Founders, Funders, Teams: Exploring the Psychology of Entrepreneurship

June 07, 2023

Photo above: Constance Diericks, Nikki Blacksmith, and Kelly Shaver present the symposium Psychological Science and Entrepreneurship at the 2023 APS Annual Convention.

In 2020, APS and the Ewing Marion Kauffman Foundation initiated a partnership to grow research at the intersection of psychological science and entrepreneurship. At the 2023 APS Annual Convention in Washington, D.C., three psychological scientists discussed their different career paths and experiences within entrepreneurship in a symposium aimed at informing psychological scientists (and entrepreneurs!) about the value of research at this unusual intersection.

Nikki Blacksmith, co-founder and CEO of Blackhawke Behavior Science and a professor at the American University, chaired the session. The presenters discussed what psychology reveals about the characteristics differentiating entrepreneurs, how to predict entrepreneurship performance, and the
entrepreneurship journey.

Each presentation explored the interaction between people and processes as a means to advance the psychological understanding of entrepreneurship.

In a presentation titled “Strengthening Venture Capital Investments: Why Assessment and Development of the Entrepreneurial Team Matter,” Blacksmith underscored the critical importance of focusing on the team as well as the founder, given that no founder can develop a business without the support of the team who will execute and implement the ideas. Venture capital investors should “focus on the team during due diligence to mitigate human capital risk in their portfolio,” Blacksmith said. She also discussed theories and research in industrial-organizational psychology and shared some real-world scenarios involving venture capital investments in startup businesses.

APS Fellow Kelly G. Shaver, president of MindCette LLC and professor emeritus at the College of Charleston, examined dimensions of entrepreneurial behavior in his presentation “Still the Person, Still the Process: Gender Differences in Entrepreneurial Mindset in Bahrain.” Shaver argued to replace the common question “What makes entrepreneurs different from other people?” with a better one: “What do traditional research areas (the person) and standard psychological methods (the process) say about the dimensions of entrepreneurial behavior?” From his studies, including one in Bahrain, Shaver and his collaborators developed a test to help identify universal and geographically specific dimensions of entrepreneurship, which include confidence, diligence, entrepreneurial desire, innovation, leadership, motives, permanence, resilience, and self-control. He emphasized the contributions that psychological science can make to improve the understanding of the processes underlying entrepreneurship.

In a very engaging presentation, Constance Dierickx, explored her own journey as an entrepreneur and explained how “the road to successful entrepreneurship is thrilling, risky, and profoundly rewarding.” Dierickx is an advisor to boards and senior executives in high-stakes leadership situations including strategic pivots, CEO transitions, board conflict, and crisis management. She also helps psychologists learn how to be consultants, noting the importance of characteristics including competence, passion, understanding client/customer needs, and then establishing all-important trust. Confidence in what you’re selling is also key. “Practice in front of a mirror,” she said. “That’ll be $50,000.”

Read more about Nikki Blacksmith and Kelly Shaver’s entrepreneurship and research.

Read an interview with Constance Dierickx.

Besides sponsoring this symposium, the Ewing Marion Kauffman Foundation also supports the Psychological Science and Entrepreneurship Poster Award, intended to stimulate research in entrepreneurship. Chen Ji (Indiana University) and James Wages (University of Central Arkansas) were the winners of the 2023 issue of the Award, in the modalities of student and early-career researcher, respectively. Both presented their work at the 2023 APS Annual Convention in Washington, D.C.

Read more about the 2023 Psychological Science and Entrepreneurship Poster Award.
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