Nature Vs Nurture: How do entrepreneurship theories help to explain the motivation and actions of Entrepreneurs?

Introduction

"Nature Vs Nurture is a shorthand expression for debate about the relative importance of an individual's innate quality (Nature) versus personal experience (Nurture) in determining or causing physical and behavioural traits". Wikipedia encyclopaedia, Nature Vs Nurture. [Online] Available from:
http://en.wikipedia.org/wiki/Nature_versus_nurture [Accessed on 02 Nov 2005]
Every day, when we look around, we see different people who have different colour of their eyes, hair, and skin. We even give each other nicknames such as "red-haired Mary" or "skinny Billy". We know that we get our genetic make-up from our parents and there is little we can do to change it, without resorting to modern technology.

Do we get our unique personality from our parents as well or do we develop our personality traits through endless life experience? The Nature Vs Nurture debate is not only an academic or medical interest but also of interest from an entrepreneurial perspective.

Why are some people successful entrepreneurs while others are not, are they born with success blood, and as long as they follow their natural instinct everything will work out for them? Or is it a lot of hard work, with risks being taken, based on past experience, after being carefully weighed up.

Researchers have looked at the Nature Versus Nurture debate and how these theories can explain entrepreneurial success. Their research focused on five different areas, Economic, Psychology, Sociology, Management, and Intrapreneurship and then turned to entrepreneurs from our immediate environment to verify our theories.

Economic theory

"An economic agent" is one "who perceives market opportunities and assembles the factors of production to exploit them…"

http://en.wikipedia.org/wiki/Nature_versus_nurture [Accessed on 02 Nov 2005]

Entrepreneurs by nature see opportunities in the market or environment and source the means, financial and otherwise to realise the product or service that will fill the "gap" in the market. They tend to have a willingness to take risks and a vision that enables them to continue when others may not share their vision or ambition.

"Nurture enables the entrepreneurs to become aware of his or her strengths and weaknesses and to exploit any opportunities they may encounter. When forming a business, team this allows them to make informed decisions that build and complement each other's strengths and weaknesses." Liavan Millin on Entrepreneurs

"I think you have to have initiative and be solution and goal focused. You have to be inquisitive with a desire to learn. Above all you have to be a good communicator!" Morrissey M, Irish Entrepreneur Business and Life, Blazing Strength, Volume 3, Issue 6, Page 29

There are Local Enterprise Offices throughout Ireland that are willing to nurture budding entrepreneurs and give them the support they need to make a success of their product or service. The following is from the current Head of Enterprise of Local Enterprise Office Dún Laoghaire-Rathdown, Eibhlin Curley.
"The County and City Enterprise Boards (now Local Enterprise Offices) offer a range of supports to new and existing small businesses. The supports vary from providing an initial 'First Stop Shop' service for information, advice, training and mentoring to financial supports. Supports are designed to assist new and existing entrepreneurs at each stage of business development".

Eibhlin Curley, Dublin City Enterprise Boards, Supporting Local Enterprise, Entrepreneurial and Capability Development, e-mail, [received on 27 October 2005]

Psychology

"I don't think people are born entrepreneurs, I think that they are taught to be entrepreneurs. You are born with a set of skills and courses teach you how to use them".
Mr Morgan O'Flaherty, Supreme Ceramics and Pottery Studios, Entrepreneur on the Year Munster region, [interview on 03-11-05]

There are two different schools of thought, people are born with their own unique personality or their personality develops throughout their life.

The following is an excerpt from a talk between Winifred Gallagher, science writer and David Gergen editor with U.S. News and World Report.

"WINIFRED GALLAGHER: get a second nature, so that rather than nature and nurture being oil and water, they're like the flour and water that make bread and once, once you have bread, you can't pull apart the flour and the water anymore.

MR. GERGEN: So that, in effect, you're born, genetically born with a certain temperament.

WINIFRED GALLAGHER: You are born with a certain temperament.
MR. GERGEN: But your experience in your early years, in your childhood, then makes modifies that temperament. It can change that temperament.

WINIFRED GALLAGHER: Not just psychologically in some sort of airy fairy way but in a very real physiological structural way. I'll give you an example. We can't do these kinds of experiments with children for obvious reasons, but if scientists breed very, very highly aggressive or highly anxious monkeys, and give that infant to a very relaxed, competent, experienced mother to raise, that infant will grow up to resemble, not just behaviorally but also neurochemically, an infant who was born with the normal levels of those two traits. Now, that's a very profound finding. This isn't just like some sort of slick gloss on a basic trait. This is a profound change in that trait that's due to experience".
Gallagher W. and Gergen D., Nature Vs Nurture, [Online]. Available

Some psychologists believe that personalities are determined by certain genetics and the biochemistry of our brains. Their evidence states that in a working situation, "because the measures of job satisfaction are fairly stable over time and across different jobs a predisposition to be content with or frustrated at work may have genetic component. In this perspective, your personality is fixed at birth and life's experiences do little or nothing to alter it". However, "job satisfaction can be influenced by changing job design and other factors such as supervisory style".
Huczynski A. and Buchanan D., Organizational Behaviour, Prentice Hall, 2001, page144

On the other hand, some psychologists argue that our human personal traits are shaped by environmental, cultural and social factors. It is the environment that we are living in that decides the way and how we think and behave under certain situation. Our feelings and behaviour patterns are learned from our life experience.
"We learn new behaviour through observing and imitating others".
Huczynski A. and Buchanan D., Organizational Behaviour, Prentice Hall, 2001, page144

Every society has distinctive social standard and norm many also have a unique way of doing things in daily life, it is impossible to be born with this local knowledge. From this point of view, "your personality is flexible, it can be changed with experience. It may be that psychological well being depends on such adaptability".
Huczynski A. and Buchanan D., Organizational Behaviour, Prentice Hall, 2001, page144
The above is known as Nature Vs Nurture debate.

Words such as ambitious, adventurous and creative are often associated with successful entrepreneurs. Are these people born to succeed? Or do they succeed because of constant adoptions and improvements in their learning? In this area, the Nurture theory makes more sense.

In this case, entrepreneurs are same as everybody else when they come into the world, however, they constantly pay attention, develop and improve their skills thought their life experience. Nobody is born to be a winner even the most talented people need to be

inspired and stimulated all the time, when there is an opportunity, the entrepreneur stands out in contrast.

At this point it's worth pointing out that entrepreneurs do experience fear that their business or idea might not be the winner that they believe it to be. When Mr Morgan O'Flaherty was asked if he thinks about failure, he said, "I did but I put it aside…you can't go around worrying about what will go wrong…you deal with things as they come along and focus on the positive".
Mr Morgan O'Flaherty, Supreme Ceramics and Pottery Studios, Entrepreneur on the Year Munster region, [Interview on 03 Nov 2005]

Sociological perspective

Sociological perspective can be broadly looked at under two heading socio-cultural and family background.

Socio-cultural factors include such things as the community that the entrepreneur grew up in or now lives in, the values of that society or the social position within that society.

When Mr Farris Bukhataw was asked if he came from an entrepreneurial background and if his entrepreneurial abilities were as a result of his environment he had the following to day, "Yes my mother had her own B&B business and my stepfather ran an event management business…I am always seeking opportunities that come along and where none exist seeking ways to create them".
Mr Farris Bukhatwa, Deasy Photography, [Interviewed 04 Nov 2005]

Entrepreneurial heritage plays vital role in entrepreneurship. Where the individual came in the family, the education received. Where the entrepreneur first gained work experience, possibly in a family business. In many cases this entrepreneur spirit inspires their future careers.

When Mr Peter Conlon from Xsil, was asked if he came from an entrepreneur background the answer was, yes. His father grew shamrocks and sold them to Americans, this and other entrepreneurial pursuits put his four children through college.

Education is also argued to make a difference.

"…if the level of contribution in post-secondary

were the only factor used to predict entrepreneurial activity, it would account for 40 percent of the difference between the study countries. Providing individuals with quality entrepreneurship education was one of the top priorities identified by national experts".
Deller S., Barriers to Entry and Potential Solutions, 2002, No 311,
[Online] http://www.aae.wisc.edu/pubs/cenews/docs/ce311.txt [Accessed on 27 October 2005]
Loosing a job can be seen in two ways either a disaster or the greatest thing that ever happened. Motivating the entrepreneurial spirit to rise from within or the organization of external factors to create an entrepreneurial opportunity.

"When asked about his fear of possible failure and what he did to overcome it, Mr Farris Bulhatwa said, "By failing and having to work harder" to succeed in his current endeavour.
Mr Farris Bukhatwa, Deasy Photography, [Interviewed 04 Nov 2005]

Previous experience in work or in other entrepreneurial endeavours can give the entrepreneur the necessary skills, expertise and knowledge of risks involved to be a success in a new or existing venture.

Intrapreneurship

The entrepreneurial spirit can be an important competitive advantage, especially if harnessed in large organizations, which contain some of the best people and resources. But to accomplish this, large corporations must grant employees the kinds of freedoms their entrepreneurial counterparts enjoy.

"An intrapreneur is an employee of a large organisation who has the entrepreneurial qualities of drive, creativity, vision and ambition, but who prefers, if possible, to remain within the security of an established company".
www.cilip.org.uk/groups/cofhe/presentations/Dylan%20Jones%20Evans.ppt
Certain cultural and societal factors plays important role in the launch of entrepreneurship. At the same time it is recognised that non-cultural and contextual factors will undoubtedly play a significant role in shaping intrapreneurial behaviour and action.

Each intrapreneur brings their own unique set of personal motivations and characteristics to interact with their specific business environment, which is then translated into entrepreneurial activities and behaviour. They have a need to act, and they don't wait for permission to begin. Their dedication frequently shuts out other concerns, including family life. They pursue only goals that they set, that have personal meaning. Successful intrapreneurs learn to overcome mistakes and to manage risk. The typical intrapreneurial personality lies somewhere between that of the traditional manager and that of the traditional entrepreneur.

The environment in which an intrapreneur works must be contusive to creativity, the intrapreneur must feel free of restraints in order to be creative and excel within an organisation framework.

Raia and Moya Joe, owners of Joe Designer Inc., said of their office,
Its, "very casual, very hip…with atypical office accessories that encourages the all-work, and all-play attitude. Blackboards, bulletin boards and erasable drawing boards are scattered along the walls, just in case someone is struck by and an idea mid-stroll. Even if it's hangman, those are still ideas; you're still using your mind".
Chun J. 1997, Entrepreneur, [Online] Available from: http://www.findarticles.com/p/articles/mi_modti/is_n11_v25/ai_20172809#continue, [Accessed 13/10/05 14:37]

Management View

Entrepreneurship as embracing the skills required to operate a business during the rapid expansion and growth phase rather than skills for starting business. This view is concerned with entrepreneurship in the running of a company and the skills associated with it rather then the traits and skills needed for the setting up of a business. i.e. growth stage rather then start up.

There are numerous skills essential to operate a business. In his book Daft states that management is the, "attainment of organizational goals in an effective and efficient manner through planning, organizing, leading and controlling organizational resources".
Daft Richard L., 1995, Understanding Management, Fort Worth : Dryden Press

But are all these traits learned, in college, through experience, from their upbringing etc. Or are they purely natural, were they "born with it". Skills such as needed in management, marketing, finance and operations.

The common belief is that all skills can be thought through training and development. Institutions such as DCU and Smurfit College provide a means to teach people how to manage a business and many fine managers emerge from these institutes and others like them. These institutions act as a catalyst to tap in to the ability to think creatively and to be innovative.
"The statistics speak for themselves. Of the students that go through the programme, they are thirty times more likely to become entrepreneurs and are twenty times more knowledgeable about entrepreneurship and basic business concepts".
Morrissey M, Irish Entrepreneur Business and Life, Blazing Strength, Volume 3, Issue 6, Page 26-27

Some people make good Entrepreneurial managers while others don't. Sean Quinn of Quinn Group is an example of the first. He started off very small selling gravel to local framers and grew his business up to one of the biggest gravel, concrete and concrete products in Ireland. While expanding into hotels both domestic and foreign, pubs and Insurance.

Michael O'Leary CEO of Ryan Air could also be seen as such. The way in which he developed Ryan Air from a small airline operation out of Waterford to one of the largest in Europe. He found a significant business opportunity and went after it in the same way as an entrepreneur would. The Ryan family on the other hand are the opposite they were quite happy to let Mr O' Leary run their airline for them.

But the main factors that drive managerial entrepreneurs are the same as those in start up enterprises, the need to achieve, for control, the ability to take risks. Both people above are strong examples of all these but once again were they learned or were they as natural to them as breathing? It clearly seems that the way to hear and see what they have achieved to answer the question would require an indebt study into there lives to this point .The only out come would be that a mixture of both nature and nurture helped to define and drive the management view.

CONCLUSION

In the introduction to this project we asked the question, are people born to be entrepreneurs or do they start there own business as a result from their surroundings and learning's? i.e. NATURE or NURTURE?
We took a look at the different entrepreneurial theory, Economic, Management, Intrapreneurship, Sociological and Psychological. And tried to apply the nature versus nurture theory to each. We also interviewed two actual entrepreneurs to get their views on the topic. (Refer to appendix for interview questions and answers)

And after indebt analysis into all these areas we found that both nature and nurture contribute to making an entrepreneur, but with nurture coming out as the stronger factor. The intrapreneurship and managerial theories but believe that people can learn all the necessary skills need to achieve. The sociology view believes that it is your family or social culture that help to define a person. Mr Morgan O'Flaherty is also in favour of nurture, when asked the question, nature versus nurture.

So were does nature come in then, if nurture is so strong in defining an entrepreneur? The psychological view comes in here again stating that traits are determined by genetics and biochemistry. But this view is simplistic relying solely on nature. In essence nature provides us with the basic skills and traits, such as the will to survive/ win or the need to achieve. These skills and traits are discovered by nurture, though things such as college courses, personal experiences, employee empowerment schemes etc. They are developed and new important skills are learned along the way shaping the person into the business that is right for them.
As Mr. O'Flaherty said "I don't think people are born entrepreneurs, I think that they are taught to be entrepreneurs. You are born with a set of skills and courses teach you how to use them".
Gallagher W. and Gergen D., Nature Vs Nurture, [Online]. Available from: http://www.pbs.org/newshour/gergen/gallagher_5-14.html, [Accessed 02/11/05, 13:05]

So there you have it neither nature nor nurture alone creates the Entrepreneur but a mix of both working together, nature puts them up while nurture expands and develops them down to a highly refined machine.

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