

Where entrepreneurship is at home

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Entrepreneurship plays an important role for the prosperity of today's modern societies. Those who want to found a company under their own steam and who want to make it an economic success, need more than a good idea and the necessary expertise. Business founders usually are characterized by a quite specific entrepreneurial personality structure. Great companies with long traditions are proof of this, as well as numerous scientific studies. "People with an entrepreneurial personality structure are more open to new experience, more extravert and conscientious. Moreover, they are less anxious and don't tend to avoid conflicts with others," Dr. Martin Obschonka of the Friedrich Schiller University Jena (Germany) explains. Such a personality structure doesn't come from nowhere. According to the psychologist it is much rather a result of genetic factors and also of experience.

However, the entrepreneurial personality structure can't be found everywhere geographically in the same measure. Dr. Obschonka was able to prove this together with his Jena colleagues Prof. Dr. Eva Schmitt-Rodermund and Prof. Dr. Rainer K. Silbereisen as well as Prof. Dr. Samuel Gosling of the University of Texas in a comprehensive study. For the first time they published 'psychological' maps of an entrepreneurial personality structure of the USA, Great Britain and Germany in the renowned *Journal of Personality and Social Psychology*. These maps show in which regions the entrepreneurial spirit - according to the person's personality structure - feels most at home.

Regarding the USA, the researchers found out that a particularly large number of people with an entrepreneurial personality structure live in

the Western States (e.g. in Colorado and Utah). In comparison, this personality structure is on average particularly rare in the so-called Rust Belt of the United States and in the East South Central States (e.g., Mississippi). Moreover the researchers found substantial [correlations](#) between the [geographic distribution](#) of the entrepreneurial personality structure and the regional distribution of the actual entrepreneurial activity (for instance the number of start-up businesses in the region). "We discovered that to a large extent the 'psychological' map actually coincided with the economical [map](#) of the USA," says Dr. Obschonka. The researchers also found indication that the region's personality make-up and the region's entrepreneurial climate (e.g., local business conditions conducive to entrepreneurship) interact in determining the rate for establishing new firms within the region.

The psychologists found similar results in Germany: "Berlin and Hamburg are at the forefront, whereas Brandenburg and Saxony are at the bottom end of the scale," Prof. Schmitt-Rodermund says. "You get a very similar ranking when you look at the distribution of the number of self-employed persons in Germany," the psychologist clarifies. In Great Britain it is most notably the region around London and East of England, where a particularly high number of people with an entrepreneurial personality structure can be found. This is in contrast to Scotland, Wales and Northern Ireland where the smallest number of people with an entrepreneurial personality structure reside. Here, too a correlation between the regional distribution of personality and the regional distribution of entrepreneurial activity became apparent.

As to the reasons for the observed regional differences in personality structure, no scientifically confirmed statements can be made at the moment, according to the research team. "It is very well possible that in the USA long-term migration processes play a decisive role," Prof. Silbereisen suspects. Today's concentration of people with a highly developed entrepreneurial spirit may well be a shadow from the past:

The first settlers who moved westward in the 19th century, were possibly those who were looking for entrepreneurial challenges and have passed these traits on to their descendants. Something similar might have happened in Germany: After the Second World War many businesspeople left East Germany and settled down in the economically prospering West. This might have led to the fact that there are on average less people some of the East German federal states with an entrepreneurial personality structure. An additional reason could be socialization processes within the regions. So for instance prevalent 'entrepreneurial values' in a region could have been responsible for the development of an entrepreneurial personality structure – e.g. through parenting or social institutions. "We think the less marked entrepreneurial personality structure in the Rust Belt of the USA for instance can thus be explained." Prof. Dr. Gosling comments. "The Rust Belt has a long tradition in rule-driven mass production. It is therefore possible that this region supported non-entrepreneurial values more strongly, which in turn might have been reflected in a less marked entrepreneurial personality structure," the researcher continues.

For their study the psychologists analyzed data about the personality structure of more than half a million of US citizens, about 20,000 Germans and approximately 15,000 British citizens. The psychologists then put them into correlation with information about the economic situation in the respective region. The researchers conclude that the close connection between the distribution of the entrepreneurial personality structure and the economic clout of the respective regions should in the future definitely be taken into consideration when political and economic decisions are imminent.

More information: Obschonka M, Schmitt-Rodermund E, Silbereisen RK, Gosling SD & Potter J. The regional distribution and correlates of an entrepreneurship-prone personality profile in the United States, Germany, and the United Kingdom: A socioecological perspective.

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