Social Networks through an Entrepreneurial Mindset

Euler G. M. de Souza
Japan Advanced Institute of Science and Technology, Japan

Tunç D. Medeni
Japan Advanced Institute of Science and Technology, Japan

Kun Nie
Japan Advanced Institute of Science and Technology, Japan

INTRODUCTION

The entrepreneurial mindset is crucial to build and manage social networks. Entrepreneurs have proven to be skillful social networks builders and users (Stuart & Sorenson, 2005). Nevertheless, an entrepreneurial mindset is not limited only to entrepreneurs, organizations are made of people where social networks play a very important role in order to create, maintain and develop patterns of communications among people. Analyzing the entrepreneurial personality, researchers have found many traits in successful entrepreneurs along history. According to McClelland (1986), the key to entrepreneurial success is the need for achievement, which is explained by the urgency of coming up with the new, to create and to make things happen. An important aspect to be considered is that an entrepreneur does not act alone; he or she always depends on others to go on, therefore making use of networks. Another important characteristic of an entrepreneur is the ability to take calculated risks (Hornaday, 1982), being the opposite of what many people think, the real entrepreneur will take risks, however with a very clear understanding of the situation and the risks will be moderated not high. Social competence (Baron, 2000) is higher than average when talking about entrepreneurial behavior; there is a high social perception and extreme capacity to adapt to new social situations. The flow of information and knowledge has been considered the lifeblood of many organizations, especially the ones based on the knowledge economy. Considering the emergent knowledge society, change agents are necessary to provide a dynamic equilibrium to our changing organizational environment and acting with an entrepreneurial mind will allow individuals and organizations to act proactively identifying opportunities and mobilizing resources (Stuart & Sorenson, 2005).

BACKGROUND

Social network studies have called attention of many entrepreneurship scholars and they have recognized that networks are heavily used by entrepreneurs to take business decisions, to recognize new opportunities and to mobilize resources. Therefore, social networks have been considered part of entrepreneurial strategy. Social networks are dynamic relationships, changing and processual, thereby difficult to comprehend entirely (Anderson & Jack, 2002). The terms social network and personal network frequently appear in the literature and can be understood interchangeably. Researchers observed that entrepreneurial studies failed to include a social context and soon they started to examine entrepreneurship taking into account the social and relational aspect (Aldrich & Zimmer, 1986). There are three elements claimed as basic to social networks (Hoang & Antoncic, 2003) that should be described: (1) the nature of the content that is exchanged between actors; (2) governance mechanisms in relationships; and (3) the network structure created by the crosscutting relationships between actors. Social capital has been mentioned as one of the most significant outcomes of social networks used by entrepreneurs, it allows individuals to convert social relationships into tangible values and benefits, such as start-up capital.

LEARNABLE ENTREPRENEURIAL MINDSET

Psychologists dedicated years to identify traits that could lead entrepreneurs to success, though they failed to develop a theory of entrepreneurship, they could contribute with valuable insights that lead us to believe that an entrepreneurship personality could be formed in individuals. Therefore an entrepreneurial mindset can be learned and adopted to perform daily activities and to interact in social networks. As an outcome of the most important skills and behaviors that can be nurtured, developed and acquired, we provide a list with fifteen elements that are considered to be desirable and learnable (Chell et al., 1991):

1. Total commitment, determination, and perseverance
2. Drive to achieve and grow
3. Orientation to goals and opportunities; successful, growth-minded entrepreneurs focus upon opportunities rather than resources, structure or strategy. When they spot an opportunity they let their understanding of it guide these other issues and set goals in its pursuit.
4. Taking initiative and personal responsibility
5. Persistence in problem-solving
6. Veridical awareness and a sense of humor; they have a keen awareness of their own and their partners' strengths and weaknesses and of the competitive environment which surrounds them. They have a sense of perspective and are able to laugh, ease tension and get an unfavorable situation back on course.
7. Seeking and using feedback
8. Internal locus of control, which is exerted by individuals who believe to be in control of their destiny, not attributing happenings to external causes only
9. Tolerance of ambiguity, stress and uncertainty
10. Calculated risk-taking and risk-sharing
11. Low need for status and power; the status and power achieved is a consequence not a cause which propels and motivates their actions
12. Integrity and reliability; it is vital for entrepreneurs to do what they say they are going to do.
13. Decisiveness, urgency and patience; entrepreneurs must be able both to make immediate decisions and to take a longer view, sticking patiently to the task until they have realized their goals.
14. Dealing with failure; the entrepreneur must be able to use failure as a learning exercise in order to avoid similar problems in the future.
15. Team builder and hero maker; the successful entrepreneur is not a "loner". He or she makes "heroes" out of the people they attract to the business, giving them responsibility and credit for their accomplishments.

McGrath and MacMillan (2000) defined the characteristics of the entrepreneurial mindset as: seeking new opportunities passionately, pursuing opportunities with enormous discipline, pursuing only the very best opportunities and avoiding exhausting themselves and the organizations by chasing after every option, focusing on execution in an adaptive way, engaging the energies of everyone around them. A proactive attitude portrays the entrepreneurial mindset and this concept can be perfectly applied by individuals working as employees. Opportunity has been identified as a driving force in entrepreneurship research. As described above, most of the actions taken by a successful entrepreneur are related to opportunity and networks, thus the need to achieve (McClelland, 1986) is very appropriated to understand the entrepreneurial motivation that will establish goals and excel, the need for achievement explains that high achievers search for situations where they can take personal responsibility for finding solutions to problems. McClelland's theory includes the idea that the achievement motive can be inculcated through socialization and training. Following the discussion, such a motivation is combined with the ability to calculate and measure risks before taking action, although with a great speed. In this task a social network will provide information and advice for the decision-making process. Social competence helps entrepreneurs to succeed in interactions and negotiations, individuals with high social competence have the capability to deal with people of different social status, personality and positions in society.

The entrepreneurial motivation originates in part from the capacity to establish goals, discipline, proactive behavior, and the necessity to achieve and move on to a new stage, in spite of the difficulties. This attitude sparks knowledge in individuals' lives and inside their networks.

Related Content

Conducting Ethical Research in Virtual Environments
Lynne D. Roberts, Leigh M. Smithand Clare M. Pollock (2008). *Virtual Technologies: Concepts, Methodologies, Tools, and Applications (pp. 1443-1450).*
www.irma-international.org/chapter/conducting-ethical-research-virtual-environments/30995

Motion Cueing Algorithms: A Review: Algorithms, Evaluation and Tuning
Sergio Casas, Ricardo Olandaand Nilanjan Dey (2017). *International Journal of Virtual and Augmented Reality (pp. 90-106).*
www.irma-international.org/article/motion-cueing-algorithms-a-review/169937

Online Empathy
Niki Lambropoulos (2006). *Encyclopedia of Virtual Communities and Technologies (pp. 346-348).*
www.irma-international.org/chapter/online-empathy/18098

Toward Evacuation Training in Metaverse: Transforming Normal Time Into Emergency Time
Hiroyuki Mitsuharaand Masami Shishibori (2022). *Methodologies and Use Cases on Extended Reality for Training and Education (pp. 97-124).*
www.irma-international.org/chapter/toward-evacuation-training-in-metaverse/308899

Onsite Proactive Construction Defect Management Using Mixed Reality Integrated With 5D Building Information Modeling
 Pratheesh Kumar M. R., Reji S., Abeneth S.and Pradeep K. (2020). *International Journal of Virtual and Augmented Reality (pp. 19-34).*
www.irma-international.org/article/onsite-proactive-construction-defect-management-using-mixed-reality-integrated-with-5d-building-information-modeling/262622