



Response to “Research on the Dark Side of Personality Traits in Entrepreneurship: Observations From an Organizational Behavior Perspective”

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As I am in full accord with De Nisi’s (2015) commentary on my essay (Miller, 2014), this response will be directed mostly toward that of Klotz and Neubaum (2015) [N&K]. I also agree substantially with many of the points made by N&K and with the directions they propose for furthering work in entrepreneurship. First, I heartily endorse the message that it is important to identify different types of entrepreneurial personality characteristics, positive and negative. Moreover, exploring the relationships between these characteristics, their evolution, and their organizational context would indeed be beneficial. Finally, there is little doubt that studying entrepreneurial management teams, the variations and interactions that occur therein, and their impact on firm behavior and performance, would be highly desirable. Certainly, there is much in N&K’s essay to commend.

However, N&K have in a few instances made points with which I remain in disagreement and others where they appear to have misread my position. Therefore, in the interests of clarity I shall respond. Where appropriate I employ their section titles in what follows.

Multifaceted, Not Janus-Faced Personalities of Entrepreneurs

Personalities are indeed multifaceted and entrepreneurs, like all of us, will vary along the dimensions I have listed, as well as many others. Having said that, there is already evidence that entrepreneurs do gravitate toward certain polarities along dimensions such as

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locus of control (Green, David, & Dent, 1996; Miller, Kets de Vries, & Toulouse, 1982), need for achievement (Kraus, Frese, Friedrich, & Unger, 2005; Miller & Dröge, 1986; Miller & Toulouse, 1986; Rauch & Frese, 2007), risk propensity (Hayward, Forster, Sarasvathy, & Fredrickson, 2010; Kraus et al.), personal initiative and self-efficacy (Rauch & Frese) and others, and these tendencies are instructive descriptively, and perhaps normatively (see, for example, Begley & Boyd, 1988; Hmieleski & Baron, 2009; Kets de Vries, 1977; Korunka, Frank, Lueger, & Mugler, 2003; Lee & Tsang, 2001; Rauch & Frese).

The Big Five dimensions have received a good deal of attention and support in the personality literature, and these may indeed serve as useful bases for studying entrepreneurial personality traits (Digman, 1990). However, the pejorative qualities on my Table 1 (Miller, 2014) are not well captured by the Big Five, which has been criticized as gauging “the personality of the stranger” (McAdams, 1995; McAdams & Pals, 2006, Paunonen, Haddock, Forsterling, & Keinonen, 2003). The Big Five fails to reflect manipulativeness, Machiavellianism, egotism, risk taking, and other characteristics that may be quite relevant to entrepreneurial behavior (Block, 1995; McAdams & Pals; Paunonen & Jackson, 2000; Thayer, 1989; van der Linden, te Nijenhuis, & Bakker, 2010).¹ There is, in addition, dissatisfaction regarding the lack of any theory behind the Big Five, which might account in part for these gaps (see, for example, Eysenck, 1992; van der Linden et al.).

The positive and negative qualities I wrote about represent thematically related *characteristic adaptations*, that is desires, beliefs, and coping mechanisms (McAdams & Pals, 2006)²: for example, a desire for control versus an obsession with it, or need for achievement versus ruthlessness in its enactment. Such adaptations and the affect accompanying them (energy, optimism; Thayer, 1989) are beyond the focus of the Big Five—a point made clear by Big Five pioneers McCrae and Costa (2013).

Moreover, in using the term Janus-faced I did not wish to imply that the positive characteristics of the entrepreneur listed on the left-hand side of my Table 1 (need for achievement, energy, optimism, etc.) must lie on the same psychometrically derived Big Five dimensions as those negative ones listed on the right-hand side of the table. My focus was potential evolutionary paths among these characteristics, not points along axes of particular dispositional dimensions. Transitions along these paths may be born of such things as success that leads to hubris or a context’s rewarding socially harmful behavior (Hayward et al., 2010; Hayward & Hambrick, 1997).³ These are issues worthy of study.

As per my Table 1, it seems reasonable that those with a high need for achievement and who truly crave power might be tempted to become ruthless. Similarly, those with a need for control, depending on its intensity, may trend as much toward obsessive attention as conscientiousness. Finally, optimists may be more apt to become overconfident than their more pessimistic counterparts.⁴ In all these comparisons, the degree to which a

1. As noted by Johnson (1997, p. 85) regarding questionnaires: “we cannot trust item content when blind, unconscious, or secret aspects of personality are being assessed.”

2. Although Big Five traits tend to be stable in character if not in degree, that is less true of the more mutative characteristic adaptations and affect, which can be measured as general dispositions or as specific attitudes related to an object or context.

3. Sadness and emotional insecurity may load on different factors, but the latter may lead to the former within in the same individual. By contrast, extraversion and introversion represent the same dimension but are unlikely to characterize the same person.

4. There exists speculative psychodynamic theory as well as anecdotal evidence to suggest that this might be the case; see references in Kets de Vries and Miller (1990).

quality is held as well as context and experience may influence the evolutionary trajectory toward the “downside” extremes.

By contrast, some of N&K’s implied transitions based on Big Five dimensional classifications appear to be less convincing. For example, one wonders who might be more apt to become more aggressive—one with inferior “agreeableness”—a vague characterization—or one after power and achievement? Or, who might become more overconfident—someone scoring high on neuroticism or a passionate optimist? I would continue to opt for the second alternative in both cases.

Understudied Dark Traits

I agree heartily with N&K when they maintain that it would be useful to study the darker personality traits of entrepreneurs, and also that this will be a challenge. As noted above, the Big Five measures would require significant rethinking to do the job. I am therefore receptive to N&K’s suggestion that scales for narcissism, Machiavellianism, and psychopathy would be quite useful to develop. So might be projective tests, select sections of the MMPI and DSM V, and instruments that specifically gauge ethical orientations and values, although these may be challenging to administer and from which to obtain valid responses (Johnson, 1997).

Interactional Effects of Personalities

N&K claim that any aspect of an entrepreneur’s personality, in and of itself, is unlikely to fully explain entrepreneurial outcomes. We agree. Of course there are multiple drivers of “entrepreneurial outcomes,” and one would never argue that interactions between personality characteristics and context are not instructive, as these can explain a great deal. At the same time, it has also been demonstrated that certain aspects of the personality of entrepreneurs have a very considerable impact on the strategies, structures, and performance of firms—particularly smaller firms in uncertain environments, which are common venues for entrepreneurs (Hayward et al., 2010; Krauss et al., 2005; Miller & Dröge, 1986; Miller & Toulouse, 1986; Rauch & Frese, 2007). So whereas I applaud the plea for more interactional studies, including those relating to affect and context, I would not play down the potential impact that the specific drives, values, and affect of a powerful entrepreneur can have on a business. One only has to have worked with such a business to sense that.

Context as a Moderator

As noted, I agree (and did in fact suggest) that it would be useful to examine context effects on entrepreneurial behavior. However, N&K misrepresent my argument when they state that “the implicit assumption here is that entrepreneurs who are the product of challenging environments cannot avoid unethical behavior or that these difficult scenarios require entrepreneurs to ‘throw caution to the wind’ in an effort to obtain success.” I believe nothing of the kind. Tough backgrounds can bring out the good in a person as well as the bad. And whereas no one can deny the possible negative impact of a corrupt institutional context or a cutthroat competitive environment (e.g., Lewis, 2011; Sorkin, 2010), it is wrong to suggest that these forces will be determining.

Personalities in New Venture Team Settings

N&K state that my reasoning is “premised on the lone entrepreneur.” Whereas in many firms, there is a dominant personality driving many aspects of strategy, few would deny that influential complementarities and frictions exist in a top team, and that some teams do not have any dominant personality. Whereas it is most useful to study team personality compositions and variations, that does not render studies of individual entrepreneurs invalid.

Personality as a Resource Preserving Trait

I agree that entrepreneurs may face resource-depleting environments, and these may indeed require a strong personality. Positive traits such as those listed by N&K may constitute such strengths as, may needs and drives such as the need for achievement, power, control, and, unfortunately, even their less salutary extremes. For example, it may well be that Machiavellian, manipulative, or “cold” personalities can withstand failure or criticism as well or better than their more sensitive counterparts (Judge, Livingston, & Hurst, 2012). The work by Thayer (1989) on affect suggests that those with higher levels of energy may resist resource depletion, as well as those who remain calm in turbulent situations. The examples of successful yet toxic entrepreneurs in my commentary are consistent with these characterizations.

An Afterthought

My colleagues and I spent several years pursuing a configurational view of organizations (Miller & Friesen, 1984). Our argument was that many multivariate relationships discovered in samples of organizations were nonlinear and that clustering similar firms rather than related variables could avoid many of the undercontextualized debates in the literature (see also Fiss, 2007, 2011; Korunka et al., 2003). Thus we developed taxonomies of firms and their evolutionary trajectories using methods of numerical taxonomy. Perhaps entrepreneurs and their ventures can be studied using a similar evolutionary approach. Needless to say, it will be important to employ a promising theoretical or conceptual lens to select an appropriate set of variables, and to use methods of taxonomy that are open to the emergence of multiple evolutionary trajectories.

Conclusion

In short, I am in agreement with a great deal of what N&K have written. The study of personality and entrepreneurship combines two complex fields whose paradigms are in states of emergence. It is only normal that scholars of good faith may sometimes diverge. One hopes that this exchange will provoke more research into what we all believe is a very important area of inquiry.

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