

Entrepreneurial success: why the “G gene” may determine whether your business will succeed or fail

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ABSTRACT

Imagine a classroom of business students aspiring to become entrepreneurs. Now imagine that almost every one of those students will succeed. As business educators, how can we ratchet-up the business success rate, helping grow new businesses and super-charging the economy? The answer might lie in developing students with entrepreneurial grit. Research confirms the role of grit, or perseverance, as a better predictor than IQ in achieving academic success. In this paper, the authors examine the research on grit and why grit could improve entrepreneurial success.

Keywords: entrepreneurs, personality traits, grit, persistence, perseverance

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INTRODUCTION

How is it that some people succeed while others fail? Whether as a professional musician, an actor, an athlete, or an entrepreneur starting a business, some people seem to have luck follow them, possess some magical skill, or have some unknown ability to be a success in whatever their field of endeavor. While others might have a higher IQ or work harder, increasingly we are finding that the "G gene," grit is often the critical attribute that leads to success. Likewise, in the field of business, where many companies fail, grit often determines which companies will succeed and which ones will fail.

In fact, according to the U.S. Small Business Administration, about one-third of new businesses will not survive the first two years of operation and less than half will survive at least five years (Bureau of Labor Statistics, Business Employment Dynamics cited in <https://www.sba.gov/sites/default/files/Business-Survival.pdf>).

Other sources relate even more pessimistic business survival rates. Tim Carroll, vice-president of small business engagement at Deluxe, reports that as many as 50-70 percent of small businesses fail within the first 18 months (Engel, 2013). Despite a wide range of statistics, we do know that small businesses are more likely to fail than larger enterprises. According to the U.S. Census Bureau, during the recession of 2008-2010, 223,800 small businesses closed doors, resulting in a loss of jobs for 3.1 million workers (Economy lost more than 200,000 small businesses in recession, Census shows).

Duckworth (2016), describes the importance of grit in the following:

How often do people start down a path and then give up on it entirely? How many treadmills, exercise bikes, and weight sets are at this very moment gathering dust in basements across the country? How many kids go out for a sport and then quit even before the season ends? How many of us vow to knit sweaters for all of our friends but only manage half a sleeve before putting down the needles? Ditto for home vegetable gardens, compost bins, and diets. How many of us start something new, full of excitement and good intentions, and then give up—permanently—when we encounter the first real obstacle, the first extended plateau in progress? Many of us, it seems, give up what we start far too early and far too often. Even more than the effort, a gritty person puts in on a single day, what matters is that they wake up the next day, and the next, ready to get on that treadmill and keep going. (p. 50)

Duckworth is not alone in her passionate view of grit. Barker (2014) in an article titled 8 Things the World's Most Successful People All Have in Common, promotes grit as one of the keys to success. Not only does Barker (2014) point to work by Duckworth, but a study by Gardner of the renowned geniuses of all time which found grit to be a characteristic common to all of them. The study examined the genius of Freud, Einstein, Picasso, Stravinsky, Eliot, Graham, and Gandhi.

MEASURING SUCCESS

According to Thaler & Robin (2015) grit is often demonstrated during difficult struggles, willingness to overcome risks, individuals possessing strong fortitude, and can encompass perseverance and passion to overcome difficult challenges (p.13). We provide examples of this later in this paper using students and entrepreneurs.

What can one do to build grit? Examples include the ability to enthusiastically move toward goals, eliminating the excuses, and dealing with uncomfortable situations. Thaler & Robin (2015) suggested that to be able to enthusiastically advance toward goals, ask yourself what you would do if you found yourself terminated from your job and felt you lost everything. The solution would be to plan the steps to overcome this misfortune. These measures would make one mentally prepared and could transform an individual's life (Johnson, 2004). Additionally, the authors suggest stop making excuses. Unfortunately, excuses sometimes make the goals unobtainable. The researcher also indicates that individuals should try things that will help them to endure in such uncomfortable circumstances (Thaler & Robin, 2015).

Petinga (2016) noted that initially to obtain grit would be to realistically assess oneself and determine how an individual could be most comfortable, most gifted, and most capable (p. 34-35). The next step includes putting oneself in a situation where the individual may be most unsure of himself or herself. Why? The reason would be that failure could influence growth and learning. Therefore, staying in a comfortable zone will most likely prevent a person from reaching her or his goals. The solution may be that an individual might need to step into an unknown situation or comfort zone that would be challenging to him or her to utilize grit and succeed.

Johnson (2004) suggested that to acquire grit one must possess a growth mindset. A growth mindset consists of recognizing the attitude that can be improved and obtained by determination. A growth mindset can be unrelated to any assessment of talent; however, a growth mindset could be related to motivation, drive, fortitude, and diligence (Bailey, 2016; Johnson, 2004). People who possess grit recognize and adhere to short-term goals and long-term goals (Johnson, 2014).

Linecker (2015) asked the following question: "What do the most wildly successful CEO's have in common?" The author noted that CEO's noted passion spurs curiosity. Therefore, passion could be the basis of perseverance and despite obstacles, people with passion demonstrate grit. Mathews, Kelley, Duckworth, & Peterson (2007) indicated in their West Point study that grit accounted for the variety of success outcomes including educational success. The authors gave examples involving students in a national spelling bee, Ivy League undergraduates, and West Point Candidates.

STUDENTS WITH GRIT

Duckworth (2016) showed how grit made a difference with cadets at West Point and administrated the grit scale which assessed the degree which cadets approach life situations with grit. Duckworth & Quinn (2016) found exactly half of the questions consisted of perseverance and inquired about persistence and the rest of the questions involved passion. (.. (p. 9). Duckworth (2016) gave the grit scale to cadets during a summer seven-week training called the Beast Barracks (p. 4). The Beast Barracks is often described as the most physically and mentally challenging part at West Point during their four years as cadets. The researcher found that the measure of grit appeared to be a consistent predictor for which cadets succeeded through West Point. Therefore, scores from the SAT, rank in high school, leadership ability, athletic potential, and Whole Candidate Score did not predict success exclusively. Duckworth (2016) found that the cadets' grit made the most difference in their success (p. 10).

However, Petinga (2016) noted that education might not be a requirement for grit. Formal education could be effective in vocational careers such as a competent electrician,

engineer, and carpenter. Additionally, sophisticated careers can be included as well such as a psychiatrist, doctor, or social worker that required detailed learning. Petinga (2016) found that although a person can educate himself; but without ingenuity, an individual may never begin accomplishing their obtainable goals (p. 23).

Duckworth (2016) queried the following: "Which is more important talent or effort?" (p. 23). The author noted that Americans endorsed effort about five times as much as Americans support talent or intelligence. Petnina (2016) specified that a person must possess more grit than other people. Winners who obtain grit may lose along the way but never stay defeated and persistently get up and never quit. Risk may always exist in every decision in life whether some individual moves forward to overcomes obstacles to accomplish dreams.

Academics in higher education also need grit to be successful. First, to be able to complete their doctoral program. According to Cassuto (2013), only half of the doctoral students persist to graduation. Of course, some doctoral students might choose not to finish their degree, and others might not be able to due to unforeseen circumstances, but others might not be able to persist through grueling coursework, comprehensive exams, and numerous rewrites of their dissertation. For those students who do persist to graduation, grit is undoubtedly an important factor in achieving their goal. Then, if they become academics, grit is again called for to research and publish scholarly works and finally earn tenure and promotion.

ENTREPRENEUR GRIT

Does it matter if an entrepreneur possesses grit? Can entrepreneurs be more successful if they demonstrate persistence? Duckworth believed that grit would be a more powerful indicator of success than other factors such as family income and intelligence (Duckworth & Quinn, 2009; Johnson, 2014). Linecker (2015) believed that CEO's passion would be the path to entrepreneurial success. Duckworth et al. (2007) noted that high-achieving individuals usually demonstrate traits such as creativity, vigor, emotional intelligence, charisma, physical attractiveness, and self-confidence. But would those qualities equal success if the entrepreneur did not possess grit? What exactly is grit? Vocabulary.com defines grit as "strength of mind that enables one to endure adversity with courage" Duckworth, et al. (2007) defines grit as:

"perseverance and passion for long-term goals. We define grit as perseverance and passion...working strenuously toward challenges, maintaining, effort and interest over the years despite failure, adversity, and plateaus in progress" (pp.1087-1088).

Nambisan & Baron (2013) believed there would be a correlation between entrepreneurs' self-regulatory processes and new venture success. Also, the authors indicated that the ambidexterity level of the entrepreneur could help the entrepreneur effectively regulate their high levels of positive affect which could reduce attention to negative information considered very important in effective decision making. In a study at West Point, Duckworth's findings indicated that grit and talent were not related at all and could be noted as inversely related (Perkins-Gough, 2013). Duckworth's study (cited in Useem, 2016) of West Point Cadets to determine whether cadets would have the drive to complete the first seven weeks or be sent home. Surprisingly, "SAT scores, high school rank, physical fitness, "leadership potential, nor any other measure of aptitude" proved to accurately predict which cadets would be able to endure the critical seven weeks of "Beast Barracks" (p. 30). Instead, a questionnaire based on twelve statements developed by Duckworth accurately predicted the 71 cadets who had scored comparably to their fellow cadets on every other test would call it quits.

Cosper (2015) considers grit to be what pushes an individual, despite setbacks in achieving their goals. As examples, Cosper cites athletes Serena Williams and Lindsey Vonn who returned from injury and loss to compete again and win. Duckworth (cited in Mangan, 2012) uses a marathon runner to describe grit, whereby "The gritty person sticks with it, whereas others might be distracted by boredom, failure, adversity, or plateaus."

Some also argue that immigrants often possess the grit necessary to be a successful entrepreneur. Buchatskiy (cited in Strauss, 2017) herself, an immigrant entrepreneur, co-founded One Way Ventures, a venture capital company that funds high-tech firms. Buchatskiy points out that about 25% of venture-backed companies were founded by immigrants and that 51% of companies valued more than one billion dollars were also founded by immigrants.

According to Steve Jobs (cited in Mueller et al.), "I'm convinced that about half of what separates the successful entrepreneurs from the non-successful ones is pure perseverance. It is so hard. You put so much of your life into this thing...Unless you have a lot of passion about this, you're not going to survive. You're going to give it up." Many times, entrepreneurs operate under considerable uncertainty in the form of new developing technology, new markets, while working under rapid change with limited resources.

SUMMARY AND CONCLUSION

Useem (2016) reports perhaps one of the most significant findings from Duckworth's work is that grit can be developed. In addition, Duckworth found grit as important as IQ in predicting educational success (Useem, 2016). Duckworth (cited in Useem, 2016) reminds us, however, that grit comes with risk "because it is about putting all your eggs in one basket, to some extent." Entrepreneur success cannot be achieved with grit alone. Indeed, many factors must come together at the right time.

Years of research provides us with a list of key personality traits considered important in determining entrepreneurial success. Rampton (2014) cites the five key personality traits as passion, resilience, strong sense of self, flexibility, and vision. Strong sense of self includes self-confidence and self-motivation. Flexibility allows entrepreneurs to be able to adapt to challenges and changes.

In another study, Robinson (2014) offers seven entrepreneurial traits including tenacity, passion, tolerance for ambiguity, vision, self-belief, flexibility, and rule-breaking. Most studies refer specifically to grit or suggest traits that sound very much like grit.

Implications for business

We provide examples of grit as a critical ingredient for success in academic settings, even more, important than IQ and other factors. Likewise, entrepreneurs report grit as a vital ingredient in their success. Using survey questionnaires, companies could measure grit among employees to help determine which employees would be more likely to persist in developing new business ventures.

Grit could be developed in students to help fuel success in whatever field of study they choose. As depicted in Figure 1, grit alone will not lead to success. Other personality traits such as passion, resilience, strong sense of self, flexibility, and vision also play an essential role in achieving success. However, grit can provide the added impetus enabling a student or aspiring entrepreneur to become successful. In the words of the great statesman, Sir Winston Churchill, "Never, never, never give up!"

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Figure 1 Key Entrepreneurial Traits



