

BUSINESS PSYCHOLOGY

RECENT RESEARCH INTO 'THE ENTREPRENEURIAL SPIRIT' HAS YIELDED SOME INTERESTING FINDINGS - NOT LEAST, WHAT DISTINGUISHES AN ENTREPRENEUR. THIS MONTH, ACQ ASKS HOW A COMPANY CAN BENEFIT FROM THE IDENTIFICATION, DEVELOPMENT AND RETENTION OF INTERNAL ENTREPRENEURS. MORAG DICKSON REPORTS ON WHAT THE IMPLICATIONS ARE FOR ORGANIZATIONS WANTING TO UP THEIR GAME.

According to Dr Mark Parkinson, a Chartered Occupational Psychologist and principal member of the Association of Business Psychologists, the study of what makes a person entrepreneurial has incited much interest from large corporations which, in turn, have funded a plethora of research on the subject.

In a recent paper, Dr Parkinson discussed the on-going search for biographical traits unique to the highly successful. "If you do enough research, some patterns emerge - although how unique, conclusive and valid these results are, is debatable. Although there are no strict correlations but there are a series of personality-focused elements that do tend crop up."

Here's where it gets interesting...

"The entrepreneurs I have worked with have tended to regard the world and their positioning and potential within it, as something that is in their control," he says. "American psychologists have conducted a vast amount of research in this area. Findings suggest that the degree to which entrepreneurs perceive they can influence the events in their own lives is generally high.

"Also, their thinking styles are rather more cognitively divergent as compared with non-entrepreneurs. Rather than looking to make associations between factors, thereby highlighting the similarities, they tend, for example, to be more interested in how things differ. Their processes are more lateral and their ability to cope

with ambiguous information, superior to most."

Dr Parkinson is keen to point out that there is no apparent link between intelligence and entrepreneurial tendencies but states the argument is entirely dependent upon the interpretation of intelligence. "If you accept that intelligence is linked to the adaptation of knowledge, the flexibility of cognition and demonstration of higher-order thinking skills, then there may be some evidence.

"Psychometric tests and personality assessments are used to establish and analyse a candidate's problem-solving and thinking styles. Those whose methods are more open-ended and flexible are thought to be more independent thinkers and feature further along the entrepreneurial spectrum.

"This differs slightly from the 'intrapreneur', whose characteristics often overlap with those of an entrepreneur, but whose drive is deemed to be less financially-motivated."

To clarify, an intrapreneur is an industry creative within a corporate setting whose innovation and calculated risk-taking results in the development and execution of profit-

generating ventures.

Dr Parkinson makes it his business to recruit intrapreneurs on behalf of some of the UK's largest, prestigious and most revenue-rich companies. "It used to be that only fixed assets were valued in financial terms until the idea of people as assets came tumbling to the fore. A business is the people in it," he explains, "and intrapreneurs are some of the most valuable members of any organization."

Neal Thornberry is a faculty member in the Department of Management and Organizational Behaviour at Babson College. He is also author of 'Lead Like an Entrepreneur,' in which he reveals how entrepreneurial thinking leads to innovation and company growth.

He focuses on a separate debate - the problem of tapping into and releasing the entrepreneurial spirit already present in a company: "Over recent years, much entrepreneurial spirit has withered away under organizational structures, bureaucratic policies and procedures, endless change initiatives and fear of failure," he explains. "Indeed, most culture change initiatives fail. Short-term cost cutting and long-term strategic planning are strangling corporate innovation, entrepreneurship and growth."

Although Thornberry acknowledges the attempts made by some organizations to inject entrepreneurial talent, he goes on to say that there is a more effective route. "Don't waste time creating new layers of bureaucracy. Strip away the layers that are suffocating your entrepreneurs in waiting," he says. "Our studies suggest training internal entrepreneurs (intrapreneurs) who already have corporate survival skills is a better way to go.

"Middle managers are often the targets of downsizing, right sizing and de-selection. Often the good middle managers are the first to leave when they sense that the axe is about to fall. They take their pensions and their ideas with them - often to competitors."

What is needed, says Thornberry, is a mix of approaches whereby a portion

of intrapreneurs hone a laser-like, external focus and others master an internal focus. It only takes a few entrepreneurial individuals.

"To be successful as an entrepreneur within a business, you have to have political awareness and maze-running skills. Combine that with a relentless passion for opportunity and you have a formula for stepping out from the middle."

So how are senior managers to recognize and harness that talent?

That's where strategy consultancies come in. "Training managers to focus on identifying, developing and capturing opportunity can produce more than growth; it can be a catalyst for shifting to an opportunity-driven culture," says Thornberry.

"Success requires a rare mix of bold and sustained senior leadership, support for rule breakers and savvy risk takers, and an obsession with capturing opportunity."

The upshot of it is, that there is no evidence of a gene for entrepreneurialism. Yet those working in recruitment and senior management positions can learn how to detect, release and harness the talents that bureaucracy has kept at bay.

It's ok to question what you can do for your company and what your company can do for you. [ACQ](#)

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