



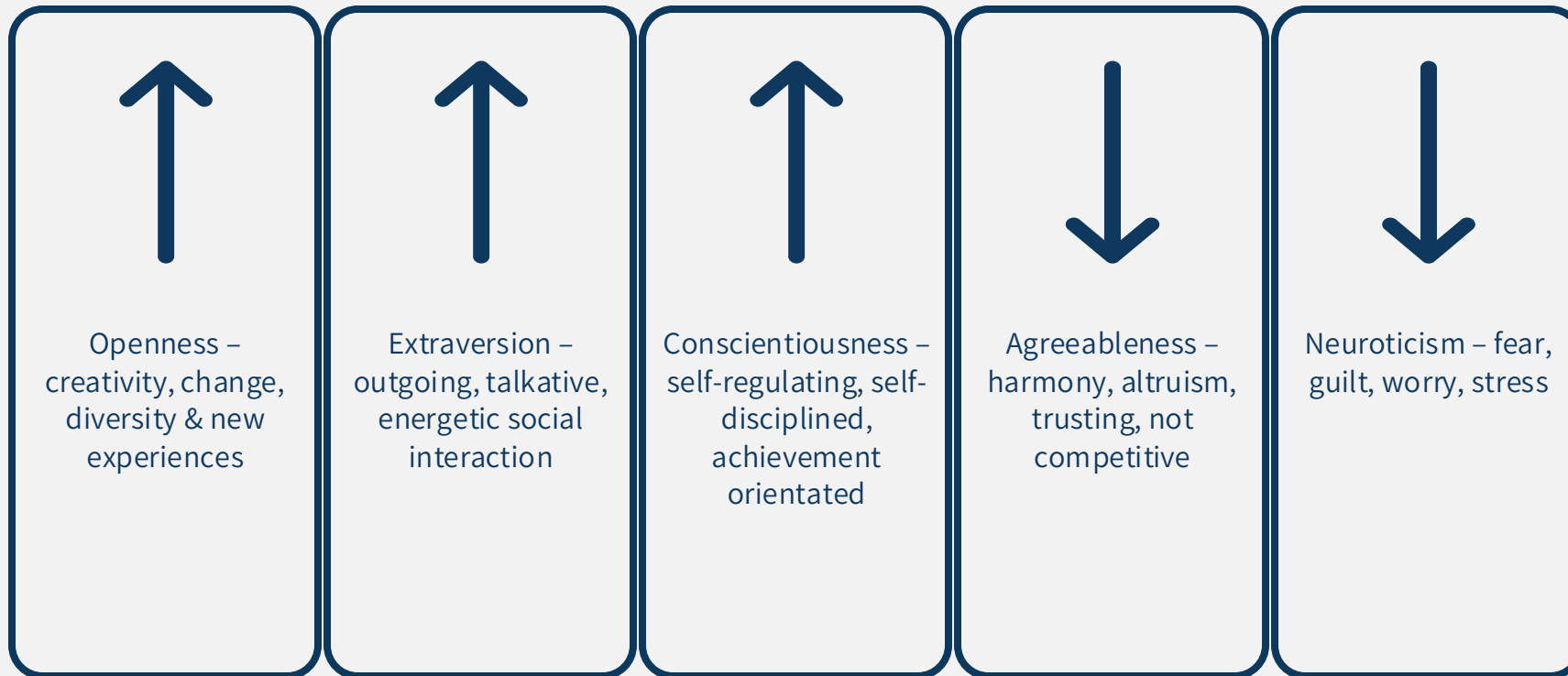
# 1. 2 The Entrepreneurial mindset

1.2.1 Character traits of entrepreneurs

**1.2.2 Entrepreneurial behaviour**

1.2.3 Cultural influences on creativity

# Five-Factor (Big Five) Model



# Cognitive theory

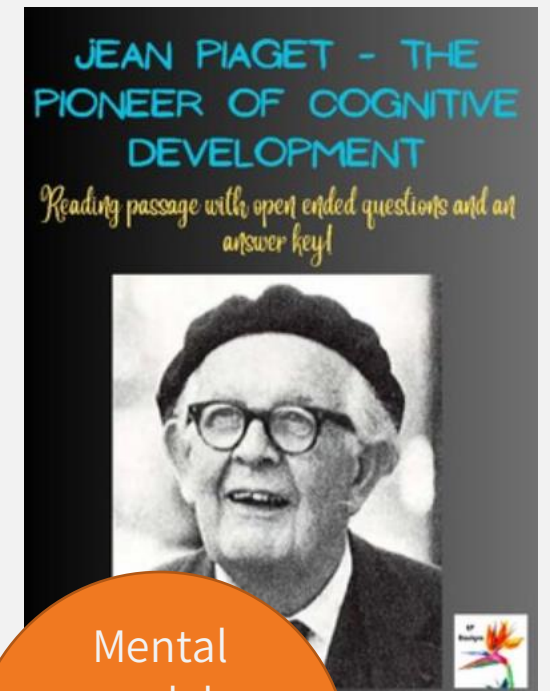


The theory of cognitive development gives an insight into how character traits develop.

Cognitive theory shifts the emphasis from the individual and their inherent traits toward the situations that have led to their development.

CT provides an insight into how the psychological factors that form part of our character and push or pull or restrain us from acting, might have developed through our life experiences.

CT seeks to understand how mental models influence behaviour and how these models influence decision-making by creating mental 'short-cuts'.



Mental models influence our behaviour

# Cognitive theory & behaviour



## System 2: Left-brain

Logical  
Analytical  
Rational  
Convergent  
Linear  
Disciplined  
Seeks answers  
Thinks in numbers or words  
Use existing structure  
Relies on past experiences  
Concentrates on what is 'relevant'

'Adaptors'  
Thinkers  
'Want to  
doing things  
better'  
Working  
alone



## System 1: Right-brain

Intuitive  
Emotional  
Value-based  
Imaginative  
Divergent  
Creative  
Innovative  
Seeks questions  
Thinks in pictures  
Does things differently  
Accepts discontinuous leaps

'Innovators'  
Quick  
decision-  
making  
Working in  
groups

# Entrepreneurs – born or made?



This animation explains the difference between a ‘growth’ & a ‘fixed’ mindset & discusses how they might be developed or changed.



[https://www.youtube.com/watch?v=KUWn\\_TJTrnU](https://www.youtube.com/watch?v=KUWn_TJTrnU)

# Effectuation



This animation explains the principles of effectuation.

# Cognitive theory & entrepreneurial behaviour



- Creativity & innovation - oscillating between left- & right-brain improves practical creativity & this is encouraged with physical activity
- Management & leadership – requires both left-brain for logical analysis & right-brain for emotional intelligence
- Strategy & decision-making – intuition requires learning by doing, taking incremental steps
- Risk-taking & decision-making – requires more careful use of left- & right-brain rather than just relying on cognitive heuristics

# Bias in decision-making



- Most people are risk-averse for gains - they prefer the certainty of a small gain.
- Most people are risk-taking for losses - they prefer to gamble & avoid the certainty of loss
- Most people do not approach complex decision- making logically by analysing all the options
- Not only do people have biases, their decision-making can be influenced by how the decision is presented or framed





# Assignment



Take the Five-Factor personality test . Does this broadly support the results from GET2? If not, can you explain the differences



Five-Factor personality test

# Acknowledgments



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Project Partners:



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