

THE “AM I PREDISPOSED TO BECOME AN ENTREPRENEUR?” TEST

From “Born, not Made: The Entrepreneurial Personality” by James Koch and James Fisher

This Short Form test consists of only twelve questions and should take you no more than ten minutes to complete. Record your answer beside the statement so that you may score yourself at the end of the test.

Respond to statements 1 – 10 using these indicators:

1 = I strongly disagree

2 = I disagree

3 = I am neutral

4 = I agree

5 = I strongly agree

1. I like to stir things up and promote change.
2. I frequently think outside the box and propose innovative solutions.
3. I don't mind violating the chain of command in order to get things done.
4. I don't believe in strong, hierarchical organizational structures; I prefer more flexibility in organizations.
5. I am often stimulated by new ideas, new people and new situations.
6. I generate lots of innovative ideas.
7. I frequently violate the status quo.
8. I often become really passionate and excited about the things I do, but also have some low points as well.
9. I am rather ambitious.
10. Either my father or my mother, or both, were entrepreneurial people who often took risks.

For Question 11, respond with one of the following:

1 = I strongly prefer Choice B.

2 = I prefer Choice B.

3 = I'm indifferent; either choice is OK with me.

4 = I prefer Choice A.

5 = I strongly prefer Choice A.

11. Which of the following two choices do you prefer?

A: \$1,000 with absolute certainty ($p = 1.00$)

B: \$2,050 with a probability of one-half ($p = .5$)
and \$0 with a probability of one-half ($p = .5$)

“p” here represents the probability that the event will occur. Thus, choice A means you will receive \$1,000 with absolute certainty ($p = 1.00$), with no risk of default. Choice B, however, will provide you with \$2,050 one-half the time ($p = .5$), but give him absolutely nothing the other one-half of the time ($p = .5$).

For Question 12, respond with one of the following:

1 = I strongly prefer Choice B.

2 = I prefer Choice B.

3 = I'm indifferent; either choice is OK with me.

4 = I prefer Choice A.

5 = I strongly prefer Choice A.

12. Which of the following two choices do you prefer?

C: \$1,000 with absolute certainty ($p = 1.00$)

D: \$3,000 with a probability of one-half ($p = .5$) and -\$600 with a probability of one-half ($p = .5$)

Choice C is identical to choice A in the previous problem; you always receive \$1,000 without fail. Choice D, however, is more complex. One-half of the time, Choice D produces a \$3,000 gain for you, but the other one-half of the time, choice D involves a \$600 loss.

Interpreting Results

Have you made your choices? Let's see what your responses have to say about you and your entrepreneurial instincts.

On each of the first ten statements, current entrepreneurs and those who are most likely to become entrepreneurs, choose higher numbered responses. That is, they are much more likely to choose a 4 or a 5 as their response (I strongly agree, or I strongly prefer) than a 1 or 2 (I strongly disagree and I strongly prefer the opposite). Statements 1 through 7 replicate statements to which we asked our 234 CEOs to respond. **On these first seven questions, the entrepreneurial CEOs, who had founded their own firm, averaged a 4.17 response, while the managers, the non-founding CEOs, averaged only 3.15.**

Statements 8 and 9 were not administered to our 234 CEO sample, but reflect our interviews with the CEOs and our review of the literature. Entrepreneurial CEOs often become quite passionate and excited about their work (“hyper,” some would say) and not infrequently end up working very long hours because of their passion and excitement. If you did not respond with a response of 4 or 5 (I agree, or I strongly agree), then arguably you are unlike most of the founding entrepreneurs we encountered.

Statement 10 is a straightforward response to the scientific findings of behavioral genetics. **If one or both of your parents were entrepreneurially inclined, then it appears that you are more likely to be entrepreneurially inclined than another otherwise identical individual. This reflects the fact that many entrepreneurial traits are at least partially heritable.**

Statements 11 and 12 involve choice-making in which the choice is binomial. One must choose either one or the other of the alternatives. There is no third choice. We reported in Chapter 3 that 79 percent of founding entrepreneurs preferred risky Choice B, while only 43 percent of non-founding, managerial CEOs had the same preference. They preferred the certain, but potentially less lucrative alternative A.

The same dichotomy appeared with respect to statement 12. 71 percent of entrepreneurs preferred risky Choice D, but only 32 percent of managers had that same preference. Once again, they preferred absolutely certain Choice C.

What does this imply about your own entrepreneurial inclinations? **If you chose both alternatives A and C, then you don't fit into the usual entrepreneurial mold. This does not necessarily mean you cannot or will not become an entrepreneur, but it does suggest that you are less likely to do so.** Arguably, it may also suggest that you may be less successful if you do choose to become an entrepreneur anyway because you shrink from taking the risks that usually characterize entrepreneurial activity.

Comparing Your Short Form Results to Those of our Entrepreneurs

Our experience with our 234 CEOs indicates that those whose average score is 4.0 or above are most likely to be entrepreneurial in their behavior. Those whose average score is below 3.0 are much more likely to be managers rather than entrepreneurs. Those individuals whose scores range between 3.0 and 4.0 have some entrepreneurial instincts, but the closer that score is to 3.0, the less likely they are to become entrepreneurs.

Only four of our 102 entrepreneurs scored below 3.0 on their responses to the first seven statements; more than 50 of our 132 managers (non-founding CEOs) did so. Further, only three managers (non-founding CEOs) scored above 4.10, while almost two-thirds of our founding CEOs, our entrepreneurs, scored above 4.10.

Table 1 summarizes the information provided by the entrepreneurial statements and what both our sample of 234 CEOs and behavioral genetics evidence suggest with respect to your predisposition to become an entrepreneur.

TABLE 1

WHAT YOUR RESPONSES TO THE ELEVEN ENTREPRENEURIAL QUESTIONS TELL YOU ABOUT YOUR ENTREPRENEURIAL TENDENCIES

Result: 4.0 to 5.0 average on the first seven statements and you selected choices B and D (bonus if you responded with a 4 or 5 on statements 8 and 9 and have a parent who was an entrepreneur)

You appear to have strong entrepreneurial tendencies.

Result: 3.0 to 3.99 average on the first seven statements and you selected choices B and D only once or not at all

You appear to have some entrepreneurial tendencies, but may not be ideally situated to become a successful entrepreneur.

Result: 1.0 to 2.99 average on the first seven statements and you did not select either Choice B or D.

You appear to be rather unlikely to become an entrepreneur; perhaps this is a signal that you should think about other things.