowest average score (mean = 3.66). Overall, the results suggest that respondents believe personality traits play a strong and significant role in driving entrepreneurial success.

8. Summary of Findings

The study revealed that traits like goal orientation, self-motivation, problem-solving ability, leadership quality, and creativity are considered the most important for entrepreneurial success. These traits were consistently ranked higher by respondents, showing their strong influence on business outcomes.

Demographic factors such as gender, parental income, and education showed very weak or no significant correlation with entrepreneurial traits. This indicates that personal attributes and skills like decision-making ability, innovation, interpersonal skills, and ethical values play a much greater role in entrepreneurial success than background factors.

Overall, respondents agreed that personality traits such as cognitive abilities, innovation, interpersonal skills, and managerial skills significantly contribute to entrepreneurial success. Ethics and values were also seen as important, though slightly less influential compared to other traits.

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