



**S. LEONELLI, F. MASCIARELLI, ENTREPRENEURIAL  
PERSONALITY AND SMALL BUSINESS MANAGEMENT.  
IS THERE A NARCISSIST IN EVERY SUCCESSFUL ENTREPRENEUR?,  
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**Abstract**

*Can entrepreneurial personality traits affect small business management and outcomes? If so, how and why? Leonelli and Masciarelli's book answers these questions by offering an engaging, wide-ranging and comprehensive analysis of the phenomenon with a particular focus on entrepreneur narcissism and how it influences the various phases of small business life. Specifically, the authors analyse how "bright" and "dark" sides of entrepreneurial personality traits affect small businesses' entrepreneurial orientation (i.e., innovativeness, risk-taking and proactiveness), innovation outcomes (product/service or process innovations) and financing (by business angels and venture capitalists). They also examine how entrepreneurial personality traits impact serial entrepreneurial behaviour (i.e., the entrepreneur's decision to create value by founding more than one firm). Finally, implications for theory and practices are discussed.*

## Review

As widely recognised in management science and entrepreneurship research, the entrepreneur is the small business's linchpin, the one who determines its strategies and, thus, viability. Leonelli and Masciarelli build on the assumption that understanding and describing entrepreneurial personality traits is essential to comprehending how small firms create value, explain why entrepreneurs act differently in similar circumstances and why some entrepreneurs are more successful than others.

In the first chapter, the authors begin by reminding the reader of Narcissus from Greek mythology, now so famous that his name is used—even in common parlance—as a synonym for individuals immeasurably in love with themselves. By combining psychological theories with entrepreneurial studies, the authors analyse the concept of narcissism concerning the entrepreneur's personality.

As explained in the book's first pages, "An individual's personality defines the person, and it tends not to change over time" (p. 3). It includes multiple traits, i.e., different characteristics that distinguish "the individual's way of thinking, feeling and behaving" (p. 13). Studies on the subject, well-illustrated in chapter two that provides a valuable literature review on entrepreneur personality, have identified some useful models and concepts to understand the multidimensional aspect of individuals' personalities. Namely, the Big Five model, the locus of control and the Dark Triad are presented and described. The Big Five model defines personality through the measurement of openness to experience (the tendency to be creative and perceptive); conscientiousness (being respectful of the rules and being organised); extraversion (the tendency to be outgoing, active and enthusiastic); agreeableness (being kind, altruistic and trusting); and neuroticism (the tendency to be anxious, fearful and depressed). The locus of control consists of two dimensions: internal locus of control (which measures the extent to which individuals believe their actions generate events) and external locus of control (which refers to the extent to which individuals believe events depend on external factors they cannot control). Finally, the Dark Triad includes narcissism (a sense of grandiosity, pride, egotism and a lack of empathy), Machiavellianism (an individual tendency to be manipulative and achieve goals using any means), and psychopathy (dysfunctional interpersonal behaviours of people who employ charm and manipulative techniques for personal gain).

Moving on to the entrepreneur's personality and referring to evidence from previous research, the authors explain that the entrepreneurial personality is characterised by traits that can be categorised as bright or dark. The former are considered beneficial for individuals and firms. They include openness to experience, conscientiousness, extraversion, agreeable-

ness and internal locus of control. The dark traits are deemed detrimental to individuals and firms. They comprise narcissism, Machiavellianism, psychopathy, neuroticism and external locus of control.

Nevertheless, more recently, scholars have begun to challenge the conventional belief that bright traits are always beneficial and dark traits are always detrimental, thus exploring the potential upsides of dark traits and the potential downsides of bright traits. As the authors highlight, some empirical evidence shows that the effects of different entrepreneurial personality traits on organizations are more complex and often depend on the high or low level by which a trait is expressed.

Leonelli and Masciarelli's book offers a further contribution in this direction by delving into the positive and negative side of entrepreneurial narcissism and analysing if and how they may influence entrepreneurial orientation, innovation, financing and entrepreneurial seriality.

Precisely, "A narcissist is defined as an individual who is arrogant, overconfident and self-important, who sees themselves as superior and deserving of special treatment, who requires admiration, lacks empathy, is authoritarian, tends to exploit others and overestimates his or her abilities" (p. 5).

Regarding entrepreneurial narcissism, both positive and negative aspects may emerge. The positive aspects concern the so-called "productive/constructive narcissist", which are individuals characterised by passion, perseverance and freedom of thought. They act independently and are charismatic leaders, who are resilient, competitive and risk-takers. They are also able to contribute to social growth and change with innovative ideas. From this point of view, narcissism positively impacts business performance. The negative aspects comprise a distorted view of self-worth, a sense of grandiosity and superiority, self-centredness, lack of empathy, arrogance and the exploitation of interpersonal relationships. Narcissists tend to take unnecessary risks and are not attentive to objective signals. They are also touchy and angry, and see others only as a means to satisfy their need for admiration and reinforcement. Consequently, narcissism is detrimental to the firm's performance and relationship with peers and employees.

Starting from this theoretical background and using quantitative and qualitative methods of analysis, the authors present four interesting empirical studies that examine different samples of small-business entrepreneurs.

Chapter three explores how entrepreneur narcissism affects entrepreneurial orientation (EO) in small businesses. EO includes innovativeness, risk-taking and proactiveness and is considered essential for entrepreneurial activity. According to the research aim, two main narcissistic entrepreneur characteristics are considered: the exhibitionist side (related to grandiosity and self-importance) and the manipulative side (concerning the narcissistic sense of entitlement and the willingness to exploit others for personal gain).

The authors develop the following two hypotheses: Hypothesis 1a – The exhibitionist side of entrepreneur narcissism is positively associated with EO; Hypothesis 1b: The manipulative side of entrepreneur narcissism is negatively associated with EO. The hypotheses are tested on a sample of 114 Italian SMEs considering EO as the dependent variable, exhibitionist narcissism and manipulative narcissism as independent variables, and entrepreneur's education and age, firm's age, size and cash flow, industry sector and location as control variables. Results show that both hypotheses are supported. Particularly, exhibitionistic narcissism has a positive effect on EO (high levels of exhibitionism correspond to high levels of EO), and manipulative narcissism has a negative effect on EO (high levels of manipulation correspond to low levels of EO). Moreover, an entrepreneur's age has a significant negative impact on EO (increasing levels of an entrepreneur's age correspond to a decrease in EO).

Chapter four focuses on the relationship between entrepreneurial personality traits and small business innovativeness. The authors develop a research model that includes the ten personality traits related to the Big Five model, the locus of control and the Dark Triad. Ten hypotheses are proposed and tested on a sample of 35 entrepreneurs. The latter were interviewed, and a content analysis was used to construct independent variables (i.e., ten personality traits) from transcribed interviews. The dependent variable, small business innovation, was derived from the Italian patent register. Findings reveal that, concerning the Big Five model, openness to experience and conscientiousness positively impact small business innovation, while neuroticism has a negative impact. Concerning the locus of control, results show a negative relationship between external locus of control and small business innovation. Finally, as regards the Dark Triad, empirical evidence indicates that narcissism positively impacts small business innovation, while psychopathy has a negative impact. No statistically significant relationships were found for the other personality traits. Chapter five explores the relationship between entrepreneur narcissism and small business financing with particular attention to start-ups. Funding processes are crucial for start-ups and external investors, such as business angels and/or institutionalist venture capitalists, who can play a key role. Sometimes, they may ask entrepreneurs to pitch their idea, and how the idea is presented can be crucial to persuade investors and receive financial support. The chapter aims to illustrate how entrepreneurs' way of presenting themselves (i.e., through their personality traits) and their behaviour may influence their chance of being funded. The authors posit that narcissistic entrepreneurs can more easily get business angels' and venture capitalists' investments than their non-narcissistic counterparts. They identify two mechanisms through which narcissism works: the persuasive effect and the commitment effect. The former helps narcissists to gain support and

reassurance from investors. The latter refers to how narcissists work hard to reach their goals. Based on these arguments, the authors assume a positive effect of entrepreneurs' narcissism on external investors and propose two hypotheses: Hypothesis 1 – Entrepreneur narcissism positively influences the number of business angels who invest in the business; Hypothesis 2 – Entrepreneur narcissism positively influences the number of venture capitalists who invest in the business. The empirical research involves a sample of 65 Chinese start-ups. The tested model considers the number of business angels and the number of venture capitalists who invested in the start-up as dependent variables and entrepreneurial narcissism as the independent variable. Results did not support Hypothesis 1, while Hypothesis 2 was confirmed.

Chapter six is devoted to exploring the role of narcissism as an antecedent to entrepreneurial seriality, i.e., the entrepreneur's propensity to found more than one firm. To this end, the authors propose three mechanisms regulating narcissism: 1) achievement effect (i.e., the narcissistic entrepreneur's tendency to pursue their vision whatever the cost); 2) optimism effect (i.e., the optimistic way in which narcissistic entrepreneurs see the future and perceive opportunities); and 3) independence effect (i.e., the narcissistic entrepreneurs' inclination to act independently). Then, the authors propose the following Hypothesis 1: Entrepreneurs' narcissism is positively related to entrepreneurs' seriality. The hypothesis was tested on a sample of 343 small business entrepreneurs from Italy, France, China, the USA and Denmark. Results confirm Hypothesis 1: entrepreneur narcissism positively effects entrepreneur seriality (high levels of narcissism correspond to a high propensity to seriality). In the seventh and last chapter of the book, the authors present the research's main conclusions and theoretical implications. They pay particular attention to implications for practices, considering how their book may support advisors, entrepreneurs, investors and educators.

This book makes an essential contribution to the debate on the role of entrepreneurial personality in small business management. The volume has the merit of providing a wide-ranging overview of the impact that both the bright and dark sides of entrepreneurial personality—with a particular focus on narcissism—may have on the various phases of small business life. It also draws from various research fields such as psychology, entrepreneurship, small business innovation, entrepreneurial finance and strategic management. Last but not least, empirical research was carried out by using both quantitative and qualitative methods and considering different cultural contexts.

In closing, the work of Leonelli and Masciarelli brings the relevance of the entrepreneurial personality into the spotlight. It confirms how crucial it is to comprehend entrepreneurs' behaviours and small business management thoroughly.