

DEMOGRAPHIC AND PSYCHOLOGICAL CHARACTERISTICS OF SOCIAL ENTREPRENEURS IN GREECE

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ABSTRACT

Purpose: This study attempts to explore the demographic characteristics and personality traits of social entrepreneurs in Greece. Five dimensions of social entrepreneurship are considered, in terms of their relationship to the Big Five personality traits.

Design/methodology/approach: This study uses the factor analysis method and Multiple Regression in order to test the hypotheses generated from the literature review. The measures used have already been tested elsewhere in the literature and meet the validity and reliability standards required.

Findings: There are already findings which prove that personality traits influence social entrepreneurship. The expected findings in this study should demonstrate the particular relationship of each of the five dimensions – dependent variables – with the independent variables, the Big Five personality traits, as well as the Demographic ones.

Social implications: Having identified the characteristics of social entrepreneurs those can then be integrated within the business education curriculum to help create more social entrepreneurs. Additionally, business leaders also need to be cognizant of the emerging social needs and consider in their staffing decisions people who might accentuate the social aspects of their enterprises.

Originality/value: This is the first study in Greece, concerning social entrepreneurial endeavors and combining personality traits to social entrepreneurship. Since the literature has reported disagreement in findings of other studies, the present study should help illuminate the issue studied.

Key Words: Social Entrepreneur, Personality Traits, The Big Five

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Introduction

The inherent deficiencies of the capitalist economies, coupled with the continuously upward trend of social inequality and the marginalization of large numbers of people (Piketty, 2014), led to the creation of the third sector of the economy or the Social Economy, which purports to provide solutions where the public and the private sectors fail to do so. With the realization of the significance of the social economy, institutions such as the European Union, took action to facilitate the creation of the social enterprises and set an environment conducive to their efficient and productive functioning, with the creation of various types of support mechanisms with aims such as:

“Improving access to funding by:

- facilitating access to private funding;
- mobilizing of EU funds.

Increasing the visibility of social entrepreneurship by

•developing tools to gain a better understanding of the sector and increase the visibility of social entrepreneurship;

•reinforcing the managerial capacities, professionalism and networking of social businesses.

Improving the legal environment by:

- developing appropriate European legal forms which could be used in European social entrepreneurship;
- public procurement;
- State aid.” (Spear, 2014, p. 9)

The EU strategy consists of five pillars addressing issues such as the development of an institutional and legal framework, access to finance, training on social entrepreneurship and increasing visibility, research and monitoring (Spear, 2014). As mentioned in the same report (Spear, 2014), France was the first country to appoint a Minister for the Social Economy, highlighting the importance of the sector in the national economy.

However important the issues of reports and statistics may be, generated by government organizations, they usually fail to shed light on the individuals behind the social enterprises, those who took the initiatives, the risks involved and made the efforts required to build these organizations. This paper will focus on the social entrepreneur, making the effort to examine this breed of individuals, their motives their personality types and their behaviors, using quantitative measures of The Big Five personality type model as used by Schmit et al. (2000) and in the Koe, Nga and Shamuganathan (2010) study. The present study will examine the relationship between individual personality traits, with certain dimensions of social entrepreneurship, drawing comparisons with the corresponding research on commercial entrepreneurship and examining similarities and differences with relevant studies from different countries (Koe et al., 2010; Yitshaki and Kropp, 2015). Given that social needs tend to become more salient and less satisfied by both the governments and the private sector, countries in prolonged crises tend to provide a more fertile ground for the genesis and the proliferation of social enterprises.

Literature Review

There is a large number of definitions of Social Entrepreneurship, in spite of the relative newness of the concept as a research topic (Choi and Majumdar 2014). Austin et al., (2006), distinguish between the broader definitions which include organizations in the for-profit, non-profit sectors and hybrid type ones, and the narrow definitions, including organizations, pooling resources by various agents to create value benefitting the society (Thompson, 2002). In both cases the result is impacting the society in an innovative way, providing a solution to a previously unmet social need. Martin and Osberg defined a social entrepreneur as an individual who: “. . . targets an unfortunate but stable equilibrium that causes the neglect, marginalization, or suffering of a segment of humanity; who brings to bear on this situation his or her inspiration, direct action, creativity, courage, and fortitude; and who aims for and ultimately affects the establishment of a new stable equilibrium that secures permanent benefit for the targeted group and society at large. (2007, p. 39). According to Shaw and Carter, (2007) and Zahra et al. (2009) social entrepreneurship “encompasses the activities and processes undertaken to discover, define, and exploit opportunities in order to enhance social wealth by creating new ventures or managing existing organizations in an innovative manner” (p. 519). The latter definition will be used in this study as it encapsulates the main tenets of the concept throughout the extant literature.

Although the presence of Social entrepreneurship has increased in the pertinent journals, the characteristics of social entrepreneurs have not received much attention, contrary to the trend in the commercial entrepreneurship, in which the corresponding analyses abound. In entrepreneurship studies, the individual, is considered the agent of change, the main factor of the creation of a new organization. In social entrepreneurship, the literature tends to focus on other issues such as the mission, the environmental particularities, the institutional framework

etc., offering scant attention to the social entrepreneur characteristics (Koe et al., 2010). When compared to commercial entrepreneurship, according to Austin et al., (2006), social entrepreneurship, provides a solution to problems derived by market failure, when the market cannot or does not have an incentive to act on an issue. This study examines five dimensions of social entrepreneurship and attempts to shed light on how these relate to the Big Five personality traits. The dimensions discussed here are, following previous studies by Brooks (2009) and Koe et al., (2010), Social Vision, Sustainability, Innovativeness, Social Networking and Financial Returns. Social Vision is a sine qua non element for the social entrepreneur embarking on the journey creating a new entity, aiming at the resolution of a social problem or need. Sustainability, refers to the entrepreneur's aim to firstly, create value in a sustainable way, minimizing the use of non-renewable resources in the process and at the same time sensitizing all stakeholders involved. Innovativeness, is a major dimension of social entrepreneurship, since the people involved usually are lacking the resources needed for the launching and sustenance of the new enterprise. The entrepreneur needs to invent ways to fulfill the needs for capital, labor and other resources, so as to accomplish the new organization's mission. The probability of the success of the new social venture is contingent to a large extent on the social networking of the social entrepreneur (Koe et al., 2010). The personal formal and informal relations he/she has, may determine how many resources may be available to the person, in any form, labor, capital, advice etc. Finally, the Financial Returns entail the metrics of performance, goal accomplishment and social impact in a financial sense. The five dimensions of the social entrepreneurship are interwoven and coexist so as to make the probability of success of the venture maximal.

The entrepreneurship literature is fraught with studies examining the characteristics of the commercial entrepreneur (Zhao and Siebert, 2006; Costa & McCrae, 1992; Zhao, Seibert and Lumpkin, 2010). While much of this literature investigates attitudes, (Sahinidis, Vassiliou and Hyz, 2014; Ajzen, 2005), a large part of it examines the psychological characteristics, such as the Big Five personality types (Sahinidis, Frangos and Fragos, 2013; Zhao and Siebert, 2006) and yet another part, focuses on demographic variables (Kruger and Karsrud, 1993; Linan and Chen, 2009). In a landmark study by Zhao and Siebert (2006), the two authors used a meta-analysis of the Big Five Factor model studies, examining the relationship between entrepreneurship and the Big Five personality characteristics, i. e., extraversion, agreeableness, conscientiousness, neuroticism and openness to experience.

Openness to experience characterizes a creative and innovative person, who is open to new experiences and is not afraid to take risks (Zhao Siebert and Lumpkin, 2010; Costa and McCrae, 1992)

Extraversion is the person's tendency to be outgoing, sociable, assertive, talkative and ambitious (Koe et al., 2010; Barrick and Mount, 1991).

Agreeableness is a personality trait including characteristics like trusting, tolerant forgiving, being a good listener and empathizing (Caliendo and Kritikos, 2008; Costa and McCrae, 1992).

Conscientiousness refers to the trait relating to hard work, dependability, responsibility and high need for achievement (Llewellyn and Wilson, 2003; Zhao and Siebert 2006).

Neuroticism, which relates to the person's feelings of high levels of anxiety, shyness and insecurity, is referred to as emotional stability (Barrick and Mount, 1991).

Based on the analysis of the relationships between the variables above the following relationships are expected to be formed and set to be tested:

Extroversion has been related in previous studies with entrepreneurial orientation and behavior, characterized by high need for achievement and assertiveness, thus, enhancing the interest of the individual, in greater financial returns (Caliendo and Kritikos, 2008). They also tend to be charismatic and visionary, influencing their social environment (Llewellyn and Wilson, 2003).

H 1a: EXTROVERSION has a positive influence on the SOCIAL VISION dimension.

H 1b: EXTROVERSION has an influence on the FINANCIAL RETURN dimension.

Agreeableness characterizes consensus and harmonious relationships seeking people, placing an emphasis on relationships rather than financial results, avoiding risk taking, in order to not disturb their surroundings (Costa and McCrae, 1992).

H 2a: AGREEABLENESS has an influence on the SOCIAL VISION dimension.

H 2b: AGREEABLENESS has an influence on the INNOVATIVENESS dimension.

People with high level of conscientiousness are responsible, dependable and high achievers, while they were found to be related to long term superior performance levels (Koe et al., 2010).

H 3a: CONSCIENTIOUSNESS has an influence on the SUSTAINABILITY dimension.

H 3b: CONSCIENTIOUSNESS has an influence on the FINANCIAL RETURNS dimension.

The high degree of self-confidence required by the entrepreneurs their reliance on resources that they control or can influence and their tolerance for ambiguity and stress, is expected to make them less vulnerable to

stress and more emotionally stable (Simon, Houton and Aquino, 2000; Zhao and Siebert, 2006). This leads us to expect that being a social entrepreneur relates to low neuroticism

H 4a: NEUROTICISM is related to the SOCIAL NETWORK dimension

Openness to new experiences is related to creativity and innovativeness, receptiveness to the unconventional, critical of the status quo and being entrepreneurial (Koe et al., 2010; Costa and McCrae, 1992).

H 5a: There is a positive relationship between OPENNESS and SOCIAL VISION

H 5b: There is a positive relationship between OPENNESS and INNOVATIVENESS

H 5c: There is a positive relationship between OPENNESS and FINANCIAL RETURNS

Methodology

The questionnaire used in this study consists of 54, 7-point Likert-type scale items, measuring the components of Social Entrepreneurship, as in the work of Koe et al. (2010). The Personality traits were measured using the work of Schmit et al. (2000) and Shane and Nicolaou (2013), securing thus high levels of both reliability and validity.

The sample of the study is comprised of 77 social entrepreneurs from central Greece. These are the people who responded to a questionnaire sent via e-mail, to the 312 social entrepreneurs included in a list of social businesses compiled by the Ministry of labor. The response rate of 25%, is considered adequate for the purposes of our analysis. Repeated mailings did not improve the response rate.

The statistical analysis was done with the use of the SPSS, v. 20. We ran a multiple Regression procedure, using as Dependent Variables the Social Entrepreneurship dimensions and as Independent variables the five personality traits.

Results and Discussion

A factor analysis was performed, so as to identify the five personality factors (The Big Five). The five factors produced with Eigen values above 1 are listed below. They explain 65,2% of the variance which is considered to be satisfactory.

Table 1. PERSONALITY FACTOR ANALYSIS

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
EXTRO	7,009	30,476	30,476	3,672	15,965	15,965
AGREE	2,695	11,718	42,194	3,359	14,605	30,570
OPEN	2,256	9,810	52,004	2,709	11,777	42,347
NEURO	1,666	7,244	59,248	2,693	11,711	54,058
CONSC	1,369	5,954	65,202	2,563	11,144	65,202

Extraction Method: Principal Component Analysis.

A second factor analysis identified the five dimensions of Social Entrepreneurship. Again, the procedure explained 65% of the variance.

Table 2. SOCIAL ENTREPRENEURSHIP FACTORS

Component	Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
SV	10,623	32,190	32,190	6,940	21,029	21,029
SUST	4,492	13,613	45,802	4,864	14,740	35,769
RETRN	3,192	9,672	55,474	4,754	14,405	50,174
INNOV	1,746	5,290	60,765	3,111	9,427	59,600
SN	1,418	4,297	65,062	1,802	5,462	65,062

Extraction Method: Principal Component Analysis.

Table 3. Regression Analysis

	SV		SUSTAIN		RETRN		INNOV		SN	
	b	Sig.	b	Sig.	b	Sig.	b	Sig.	b	Sig.
(Constant)		,743		,836		,971	,185	,853	-,188	,852
EXTRO	,058	,609	,171	,152	,364	,001	4,350	,000	2,371	,021
AGREE	,292	,011	,227	,043	,165	,124	2,375	,021	-,520	,605
OPEN	,186	,103	,225	,039	,348	,002	,199	,843	2,031	,046
NEURO	,269	,019	,133	,259	-,042	,695	1,895	,063	,230	,819
CONSC	-,124	,270	-,065	,577	,241	,027	,350	,727	2,598	,012
R	,465		,384		,537		,563		,435	
R Square	,216		,147		,288		,317		,189	
Adjusted R Square	,155		,081		,233		,264		,125	

The Regression analysis above was used to test the hypotheses stated earlier in the paper. Some of the hypotheses were supported while others did not. Specifically, a significant relationship was found between Extraversion and Financial returns, as expected. Also supported were the hypotheses that agreeableness has a positive relationship with Social Vision, Sustainability and Innovativeness. As expected, Conscientiousness was found to relate to Financial Returns, while it does not relate to sustainability as posited above. Similarly, contrary to our expectation, Social Vision did not relate to Extroverted individuals and Neuroticism is not linked to Social Networks. Openness to experiences did not relate to Social Vision and it did not either to Innovativeness. However, it does have an influence on Financial Returns.

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