

Runst, Petrik; Thomä, Jörg

**Working Paper**

## Resilient entrepreneurs? Revisiting the relationship between the Big Five and self-employment

ifh Working Paper, No. 34/2022

**Provided in Cooperation with:**

Volkswirtschaftliches Institut für Mittelstand und Handwerk an der Universität Göttingen (ifh)

*Suggested Citation:* Runst, Petrik; Thomä, Jörg (2022) : Resilient entrepreneurs? Revisiting the relationship between the Big Five and self-employment, ifh Working Paper, No. 34/2022, Volkswirtschaftliches Institut für Mittelstand und Handwerk an der Universität Göttingen (ifh), Göttingen

This Version is available at:

<https://hdl.handle.net/10419/251222>

**Standard-Nutzungsbedingungen:**

Die Dokumente auf EconStor dürfen zu eigenen wissenschaftlichen Zwecken und zum Privatgebrauch gespeichert und kopiert werden.

Sie dürfen die Dokumente nicht für öffentliche oder kommerzielle Zwecke vervielfältigen, öffentlich ausstellen, öffentlich zugänglich machen, vertreiben oder anderweitig nutzen.

Sofern die Verfasser die Dokumente unter Open-Content-Lizenzen (insbesondere CC-Lizenzen) zur Verfügung gestellt haben sollten, gelten abweichend von diesen Nutzungsbedingungen die in der dort genannten Lizenz gewährten Nutzungsrechte.

**Terms of use:**

*Documents in EconStor may be saved and copied for your personal and scholarly purposes.*

*You are not to copy documents for public or commercial purposes, to exhibit the documents publicly, to make them publicly available on the internet, or to distribute or otherwise use the documents in public.*

*If the documents have been made available under an Open Content Licence (especially Creative Commons Licences), you may exercise further usage rights as specified in the indicated licence.*



ifh Working Paper No. 34/2022

## Resilient entrepreneurs? Revisiting the relationship between the Big Five and self-employment

Petrik Runst<sup>a\*</sup>, Jörg Thomä<sup>a</sup>

<sup>a</sup> *Institute for Small Business Economics at the Georg-August-University Göttingen, Heinrich-Düker-Weg 6, 37073 Göttingen, Germany*

---

### Abstract

Based on a trait-oriented approach, Big Five personality traits have been repeatedly shown to affect entrepreneurial action. In the last two decades, a new literature stream on the Big Five has emerged in the field of psychology that has partly moved away from a trait-based perspective towards a person-centered approach, suggesting that multiple stable combinations of traits form individual personalities. We examine the relationship between this prototyping approach and entrepreneurship. Moreover, we compare prototyping with entrepreneurial profiling, another person-oriented approach to the Big Five, which assumes that low levels of agreeableness and high levels of all other traits describe a particular entrepreneurship-prone personality. By using data from the German Socio-Economic Panel (SOEP), we show that at least three prototypes can be identified, one of which – the resilient type – can be hypothesized to significantly increase the likelihood of entrepreneurial action. Our regression results provide evidence of a positive impact of the resilient type on the likelihood of and transitioning into self-employment but not the likelihood of exit. We also show that the prototyping approach explains individual self-employment decisions over and above what can already be explained by the profiling approach. Thus, the entrepreneurial profile tends to ignore a relatively large number of individuals who exhibit certain combinations of traits predisposing them to become entrepreneurs. In the context of entrepreneurship, profiling should therefore only be seen as a first step on the way from the usual trait-based to a person-oriented view of the Big Five.

JEL: D91; L26; M13

Keywords: Entrepreneurship; Self-employment; Big Five; Personality; Prototypes; Profiles

---

---

\* Corresponding author. [petrik.runst@wiwi.uni-goettingen.de](mailto:petrik.runst@wiwi.uni-goettingen.de)

## 1. Introduction

Based on the well-established literature on the broad Big Five personality traits (Digman, 1990; John et al., 1991; 2008; McCrae & Costa, 2008), a number of researchers have analyzed the effects of such traits on entrepreneurship. Two basic approaches can be distinguished here. First, by using the *trait-oriented approach* (i.e. the Big Five traits are examined separately from each other), openness to experience or extraversion have been repeatedly found to exert a positive influence on the decision to start a business (Zhao & Seibert, 2006; Shane et al. 2010; Brandstätter, 2011), while agreeableness is found to increase the exit probability from self-employment (Caliendo et al., 2014). The relationship between the Big Five traits and more narrow traits – such as locus of control or risk tolerance – has also been examined, showing that additional personality aspects besides the Big Five traits are relevant for predicting entrepreneurial decisions (Caliendo et al., 2014; Leutner et al. 2014).

Second, other entrepreneurship studies have taken a *person-oriented approach* to the Big Five Inventory. These are based on the observation that a combination of high levels of extraversion, conscientiousness, emotional stability, and openness, and low levels of agreeableness is a good predictor of entrepreneurial activity. This particular configuration of Big Five traits has become known as the entrepreneurial personality profile (Schmitt-Rodermund, E. 2004; Obschonka et al., 2013; Obschonka & Stuetzer 2017). In studies following this line of research, a hypothetical benchmark is generated that reflects the mentioned trait configuration. In a next step, the squared distance between an individual's actual Big Five traits and this reference profile is calculated. According to Obschonka and Stuetzer (2017), the entrepreneurial personality profile is a robust predictor of self-employment decisions at both the individual and regional level. However, there is a debate about the practical implications of this profiling approach for the design of entrepreneurship education or business consulting. For example, Konon and Kritikos (2019) argue that while personality profiles based on hypothetical reference personalities may yield well-fitting regression lines, they are unsuccessful in making real predictions of future self-employment decisions, as the focus on a single profile cannot fully account for the stark heterogeneity of individuals who are prone to entrepreneurial activity.

In the last two decades, another person-oriented Big Five approach has emerged in the psychology literature, with findings that remain largely unexploited by entrepreneurship research. Instead of treating the Big Five traits as five independent motivators of human action, this approach posits that traits are synergistic with each other, in the sense that stable and empirically discernable interdependencies exist between the Big Five traits. Starting from this assumption, distinct types of individual personalities are measured, known as personality prototypes (e.g. Asendorpf et al., 2001; Boehm et al., 2002; Herzberg & Roth, 2006; Specht et al., 2014; Gerlach et al., 2018). By working with trait configurations within individuals instead of single traits, prototyping is somewhat related to profiling. However, the two empirical approaches start from opposite ends. Profiling uses a single combination of traits that has been empirically shown to be associated with entrepreneurial activity. Thus, profiling starts from the predictive end of the empirical process, which can be argued is like putting the cart before the horse. On the other hand, prototyping is based on frequently-occurring configurations of traits in the overall population of individuals, not only entrepreneurs. Only after stable personality types – i.e. discernable combinations of traits that reflect the heterogeneous nature of individual personalities – have been identified will their effects on entrepreneurship or any other phenomenon be examined.

Profiling assumes that if a trait has been shown to exert an effect on entrepreneurial behavior, the impact of this trait will be the same when combined with certain manifestations of other traits. However, this assumption may not always be correct. For example, Caliendo et al. (2014) find that the trait agreeableness does not affect entry or self-employment, whereas studies on the entrepreneurial personality profile assume a negative impact (Obschonka et al., 2013; Obschonka & Stuetzer, 2017). Nevertheless, the level of agreeableness may also positively affect entry and exit when it occurs in conjunction with higher levels of other traits. In fact, our

empirical results suggest that higher agreeableness increases entry probabilities when combined with high values of extraversion but does not affect entry when co-occurring with low levels of extraversion.

The possibility of such conditional effects is easily overlooked when entrepreneurial personality profiles are based on average effect sizes of the five trait variables in a regression analysis instead of considering the variety of possible trait combinations. The existence of such conditional (or interaction) effects suggests that the mutual interplay of traits matters. However, instead of examining the myriad of all theoretically possible combinations between all Big Five traits, prototyping starts from the distinct configurations that actually exist in the general population with some frequency and regularity, i.e. personality prototypes. In other words, while the profiling approach – with its focus on one specific combination of traits – can be understood as a first important step towards measuring distinct types of entrepreneurial personalities, the prototype approach likely represents a further step in this direction as it takes account of the heterogeneous nature of entrepreneurship-prone personalities.

The contribution of this paper is twofold. First, we apply the prototype approach to studying the relationship between personality and entrepreneurial decisions for the first time. To test and demonstrate the validity of this approach, we empirically derive personality prototypes from a large longitudinal dataset using latent profile analysis and a cluster analysis. Second, we investigate whether the prototype approach can expand upon the explanatory power of the profiling method. Our results have relevant practical implications in the context of entrepreneurship education and business consulting, as they suggest that the use of personality profiles should be combined with a focus on specific entrepreneurial personality prototypes to increase the effectiveness of measures and services. In doing so, we aim to respond to Konon and Kritikos (2019), who identify a need for research regarding “what kind of metric methods should be used that take the heterogeneity among individuals better into account [than the profiling approach]” (p. 14).

## 2. Conceptual background

### 2.1. Big Five personality traits and entrepreneurship

The Big Five Inventory (John et al., 1991, 2008) represents the most widely-used measure of personality traits, and it has been employed extensively in the field of personality psychology and beyond. It contains the following five elements. The trait *extraversion* measures the extent to which an individual enjoys social interaction and possesses the corresponding social skills. Extraverted individuals are outgoing and communicate frequently. An individual with a high level of *agreeableness* tends to shy away from conflicts and has a more forgiving attitude towards others. Such an individual prefers cooperation to competition in social relationships and he or she is careful in his/her choice of words to avoid affronting others. A highly conscientious person is diligent in his or her tasks and has a higher achievement orientation. Due to their high level of *conscientiousness*, such persons are always planning ahead, prefer efficiency and pay close attention to details. The trait of *emotional stability* (opposite: neuroticism) is related to having fewer mood swings, less anxiety and fewer instances of feeling sad, hopeless or guilty. An individual with high levels of emotional stability is also more resilient in the face of setbacks and less vulnerable to psychological stressors. Finally, a person who is open to experience displays interest in novelty, variety and creativity. Higher levels of *openness* are associated with not liking routines and repetitive tasks, as well as higher degrees of active imagination.

It is theoretically plausible to draw a connection between these five traits and entrepreneurial action (e.g. Zhao et al., 2010; Brandstätter, 2011; Caliendo et al, 2014). For example, starting a business involves new ways of doing things, serving a market that either has not existed before or satisfying demand in a better way than before. Individuals who are open to experience are more likely to recognize such business opportunities as well as acting upon them, as entrepreneurs with creativity and a willingness to propel innovative changes. Similarly, entrepreneurial action is highly social in nature (Sarasvathy, 2001; 2009), and should therefore be

more appealing to extraverted individuals who are more likely to communicate, create and maintain social connections with different types of external stakeholders necessary for business formation and success. While the preference for routine and repetition actions in conscientious individuals could easily reduce the likelihood of starting a business, conscientious business owners' attention to detail, strong work motivation and efficiency should certainly increase entrepreneurial performance at the growth stage of new ventures. A higher level of emotional stability can be advantageous in terms of resilience when the entrepreneur confronts challenges, stressful situations or obstacles that need to be overcome in the process of setting up and maintaining a business. Finally, agreeableness could be expected to be negatively related to entrepreneurship, as agreeable individuals are often less inclined to be sufficiently strong-willed in the face of opposing viewpoints and arguments, acquiescing too quickly, which thereby undermines creative change processes in the context of entrepreneurship. On the other hand, as entrepreneurship is a social process (Sarasvathy, 2001; 2009), a low value of agreeableness can exacerbate social conflict and deter potential partners from cooperating with the prospective entrepreneur.

A number of empirical studies have followed a trait-oriented approach to examine the relationship between the Big Five and entrepreneurial action. Accordingly, they have established robust links between single traits and entrepreneurship. Higher levels of extraversion and openness, and – to a lesser extent – emotional stability and conscientiousness are reliable predictors of entrepreneurial intention and performance (e.g. Ciavarella et al., 2004; Zhao & Seibert, 2006; Zhao et al., 2010; Brandstätter, 2011; Caliendo et al., 2014). Some evidence suggests that higher levels of agreeableness increase the likelihood of exit (Caliendo et al., 2014). Some entrepreneurship studies have also related narrow traits such as achievement orientation, locus of control and risk tolerance to the Big Five traits, showing that both broad and narrow traits have explanatory power for predicting entrepreneurial decisions (Leutner et al., 2014; Caliendo et al., 2014).

Finally, by taking a person-oriented approach to the Big Five, the profiling literature has repeatedly found that the specific combination of high levels of extraversion, openness, conscientiousness and emotional stability, and low levels of agreeableness – i.e. the entrepreneurial personality profile – is positively associated with the decision to enter self-employment (Schmitt-Rodermund, 2004; Obschonka et al., 2013; Obschonka & Stuetzer, 2017).

## 2.2. *The prototype approach*

As has been noted, previous entrepreneurship research on person-oriented investigations into the Big Five has focused on the profiling approach. However, in the last two decades a second body of literature concerning person-oriented Big Five analyses has unfolded within the field of psychology (Asendorpf et al., 2001; Boehm et al., 2002; Fruyt et al., 2002; Schnabel et al., 2002; Herzberg & Roth, 2006; Meeus et al., 2011; Specht et al., 2014; Gerlach et al., 2018), which holds relevant implications for entrepreneurship and small business research but – apart from Runst and Thomä (2021) – remains largely untapped. This literature does not deal with separate individual traits but rather examines the statistical clustering or co-occurrence of traits in the general population of individuals. In other words, are there certain combinations of Big Five traits – labelled as prototypes – that are more likely to manifest themselves within the personality of individuals? The number of identified prototypes varies between three (Asendorpf et al., 2001; Meeus et al., 2011), four (Specht, 2014; Gerlach et al., 2018), and five (Kerber et al., 2021) whereas the empirical evidence tends towards the first number.

However, regardless of which solution was found, a particular personality type – labelled as the “resilient type” (Asendorpf et al., 2001), also called the “role model” (Gerlach et al., 2018) – has been clearly identified in all of these studies (for a literature review, see Kerber et al., 2021). This prototype is characterized by high values in all Big Five traits. According to Asendorpf et al. (2001, p. 175), the resilient type refers to a person's ability “to respond flexibly, rather than rigidly to changing situational demands, particularly stressful situations.” In three-type solutions, the other two prototypes that have been identified are “over-controllers” (i.e.

high values of conscientiousness but lower values of openness and extraversion) and “under-controllers” (i.e. low values in all traits, including emotional stability). Four- and five-type solutions differ from three-type solutions in terms of the identification of under- and over-controllers or certain subgroups thereof (Gerlach et al., 2018). In this context, the degree of self-control refers to an individual’s “tendency to contain versus express emotional and motivational impulses (strong control vs. weak control)” (Asendorpf et al. 2001, p. 175).

The prototype approach is inherently based on the idea that there are certain synergies between separate Big Five traits. For example, Runst and Thomä (2021) provide empirical evidence that small business owners’ personality traits complement each other in the context of firm-level innovation. According to their results, a small firm is more likely to successfully implement an informal mode of innovation, which places a special emphasis on interactive learning and cooperative relationships when the owner is of the resilient type. Such synergies can also be expected in the context of entrepreneurship. For example, while extraversion and openness have widely been found to positively affect the probability of entry into self-employment, in terms of new venture performance, the founder’s degrees of conscientiousness and emotional stability should play a complementary role as high degrees of achievement motivation and a pronounced ability to cope with stress should also be important for the success of entrepreneurs (Zhao et al., 2010).

Perhaps the best example of such synergies is the ambiguous role of an entrepreneur’s degree of agreeableness. As noted above, in the profiling literature a negative role is assigned to the trait of agreeableness in terms of entrepreneurial action. This perspective speaks to a conception of the entrepreneur as the lone maverick who pursues his/her vision of innovation and change quite ruthlessly and overcomes obstacles in the form of resisting voices by not deferring to others in the face of conflict. Interestingly, this caricature of a visionary dynamic change agent is at odds with what qualitative research tells us that the process of entrepreneurship actually looks like (Sarasvathy, 2001, 2008). In fact, the entrepreneurial process has been described as a social one, embedded within and reliant upon a viable network of customers, suppliers etc. Instead of the lone maverick, Sarasvathy (2001, 2008) metaphorically describes the entrepreneur as a quilt maker, stitching various stakeholders and their ideas together into a joint fabrication of opportunity, generating a community of co-conspirators in the process. Such a conception of the entrepreneur would not suffer from high levels of agreeableness. In fact, such a personality trait would benefit the entrepreneurial process, as the other members of the emerging new venture’s network would be more willing to engage and trust an agreeable entrepreneur given that he/she would be more likely to incorporate their various views and interests. Hence, agreeableness may exert different effects on entrepreneurship, depending on the context and the interplay with other Big Five traits involved. Indeed, the ability of the prototype approach to consider these heterogeneities among individuals and condense them into certain dominant personality types reflects precisely its strength.

### *2.3. The resilient type and entrepreneurial action*

As already mentioned, one trait configuration that has been consistently identified in the prototype literature is the resilient type. It refers to individuals who are “able to resourcefully adapt to changing situations and circumstances, to tend to show a diverse repertoire of behavioral reactions and to be able to have a good and objective representation of the ‘goodness of fit’ of their behavior to the situations/people they encounter. This good adjustment may result in high levels of self-confidence and a higher possibility to experience positive affect” (Kerber et al, 2021, p. 3). Such a personality type can be expected to be likely to engage in entrepreneurial action. For example, Runst and Thomä (2021) show that small firms with owners whose personality resembles the resilient type are more likely to successfully implement a non-R&D-based mode of innovation. Hence, we hypothesize that individuals of the resilient type are more likely to enter and remain self-employed, as they will create and maintain the necessary social ties (extraversion, agreeableness), diligently plan and execute required actions (conscientiousness), remain calm in the face of adversity (emotional stability), and display an open attitude toward novelty and change (openness).

On the other hand, over-controllers have been described as constrained and inhibited in their behavior, limited in their emotional expressivity and overly cautious in decision-making (Kerber et al., 2021). The social nature of entrepreneurship should render it less likely for such an individual to enter into self-employment. In addition, entrepreneurial action requires the capacity to make decisions under stressful and uncertain situations, meaning that a certain degree of emotional stability is needed for entrepreneurs to succeed (Zhao et al. 2010). On the other hand, under-controllers display high time discounting and are therefore often unable to delay gratification to receive larger gains in the future. Moreover, they tend to be “relatively unattached to social standards or customs” (Kerber et al., 2021, p. 2). For example, the inability to delay gratification has been connected to various negative economic or social outcomes (see DellaVigna, 2009), such as lower scores on standardized tests (Mischel et al., 1989), lower educational attainment (Ayduk et al., 2000), higher body mass indexes (Schlam et al., 2013), and lower savings (Ashraf et al., 2006). In terms of social interactions, the results of Runst and Thomä (2021) imply that small business owners of the under-controlled personality type have a low likelihood of implementing a mode of learning and innovation at the firm level that builds on interactive learning and cooperation with external partners. In a similar manner, we expect under-controlled individuals to be less inclined to entrepreneurial action.

### 3. Data and methods

#### 3.1. German Socio-Economic Panel (SOEP)

We use data from the SOEP for 2005 to 2019.<sup>1</sup> The SOEP is a large and representative annual longitudinal household survey among individuals throughout Germany that has been used in entrepreneurship research on the Big Five (e.g. Caliendo et al., 2014) as well as psychology research on Big Five personality traits (e.g. Specht et al., 2014). The SOEP contains repeated questions on work, health, and well-being as well as additional non-repeated modules. Starting in 2005, the survey also includes a fifteen-item Big Five Inventory (BFI) at regular intervals (i.e. the five survey years 2005, 2009, 2013, 2017, and 2019). It has been shown that small item scales such as the BFI-15 retain significant levels of reliability and validity compared with longer versions such as the BFI-44 (Rammstedt & John, 2007). About 11,700 individuals fully answered all personality questions on the Big Five traits in 2005. As the survey has increased in sample size since then, there are about 14,900 complete Big Five observations in 2019. The dataset also provides information on the survey respondents, such as age, citizenship, educational and vocational degrees. This enables us to use information on self-employment status and transition as a measure for entrepreneurial action.

Following Caliendo et al. (2014), the following analysis is limited to individuals between the ages of 19 and 59 to “to avoid possible confounding effects due to early retirement decisions” (ibid, p. 795). Moreover, invalidity pensioners, students (including vocational education and training), farmers, family workers, civil servants and military members are removed from the sample. Apart from that, we do not include observations from the SOEP “Refugee Samples” 2016 and 2017 in our analysis to ensure sample consistency over time, and because there are marked personality differences between the specific group of refugees and the general population in Germany (Brücker et al., 2016), which could otherwise distort the prototyping results.

---

<sup>1</sup> The citation of the data set is “Socio-Economic Panel (SOEP), data for years 1984-2019, SOEP-Core v36, EU Edition, 2021, doi:10.5684/soep.core.v36eu.”

## 3.2. Methods

### 3.2.1. Overview

Our empirical analysis proceeds in three main steps. First, entrepreneurial profiles are derived from the SOEP survey data based on the individual manifestations of the Big Five survey items (see Subsection 3.2.2). Second, we generate personality prototypes. To ensure that the results of the prototype identification are valid, we derive them in two different ways, first via a latent profile analysis (LPA, see Subsection 3.2.3) and additionally – for the purpose of robustness testing – by applying a cluster analysis (see Subsection 3.2.4). On this basis, a longitudinal data set is created for the 2005-2019 period by replacing missing values in years without the Big Five module with values from the last available year.

The five personality dimensions are extracted from fifteen survey items by generating factor scores for each trait. As an example, factor loadings for 2005 are presented in the appendix (Table A 1), and they conform to well-known patterns (e.g. Hahn et al. 2012; Lang et al., 2011).<sup>2</sup> The factor scores are used in the LPA/cluster analysis as metric Big Five variables to generate the personality prototypes. Third, the profile and prototype variables both serve as variables in a regression analysis (see subsection 3.2.5) on the determinants of different entrepreneurial actions (i.e. the self-employment status, the probability of entry/exit and the number of entries).

### 3.2.2. Entrepreneurial profile

We follow Obschonka et al. (2013) and Obschonka & Stuetzer (2017) by defining an entrepreneurial reference profile of the highest possible values on the traits' original scales of extraversion, conscientiousness, emotional stability, and openness, and the lowest possible value on the agreeableness scale ( $Y_k$ ). Their reference profile is derived from the empirically-established links between the single Big Five traits and entrepreneurship activity. In other words, when regressing self-employment decisions on the Big Five traits, a positive and significant coefficient leads to a high reference value, and correspondingly a negative coefficient leads to a low reference value. We then calculate each individual's semblance to the entrepreneurial profile by summing up the squared distances between the actual trait value ( $X_{itk}$ ) and its corresponding reference value ( $Y_k$ ), where index k refers to trait one to five.

$$\text{Entrepreneurial Profile} = \sum_{k=1}^5 (X_{itk} - Y_k)^2$$

### 3.2.3. Prototyping: Latent profile analysis (LPA)

We follow Specht et al. (2014) and Asendorpf (2001, 2015) in performing an LPA based on the derived factor scores on the Big Five traits, separately for each year in 2005, 2009, 2013, 2017 and 2019. As Specht et al. (2014) state, the aim of this typological approach “is to identify a preferably parsimonious number of personality types that allow for broad categorizations of individuals” (p. 5). To determine the number of prototypes (k) in the model, we first run multiple LPAs, using two to five types. The Akaike information criterion (AIC) and Schwarz's Bayesian information criterion (BIC) provide a statistic that can be used to assess the model's fit, with lower values indicating a better fit. However, as is typical with these criteria, the AIC and BIC continuously decline when the number of prototypes k in the model rises. Masyn (2013) states in this regard that “because none of the information criteria are guaranteed to arrive at a single lowest value corresponding to a k -class model with  $k < k_{\max}$ , these indices may have their smallest value at the  $k_{\max}$ -class model” (p. 572). We therefore perform a split-sample cross-validation procedure. First, the sample is randomly partitioned into two equally-sized subsamples, a subsample A (the calibration dataset) and B (the validation dataset). As a next step, an LPA is conducted based on subsample A and all model parameters are retained.

<sup>2</sup> Factor loadings for the other years are not reported but follow the same pattern. The corresponding results are available upon request.



Subsequently, we turn to subsample B, whereby first the retained model parameters are used for predicting whether an individual belongs to a certain prototype (i.e. the constrained prediction). Second, the LPA is performed without fixing the parameters (i.e. the unconstrained prediction). Finally, we compare the constrained and unconstrained predictions. As Masyn (2013) writes, “if the parameter estimates obtained from the k -class model fit to subsample A, then provide an acceptable fit when used as fixed parameter values for a k-class model applied to subsample B, then the model validates well and the selection of the k-class model is supported” (p. 572-573). As the subsample selection is random, we repeat this process twenty times. The average share of correct predictions drops from 94.8% to 58.6 % when moving from a three- to a four-prototype model. We therefore conclude that a model containing three prototypes fits the data best. Each individual in the sample is assigned to one prototype only, based on its highest-class probability.

#### 3.2.4. *Robustness test: Cluster analysis*

In addition to LPA, clustering methods have also been used in previous research to identify personality prototypes (see e.g. Herzberg & Roth, 2006; Specht et al, 2014; Runst & Thomä, 2021). We resort to cluster analysis as it is well suited to check the robustness of the LPA results. Following Herzberg and Roth (2006), our clustering procedure comprises two steps. First, Ward’s hierarchical clustering is used to decide on the number of clusters to be formed. In this method, “the distance between two clusters is the sum of squares between the two clusters summed over all variables” (Hair et al., 1998, p. 496). On this basis, the increase in within-cluster sum of squares is minimized over the stages of the clustering procedure. To determine the optimal number of clusters, we employ dendrograms showing the hierarchical relationship between the individual’s manifestations of the Big Five factors scores and apply two common cluster-stopping rules (Caulinski/Harabasz pseudo-F index and Duda-Hart index). Across all survey years, as in the case of the LPA, the results speak in favor of a three-cluster-solution, although it should be noted that in some years a four-cluster solution would have also been possible. However, in order to ensure consistency and comparability over the years regarding the LPA results, and because the particularly relevant group of the ‘resilient type’ clearly emerges in both solutions, we opted for three-prototype clusters. As a second step, we then conduct a k-means cluster analysis for each of the relevant survey years, where the cluster centroids of the Ward solution serve as initial seed points of the non-hierarchical clustering procedure. In this way, the benefits of hierarchical clustering in determining the number of clusters are combined with the advantages of non-hierarchical cluster analysis in fine-tuning “the results by allowing the switching of cluster membership” (Hair et al., 1998, p. 498).

#### 3.2.5. *Regression analysis*

We follow Caliendo et al. (2014, 2010) by estimating a logit model of the transitional probability of entry and exit conditional on the length of the pre-transition state. For the dependent variable ‘entry’, we therefore include the length of the employment or unemployment spell and drop all other individuals who are not employed or unemployed. For the dependent variable ‘exit’, we include the length of the self-employment spell, dropping all individuals who are not self-employed. As specified by Caliendo et al. (2014), spell length also enters the equation in quadratic and cubed form to capture non-linear effects. In the entry equation, we also interact spell duration with the pre-entrepreneurship state (employment or unemployment). We run normal logit models for the dependent variable ‘self-employed’. Depending on the model specification, we use entrepreneurial profiles, prototypes and a number of determinants known from the entrepreneurship literature as independent variables (see Table A 2 in the appendix).

## 4. Empirical Results

### 4.1. Bidirectional interaction effects

We demonstrate the importance of considering the mutual interplay between different personality traits in addition to single traits' manifestations by regressing the dependent variables self-employment, entry and exit against all possible two-way interactions of the Big Five traits. The predicted probabilities resulting from each pair of Big Five traits are shown by using contour plots (see Figures Figure A 1 A3 and A3 in the appendix). An illustrative example is the combined effect of agreeableness and emotional stability on self-employment (Figure A 1). If emotional stability is medium, a change in agreeableness has no influence on the probability of self-employment. Higher agreeableness only has a negative effect on the probability of self-employment if emotional stability is low. Similarly, at average levels of conscientiousness, there is no relationship between agreeableness and the probability of entry into self-employment (Figure A 2). However, agreeableness seems to increase the probability of entry when conscientiousness is low, and it reduces the probability of entry when conscientiousness is high. These findings speak for the existence of interaction effects between different Big Five traits in terms of self-employment decisions. Since the number of potential interaction effects would considerably increase if three-, four- and five-way interactions were included, in the following we identify those combinations of Big Five traits that occur particularly frequently in individuals in the general population (i.e. personality prototypes).

### 4.2. Prototypes: resilient, over- and under-controllers

#### 4.2.1. Results from the LPA

As stated above, a three-prototype solution fits the data best, which is in line with the majority of psychological research on the prototype approach. Table 1 lists the mean values for each Big Five personality trait by prototype. The corresponding characteristics are consistent with previous findings (see Subsection 2.2). Under-controllers are marked by low values in all Big Five traits, especially extraversion, conscientiousness, and agreeableness. Individuals of the over-controlled personality type are characterized by above-average values of conscientiousness, and – to a lesser extent – agreeableness, while the remaining traits are close to the sample mean. Finally, the resilient type displays high values for the traits extraversion and conscientiousness, and above-average values for emotional stability, openness, and agreeableness. In all cases, the trait means of the resilient type are higher than those of the other two personality types. This overall pattern is consistent across all years.

Table 1. Big Five trait means by prototype (after LPA)

| <b>SOEP 2005</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
|------------------------|---------------------|--------------------------|-------------------------|-------------------|-------------|-----|
| Extraversion           | 0.03                | -0.36                    | -0.01                   | 0.66              | 2473.7      | *** |
| Conscientiousness      | 0.08                | -0.57                    | 0.15                    | 0.77              | 5473.1      | *** |
| Emotional stability    | 0.01                | -0.14                    | 0.06                    | 0.11              | 201.9       | *** |
| Openness to experience | 0.01                | -0.04                    | -0.06                   | 0.27              | 514.6       | *** |
| Agreeableness          | -0.03               | -0.63                    | 0.16                    | 0.24              | 2703.3      | *** |
| N                      | 11,712              | 3,158                    | 6,163                   | 2,391             |             |     |
| <b>SOEP 2009</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.03                | -0.22                    | -0.01                   | 0.68              | 1628.8      | *** |
| Conscientiousness      | 0.05                | -0.56                    | 0.19                    | 0.84              | 5285.5      | *** |
| Emotional stability    | 0.01                | -0.04                    | 0.02                    | 0.11              | 58.8        | *** |
| Openness to experience | 0.02                | -0.04                    | -0.02                   | 0.23              | 241.6       | *** |
| Agreeableness          | -0.05               | -0.59                    | 0.17                    | 0.36              | 2925.3      | *** |
| N                      | 11,114              | 3,563                    | 5,786                   | 1,765             |             |     |
| <b>SOEP 2013</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.03                | -0.52                    | 0.01                    | 0.77              | 2136.0      | *** |
| Conscientiousness      | 0.03                | -0.78                    | 0.08                    | 0.81              | 3991.5      | *** |
| Emotional stability    | 0.02                | -0.08                    | 0.03                    | 0.11              | 65.3        | *** |
| Openness to experience | 0.00                | -0.15                    | -0.01                   | 0.21              | 236.7       | *** |
| Agreeableness          | -0.05               | -0.63                    | 0.06                    | 0.18              | 1297.3      | *** |
| N                      | 9,535               | 1,834                    | 6,182                   | 1,519             |             |     |
| <b>SOEP 2017</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.01                | -0.49                    | 0.21                    | 0.74              | 3789.9      | *** |
| Conscientiousness      | 0.01                | -0.46                    | 0.18                    | 0.87              | 5341.6      | *** |
| Emotional stability    | -0.02               | -0.14                    | 0.03                    | 0.15              | 261.3       | *** |
| Openness to experience | -0.02               | -0.20                    | 0.02                    | 0.39              | 1018.0      | *** |
| Agreeableness          | -0.10               | -0.43                    | 0.08                    | 0.10              | 1849.0      | *** |
| N                      | 15,722              | 5,666                    | 8,545                   | 1,511             |             |     |
| <b>SOEP 2019</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.05                | -0.41                    | 0.12                    | 0.84              | 2695.5      | *** |
| Conscientiousness      | 0.06                | -0.54                    | 0.18                    | 0.89              | 5061.0      | *** |
| Emotional stability    | 0.01                | -0.25                    | 0.09                    | 0.20              | 578.4       | *** |
| Openness to experience | 0.01                | -0.09                    | 0.02                    | 0.24              | 263.3       | *** |
| Agreeableness          | -0.04               | -0.54                    | 0.11                    | 0.40              | 2596.4      | *** |
| N                      | 14,866              | 3,994                    | 9,379                   | 1,493             |             |     |

Note: The table displays mean values for the prototypes (Big Five factor scores that are standardized to a mean of 0 and standard deviation of 1) and the validation variable on self-employment. Statistical significance of cluster differences reported as \*\*\*significance level of 1 percent, \*\*significance level of 5 percent.

#### 4.2.2. Robustness test: Results from the cluster analysis

In an analogous manner, Table 2 shows the findings of our cluster analysis in terms of the Big Five trait means. The picture gained by the LPA is confirmed in all of its essential points. The resilient type is marked by above-average values for each of the Big Five traits. Moreover, the resilient type displays the highest probability of being self-employed. Nonetheless, there are also differences when compared to the LPA results. First, the relative size of the resilient group identified by means of cluster analysis (about 40% on average, see Table A 2) is higher than that of the “LPA-resilients” (15%, Table A 2). Ward’s method tends to be biased towards equally-sized groups (Hair et al., 1998), which explains the relatively high percentage share of the resilient type in case of the cluster analysis. Whereas LPA follows a top-down-approach via a probabilistic model, examining which selection of groupings best fits the data, cluster analysis focuses on finding similarities/correlations

between the observations from a bottom-up perspective. Second, the clustering results regarding the under- and over-controllers are somewhat different compared to the LPA. As expected, the group of under-controllers shows particularly low values regarding conscientiousness and agreeableness. However, depending on the year of the survey, the over-controllers have lower scores in terms of extraversion, openness or emotional stability.

Table 2. Big Five trait means by prototype (after cluster analysis)

| <b>SOEP 2005</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
|------------------------|---------------------|--------------------------|-------------------------|-------------------|-------------|-----|
| Extraversion           | 0.03                | -0.02                    | -0.73                   | 0.59              | 6287.1      | *** |
| Conscientiousness      | 0.08                | -0.60                    | 0.27                    | 0.39              | 4095.7      | *** |
| Emotional stability    | 0.01                | -0.14                    | -0.09                   | 0.19              | 485.4       | *** |
| Openness to experience | 0.01                | -0.04                    | -0.34                   | 0.29              | 1921.8      | *** |
| Agreeableness          | -0.03               | -0.66                    | 0.20                    | 0.22              | 3546.6      | *** |
| N                      | N = 11,712          | 3,296                    | 3,470                   | 4,946             |             |     |
| <b>SOEP 2009</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.03                | 0.07                     | -0.76                   | 0.61              | 6083.3      | *** |
| Conscientiousness      | 0.05                | -0.61                    | 0.21                    | 0.40              | 3790.7      | *** |
| Emotional stability    | 0.01                | -0.02                    | -0.12                   | 0.14              | 241.3       | *** |
| Openness to experience | 0.02                | -0.06                    | -0.31                   | 0.31              | 1789.0      | *** |
| Agreeableness          | -0.04               | -0.67                    | 0.17                    | 0.23              | 3333.5      | *** |
| N                      | N = 11,114          | 3,148                    | 3,438                   | 4,528             |             |     |
| <b>SOEP 2013</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.03                | 0.05                     | -0.79                   | 0.60              | 5176.7      | *** |
| Conscientiousness      | 0.03                | -0.70                    | 0.21                    | 0.39              | 3817.5      | *** |
| Emotional stability    | 0.02                | -0.16                    | -0.10                   | 0.23              | 565.6       | *** |
| Openness to experience | 0.00                | -0.03                    | -0.32                   | 0.25              | 1257.5      | *** |
| Agreeableness          | -0.05               | -0.57                    | 0.12                    | 0.17              | 2124.1      | *** |
| N                      | N = 9,535           | 2,676                    | 2,867                   | 3,992             |             |     |
| <b>SOEP 2017</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.00                | -0.88                    | 0.37                    | 0.45              | 8688.3      | *** |
| Conscientiousness      | 0.01                | -0.24                    | -0.05                   | 0.28              | 1533.4      | *** |
| Emotional stability    | -0.02               | -0.03                    | -0.66                   | 0.54              | 7899.6      | *** |
| Openness to experience | -0.02               | -0.35                    | 0.24                    | 0.03              | 2011.8      | *** |
| Agreeableness          | -0.10               | -0.16                    | -0.23                   | 0.07              | 646.8       | *** |
| N                      | N = 15,722          | 4,908                    | 5,025                   | 5,789             |             |     |
| <b>SOEP 2019</b>       | <b>Overall mean</b> | <b>Under-controllers</b> | <b>Over-controllers</b> | <b>Resilients</b> | <b>Chi2</b> |     |
| Extraversion           | 0.05                | -0.83                    | 0.37                    | 0.51              | 7959.9      | *** |
| Conscientiousness      | 0.06                | -0.17                    | 0.01                    | 0.29              | 1069.74     | *** |
| Emotional stability    | 0.01                | 0.02                     | -0.70                   | 0.62              | 8140.7      | *** |
| Openness to experience | 0.01                | -0.35                    | 0.25                    | 0.11              | 1997.7      | *** |
| Agreeableness          | -0.04               | -0.16                    | -0.13                   | 0.15              | 666.8       | *** |
| N                      | N = 14,866          | 4,611                    | 4,784                   | 5,471             |             |     |

Note: The table displays mean values for the three prototypes (Big Five factor scores that are standardized to a mean of 0 and standard deviation of 1) and the validation variable on self-employment. Statistical significance of cluster differences reported as \*\*\*significance level of 1 percent, \*\*significance level of 5 percent.

In summary, we find that the LPA and cluster analysis yield similar results. Most importantly, the results from both classification methods are particularly consistent when it comes to identifying the resilient type, which we expect to positively relate to entrepreneurial action. While our analysis clearly points toward a three-prototype solution – which is in line with previous research – it should be noted that two recent papers present

a four- or five-prototype solution (Gerlach et al., 2018; Kerber et al., 2021). Nevertheless, these papers consistently identify a resilient type, as does our analysis. The variable on the resilient type therefore takes center stage in the following regression analysis.

### 4.3. Regression analysis

Prior to regressing variables pertaining to entrepreneurial action against personality prototypes, we follow Caliendo et al. (2014) and use the metric factor scores of the single Big Five personality traits as our main explanatory variables. The results – reported by Table A 3 in the appendix – are similar but not identical to their findings. According to Caliendo et al. (2014), there are two Big Five traits that increase self-employment (extraversion and openness). In the case of entry, the authors find positive and statistically significant effects of openness and extraversion. Our results fully support the former and partially support the latter. None of the Big Five traits are related to exit in our analysis, whereas Caliendo et al. (2014) find a positive effect of the agreeableness trait.

In a next step, we employ the LPA prototype variables in the regression analysis (see Table 3). Apart from specification 3 – which contains OLS results – all columns present average marginal effects after logit regressions. The LPA resilient type positively affects the probability of being self-employment by 1.6 percentage points, relative to the under-controlled type, which is omitted from the regression (Specification 1). Given the baseline probability of 8.5 percent in the sample (i.e. the mean Y-outcome), the effect size must be deemed moderate to strong. Similarly, if an individual is classified as the LPA resilient type (as opposed to being under-controlled), the likelihood of entering into self-employment increases by 0.2 percentage points (Specification 2). Again, given the baseline probability of 0.08 percent, the effect size can be considered quite strong. While the average number of entries is 0.063, being of the resilient type increases it by 0.009 (Specification 3). Furthermore, the LPA resilient type does not affect the likelihood of exit. By contrast, the over-controlled personality type does not exert any statistically significant effect on any of the entrepreneurial outcome variables apart from the self-employment status, where it exerts a small negative effect. It can therefore be stated that over- and under-controlled individuals display similar propensities for self-employment.

Table A 4 in the appendix displays the results of a similar regression analysis. This time, we use the prototype variables generated via clustering for the sake of testing the robustness of the LPA's results. The average marginal effects are almost identical to those in the previous table and similarly support our main hypothesis. If an individual is of the resilient type, he or she is 1.6 percentage points more likely to be self-employed, 0.2 percentage points more likely to transition into self-employment, and the number of total entries rises by 0.012. Again, we do not observe a relationship between the resilient type and the likelihood of exiting self-employment. However, in contrast to our results above, we find evidence of a negative relationship between over-controlled and self-employment (Table A 4). While the likelihood of entry remains unaffected, the likelihood of self-employment is reduced by 0.05 percentage points and the number of total entries falls by 0.06. However, we must not draw strong conclusions from this finding because it is not consistent with the LPA-based results above. Most importantly, it speaks to the fact that the over- and under-controller types are somewhat different depending on whether they are constructed via the LPA or Ward clustering/k-means procedure. We consequently focus our analysis on the resilient type as it can be clearly identified in both LPA and cluster analysis procedures. In addition, there is an ongoing debate about the number of types, and the resilient type represents the only type that is repeatedly and consistently found by all previous research. Thus, based on the regression evidence we conclude that the resilient prototype positively affects entrepreneurial activity.

In a next step, we employ both the entrepreneurial profile and the resilient prototype as explanatory variables in the regression analysis. Our findings suggest that the resilient type provides explanatory power beyond what can already be explained by the entrepreneurial profile (see Table 4). Regardless of whether we use LPA or

cluster analysis, the resilient type remains statistically significant and positively associated with self-employment and entry when we control for the entrepreneurial profile.

Table 3. Regression results, LPA prototypes and entrepreneurship

|                       | (1)<br>Self-employed | (2)<br>Entry         | (3)<br>Number of entries | (4)<br>Exit          |
|-----------------------|----------------------|----------------------|--------------------------|----------------------|
| Resilients            | 0.016***<br>(0.000)  | 0.002**<br>(0.031)   | 0.009***<br>(0.001)      | 0.008<br>(0.368)     |
| Over-controllers      | -0.004**<br>(0.039)  | -0.000<br>(0.950)    | 0.002<br>(0.280)         | 0.007<br>(0.326)     |
| LOC                   | 0.017***<br>(0.000)  | 0.001**<br>(0.019)   | 0.004***<br>(0.001)      | -0.012***<br>(0.001) |
| Risk tolerance        | 0.013***<br>(0.000)  | 0.002***<br>(0.000)  | 0.010***<br>(0.000)      | 0.001<br>(0.482)     |
| Age                   | 0.016***<br>(0.000)  | 0.001***<br>(0.000)  | 0.009***<br>(0.000)      | -0.003<br>(0.256)    |
| Age squared           | -0.000***<br>(0.000) | -0.000***<br>(0.000) | -0.000***<br>(0.000)     | 0.000<br>(0.626)     |
| University            | 0.025***<br>(0.000)  | 0.005***<br>(0.000)  | 0.019***<br>(0.000)      | -0.006<br>(0.453)    |
| Vocational training   | -0.005**<br>(0.016)  | 0.001<br>(0.150)     | 0.009***<br>(0.001)      | -0.011<br>(0.170)    |
| Full-time employment  | 0.042***<br>(0.000)  | -0.016***<br>(0.000) | -0.024***<br>(0.000)     | -0.085***<br>(0.000) |
| Part-time employment  | -0.022***<br>(0.000) | -0.012***<br>(0.000) | -0.034***<br>(0.000)     | -0.042***<br>(0.000) |
| Female                | -0.014***<br>(0.000) | -0.004***<br>(0.000) | -0.007***<br>(0.000)     | 0.025***<br>(0.000)  |
| Unemployed            | -0.066***<br>(0.000) | -0.003***<br>(0.003) | -0.023***<br>(0.000)     | 0.055***<br>(0.000)  |
| Foreigner             | -0.001<br>(0.691)    | 0.001<br>(0.319)     | 0.008**<br>(0.017)       | 0.004<br>(0.705)     |
| Experience work       | -0.001***<br>(0.000) | -0.000<br>(0.865)    | -0.001***<br>(0.000)     | -0.001<br>(0.331)    |
| Experience unemployed | -0.001*<br>(0.050)   | -0.000***<br>(0.002) | 0.001***<br>(0.000)      | 0.004***<br>(0.006)  |
| High school           | 0.037***<br>(0.000)  | 0.005***<br>(0.000)  | 0.040***<br>(0.000)      | -0.023***<br>(0.004) |
| Disability            | -0.001***<br>(0.000) | -0.000**<br>(0.021)  | -0.000***<br>(0.001)     | 0.001***<br>(0.006)  |
| Father self-employed  | 0.039***<br>(0.000)  | 0.002*<br>(0.089)    | 0.018***<br>(0.000)      | -0.017*<br>(0.073)   |
| North                 | -0.007***<br>(0.003) | -0.001<br>(0.210)    | -0.011***<br>(0.000)     | -0.002<br>(0.803)    |
| East                  | 0.008***<br>(0.001)  | 0.000<br>(0.976)     | 0.002<br>(0.365)         | -0.011<br>(0.160)    |
| South                 | -0.006***<br>(0.003) | -0.001<br>(0.122)    | -0.007***<br>(0.000)     | 0.003<br>(0.689)     |
| Capital income        | 0.000***<br>(0.000)  | 0.000***<br>(0.000)  | 0.000***<br>(0.001)      | -0.000<br>(0.670)    |
| <i>N</i>              | 111559               | 95071                | 111559                   | 8928                 |
| Mean Y-outcome        | 0.085                | 0.008                | 0.063                    | 0.007                |

Notes: *p*-values in parentheses: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Year dummy variables have been included. Specifications 1, 2, and 4 display marginal effects after logit regressions. Specification 3 displays OLS coefficients.

One may object that the prototype variables and the entrepreneurial profile are not on the same measurement scale. The latter is a metric measure of the distance from a hypothetical situation in which the agreeableness trait takes the lowest possible value and the other four traits the highest possible values. On the other hand, the resilient prototype is a dummy variable that takes the value of one if the probability of belonging to that particular type is higher than the probability of belonging to either of the other two types. Therefore, to counter this potential objection and render effect sizes comparable, we equalize the measurement scale by generating the distance from a hypothetical resilient profile, which takes extreme positive values for all five traits. As a

robustness check, we re-run the regression analysis using both this resilient profile and the entrepreneurial profile as our main explanatory variables (see Table A 5 in the appendix). We find that the smaller the distance to the hypothetical resilient reference profile, the higher the likelihood of self-employment and entry, as well as the number of entries. There is no longer a statistically significant relationship between the entrepreneurial profile and the likelihood of entry, although the probability of being self-employment and the number of entries are still positively associated with it. As before, there is no relationship between the resilient profile and the likelihood of exit. The results of this robustness test thus confirm that personality prototypes contribute to explaining entrepreneurial action beyond profiling.

Table 4. Regression results, entrepreneurial profile and prototypes

|                                  | (1)                 | (2)                 | (3)                 | (4)                 | (5)                  | (6)                  | (7)               | (8)                 |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|----------------------|----------------------|-------------------|---------------------|
|                                  | Self-em-<br>ployed  | Self-em-<br>ployed  | Entry               | Entry               | Number of<br>entries | Number of<br>entries | Exit              | Exit                |
| Entre-<br>preneurial<br>profile  | 0.000***<br>(0.000) | 0.000***<br>(0.000) | 0.000***<br>(0.000) | 0.000***<br>(0.000) | 0.000***<br>(0.000)  | 0.000***<br>(0.000)  | -0.000<br>(0.282) | -0.000<br>(0.216)   |
| Resilients                       | 0.015***<br>(0.000) | 0.013***<br>(0.000) | 0.002*<br>(0.087)   | 0.002**<br>(0.019)  | 0.004*<br>(0.059)    | 0.010***<br>(0.000)  | 0.004<br>(0.572)  | 0.006<br>(0.374)    |
| Prototype<br>identifi-<br>cation | LPA                 | Cluster<br>analysis | LPA                 | Cluster<br>analysis | LPA                  | Cluster<br>analysis  | LPA               | Cluster<br>analysis |
| N                                | 111,559             | 111,559             | 95,071              | 96,029              | 111,559              | 111,559              | 8,925             | 8,925               |
| Mean Y-<br>outcome               | 0.085               | 0.085               | 0.008               | 0.008               | 0.063                | 0.063                | 0.007             | 0.007               |

Notes: *p*-values in parentheses: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Year dummy variables and the full set of covariates have been included. Specifications 1, 2, 3, 4, 7 and 8 display marginal effects after logit regressions. Specifications 5 and 6 display OLS coefficients.

## 5. Conclusion

There is an established body of literature on the relationship between Big Five personality traits and self-employment. There is also highly relevant but hitherto underutilized literature from the field of psychology that moves from the trait-oriented approach to a person-oriented level of the Big Five, recognizing that there are stable and frequently-occurring combinations of traits that exist in individuals in the general population (so-called personality prototypes). In this paper, we seek to bridge the gap between the prototyping and entrepreneurship literature by presenting evidence of a positive relationship between one particular prototype – i.e. the resilient type – and entrepreneurial activity.

The results of our empirical analysis reveal the existence of three Big Five prototypes in the German SOEP data. While there is an ongoing debate about methods and the correct number of types, all previous research recognizes the resilient type (high levels in all five traits), which we also find, and which we argue to play a particularly important role in entrepreneurial activity. In fact, we find a positive and moderate to strong relationship between the resilient type and the likelihood of being self-employed, as well as the likelihood of entering into self-employment. Our results also show that the resilient prototype explains entrepreneurial activity over and above what can already be explained by the ‘entrepreneurial profile’. This finding implies that the profiling approach is only a first step on the way from the standard trait-level theorizing to a person-oriented perspective on the Big Five in the context of entrepreneurship. Hence, the present paper expands upon the profiling approach by suggesting that there are potentially several other combinations of the Big Five that may be connected to entrepreneurship.

Figure 1. Distance to the entrepreneurial profile, by prototype

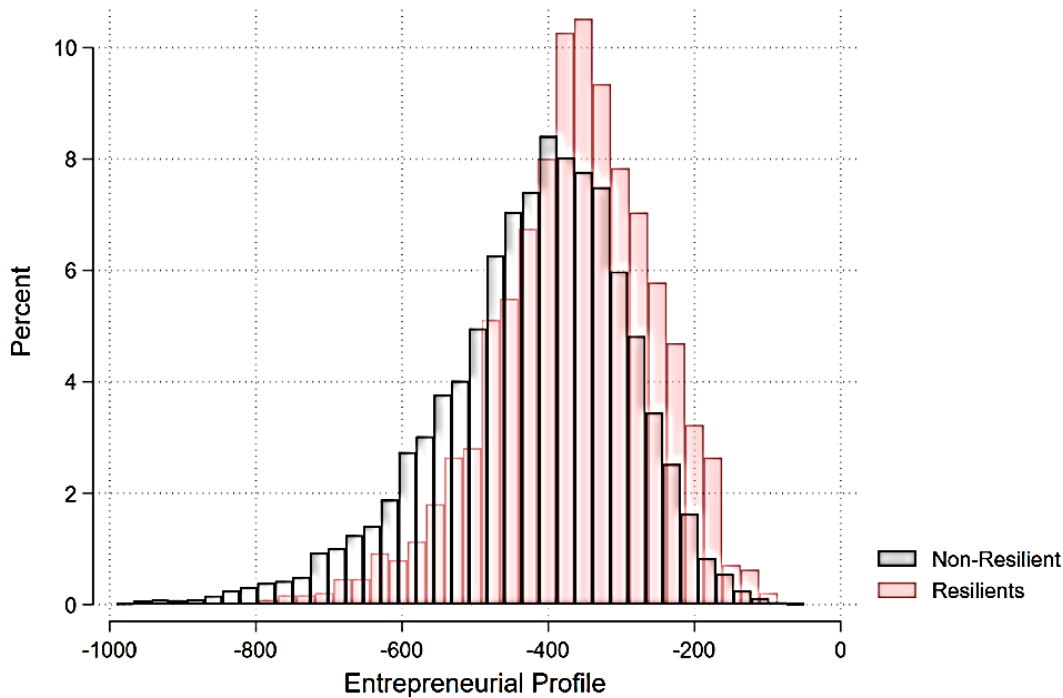


Figure 1 displays a histogram of the distance to the hypothetical entrepreneurial profile for the resilient type and an aggregate of the other two prototypes. Members of the resilient type are on average closer to the entrepreneurial profile. Nevertheless, the most important finding here pertains to the fact that a large share of the resilient type members do not resemble the entrepreneurial profile at all. At the same time, the regression results above suggest that being of the resilient type makes it considerably more likely to engage in entrepreneurship. Thus, we conclude that the entrepreneurial profile ignores a large number of individuals who exhibit certain combinations of traits, some of which predispose them to become entrepreneurs. In addition, neither our LPA nor cluster analysis identifies the combination of traits labeled as the entrepreneurial profile, which indicates that it does not represent a combination of traits that frequently exists in the general population. In fact, there is not a single individual in our dataset who has an agreeableness score less than one standard deviation below the mean and more than one standard deviation above the mean for each other trait scores. By contrast, prototyping generates combinations of traits that are much less extreme than the hypothetical entrepreneurial profile and are thus more likely to describe actually existing personality patterns. In fact, the size of the group of individuals who fall into the resilient category is non-trivial according to our results, whereas the number of individuals who closely resemble the entrepreneurial profile is quite small. The practical implication of this finding is that advice given by career or start-up consultants to individuals concerning whether to be become an entrepreneur or not should not only be based on the profiling approach; otherwise, too many potentially successful entrepreneurs could be deterred of their entrepreneurial aspiration. In this way, our paper complements the study of Konon and Kritikos (2019).

This leads to the need for further research. As the research on personality prototypes is an ongoing process and statistical tools continue to be developed and refined, it is likely that additional combinations of stable and frequently-occurring combinations of Big Five traits will emerge in the future. This prospect provides a promising avenue for future research efforts on the present topic. While the entrepreneurial profile has been repeatedly shown to display a positive association with entrepreneurship, our findings suggest that this approach is too narrow and represents only a first step. There is at least one other configuration of Big Five traits that displays a propensity for entrepreneurial action, and it is likely there are more that remain to be discovered.



## References

- Asendorpf, J. B., Borkenau, P., Ostendorf, F., & van Aken, M. A.G. (2001). Carving personality description at its joints: Confirmation of three replicable personality prototypes for both children and adults. *European Journal of Personality*, 15, 169–198. doi:10.1002/per.408.
- Asendorpf, J. B. (2015). Person-centered approaches to personality. In M. Mikulincer, P. R. Shaver, M. L. Cooper, & R. J. Larsen (Eds.), *APA handbook of personality and social psychology*, Vol. 4. Personality processes and individual differences (pp. 403–424). American Psychological Association.
- Ashraf, N., Karlan, D., & Yin, W. (2006). Tying Odysseus to the Mast: Evidence From a Commitment Savings Product in the Philippines. *The Quarterly Journal of Economics*, 121, 635–672. doi:10.1162/qjec.2006.121.2.635.
- Ayduk, O., Mendoza-Denton, R., Mischel, W., Downey, G., Peake, P. K., & Rodriguez, M. (2000). Regulating the interpersonal self: strategic self-regulation for coping with rejection sensitivity. *Journal of personality and social psychology*, 79, 776–792. doi:10.1037//0022-3514.79.5.776.
- Boehm, B., Asendorpf, J. B., & Avia, M. D. (2002). Replicable types and subtypes of personality: Spanish NEO - PI samples. *European Journal of Personality*, 16, S25–S41. doi:10.1002/per.450.
- Brandstätter, H. (2011). Personality aspects of entrepreneurship: A look at five meta-analyses. *Personality and Individual Differences*, 51, 222–230. doi:10.1016/j.paid.2010.07.007.
- Brücker, H., Rother, N., & Schupp, J. (Eds.) (2016). *IAB-BAMF-SOEP-Befragung von Geflüchteten: Überblick und erste Ergebnisse* (DIW Berlin, Politikberatung kompakt Vol. 116). Berlin: DIW Berlin Deutsches Institut für Wirtschaftsforschung.
- Caliendo, M., Fossen, F., & Kritikos, A. (2010). The impact of risk attitudes on entrepreneurial survival. *Journal of Economic Behavior & Organization*, 76, 45–63. doi:10.1016/j.jebo.2010.02.012.
- Caliendo, M., Fossen, F., & Kritikos, A. (2014). Personality characteristics and the decisions to become and stay self-employed. *Small Business Economics*, 42, 787–814. doi:10.1007/s11187-013-9514-8.
- Ciavarella, M. A., Buchholtz, A. K., Riordan, C. M., Gatewood, R. D., & Stokes, G. S. (2004). The Big Five and venture survival: Is there a linkage? *Journal of Business Venturing*, 19, 465–483. doi:10.1016/j.jbusvent.2003.03.001.
- DellaVigna, S. (2009). Psychology and Economics: Evidence from the Field. *Journal of Economic Literature*, 47, 315–372. doi:10.1257/jel.47.2.315.
- Digman, J. M. (1990). Personality Structure: Emergence of the Five-Factor Model. *Annual Review of Psychology*, 41, 417–440. doi:10.1146/annurev.ps.41.020190.002221.
- Fruyt, F. de, Mervielde, I., & van Leeuwen, K. (2002). The consistency of personality type classification across samples and five - factor measures. *European Journal of Personality*, 16, S57–S72. doi:10.1002/per.444.
- Gerlach, M., Farb, B., Revelle, W., & Nunes Amaral, L. A. (2018). A robust data-driven approach identifies four personality types across four large data sets. *Nature human behaviour*, 2, 735–742. doi:10.1038/s41562-018-0419-z.
- Hahn, E., Gottschling, J., & Spinath, F. M. (2012). Short measurements of personality – Validity and reliability of the GSOEP Big Five Inventory (BFI-S). *Journal of Research in Personality*, 46, 355–359. doi:10.1016/j.jrp.2012.03.008.
- Hair, J. F., Anderson, R. E., Tatham, R. L., Black, W. C. (1998). *Multivariate data analysis* (5th ed.). Upper Saddle River, NJ: Prentice Hall.
- Herzberg, P. Y., & Roth, M. (2006). Beyond resilient, undercontrollers, and overcontrollers? an extension of personality prototype research. *European Journal of Personality*, 20, 5–28. doi:10.1002/per.557.
- John, O. P., Donahue, E. M., & Kentle, R. L. (1991). *The Big-Five Inventory-Version 4a and 54*. Berkeley, CA: Berkeley Institute of Personality and Social Research, University of California.
- John, O. P., & Naumann, L. P., & Soto, C. J. (2008). Paradigm shift to the integrative Big Five trait taxonomy: History, measurement, and conceptual issues. In O. P. John, R. W. Robins, & L. A. Pervin (Eds.), *Handbook of personality: Theory and research* (pp. 114–158). New York, NY: Guilford Press.
- Kerber, A., Roth, M., & Herzberg, P. Y. (2021). Personality types revisited—a literature-informed and data-driven approach to an integration of prototypical and dimensional constructs of personality description. *PloS one*, 16, e0244849. doi:10.1371/journal.pone.0244849.
- Konon, A., & Kritikos, A. S. (2019). Prediction based on entrepreneurship-prone personality profiles: sometimes worse than the toss of a coin. *Small Business Economics*, 53, 1–20. doi:10.1007/s11187-018-0111-8.
- Lang, F. R., John, D., Lüdtke, O., Schupp, J., & Wagner, G. G. (2011). Short assessment of the Big Five: robust across survey methods except telephone interviewing. *Behavior research methods*, 43, 548–567. doi:10.3758/s13428-011-0066-z.
- Leutner, F., Ahmetoglu, G., Akhtar, R., & Chamorro-Premuzic, T. (2014). The relationship between the entrepreneurial personality and the Big Five personality traits. *Personality and Individual Differences*, 63, 58–63. doi:10.1016/j.paid.2014.01.042.
- Masyn, K. E. (2013). Latent Class Analysis and Finite Mixture Modeling. In T. D. Little (Ed.), *The Oxford handbook of Quantitative methods*. Vol. 2: Statistical Analysis (pp. 551–611, Oxford library of psychology). Oxford: Oxford University Press.
- Meeus, W., van de Schoot, R., Klimstra, T., & Branje, S. (2011). Personality types in adolescence: change and stability and links with adjustment and relationships: a five-wave longitudinal study. *Developmental psychology*, 47, 1181–1195. doi:10.1037/a0023816.
- McCrae, R. R., & Costa, P. T., Jr. (2008). The five-factor theory of personality. In O. P. John, R. W. Robins, & L. A. Pervin (Eds.), *Handbook of personality: Theory and research* (pp. 159–181). New York, NY: Guilford Press.
- Mischel, W., Shoda, Y., & Rodriguez, M. I. (1989). Delay of gratification in children. *Science* (New York, N.Y.), 244, 933–938. doi:10.1126/science.2658056.

- Obschonka, M., Schmitt-Rodermund, E., Silbereisen, R. K., Gosling, S. D., & Potter, J. (2013). The regional distribution and correlates of an entrepreneurship-prone personality profile in the United States, Germany, and the United Kingdom: a socioecological perspective. *Journal of personality and social psychology*, 105, 104–122. doi:10.1037/a0032275.
- Obschonka, M., & Stuetzer, M. (2017). Integrating psychological approaches to entrepreneurship: the Entrepreneurial Personality System (EPS). *Small Business Economics*, 49, 203–231. doi:10.1007/s11187-016-9821-y.
- Rammstedt, B., & John, O. P. (2007). Measuring personality in one minute or less: A 10-item short version of the Big Five Inventory in English and German. *Journal of Research in Personality*, 41, 203–212. doi:10.1016/j.jrp.2006.02.001.
- Runst, P., & Thomä, J. (2021). Does personality matter? Small business owners and modes of innovation. *Small Business Economics*, 47, 727. doi:10.1007/s11187-021-00509-1.
- Sarasvathy, S. D. (2001). Causation and Effectuation: Toward a Theoretical Shift from Economic Inevitability to Entrepreneurial Contingency. *Academy of Management Review*, 26, 243–263. doi:10.5465/AMR.2001.4378020.
- Sarasvathy, S. D. (2008). *Effectuation: Elements of entrepreneurial expertise (New horizons in entrepreneurship)*. Cheltenham: Elgar.
- Schlam, T. R., Wilson, N. L., Shoda, Y., Mischel, W., & Ayduk, O. (2013). Preschoolers' delay of gratification predicts their body mass 30 years later. *The Journal of pediatrics*, 162, 90–93. doi:10.1016/j.jpeds.2012.06.049.
- Schmitt-Rodermund, E. (2004). Pathways to successful entrepreneurship: Parenting, personality, early entrepreneurial competence, and interests. *Journal of Vocational Behavior*, 65, 498–518. doi:10.1016/j.jvb.2003.10.007.
- Schnabel, K., Asendorpf, J. B., & Ostendorf, F. (2002). Replicable types and subtypes of personality: German NEO - PI - R versus NEO - FFI. *European Journal of Personality*, 16, S7-S24. doi:10.1002/per.445.
- Shane, S., Nicolaou, N., Cherkas, L., & Spector, T. D. (2010). Genetics, the Big Five, and the tendency to be self-employed. *The Journal of applied psychology*, 95, 1154–1162. doi:10.1037/a0020294.
- Specht, J., Luhmann, M., & Geiser, C. (2014). On the consistency of personality types across adulthood: latent profile analyses in two large-scale panel studies. *Journal of personality and social psychology*, 107, 540–556. doi:10.1037/a0036863.
- Zhao, H., & Seibert, S. E. (2006). The big five personality dimensions and entrepreneurial status: a meta-analytical review. *The Journal of applied psychology*, 91, 259–271. doi:10.1037/0021-9010.91.2.259.
- Zhao, H., Seibert, S. E., & Lumpkin, G. T. (2010). The Relationship of Personality to Entrepreneurial Intentions and Performance: A Meta-Analytic Review. *Journal of Management*, 36, 381–404. doi:10.1177/0149206309335187.

## Appendix

Table A 1. Factor loadings after factor analysis (SOEP wave 2005)

|                  | Extraversion | Conscientiousness | Neuroticism<br>(emotional stability) | Openness    | Agreeableness |
|------------------|--------------|-------------------|--------------------------------------|-------------|---------------|
| Thorough         | 0.13         | <b>0.66</b>       | -0.02                                | 0.05        | 0.11          |
| Communicative    | <b>0.66</b>  | 0.21              | -0.04                                | 0.14        | 0.09          |
| Too rough        | 0.05         | -0.09             | 0.15                                 | 0.15        | <b>-0.48</b>  |
| Inventive        | 0.37         | 0.20              | -0.08                                | <b>0.50</b> | -0.08         |
| Worried          | -0.02        | 0.11              | <b>0.50</b>                          | 0.05        | 0.09          |
| Forgiving        | 0.16         | 0.15              | -0.01                                | 0.10        | <b>0.39</b>   |
| Lazy             | -0.06        | <b>-0.45</b>      | 0.06                                 | 0.16        | -0.18         |
| Social           | <b>0.67</b>  | 0.10              | -0.06                                | 0.21        | 0.11          |
| Artistic         | 0.21         | 0.07              | 0.03                                 | <b>0.41</b> | 0.15          |
| Nervous          | -0.06        | -0.07             | <b>0.63</b>                          | 0.04        | -0.04         |
| Efficient        | 0.17         | <b>0.60</b>       | -0.06                                | 0.18        | 0.14          |
| Reserved         | <b>-0.48</b> | 0.08              | 0.15                                 | 0.05        | 0.22          |
| Friendly         | 0.15         | 0.28              | -0.01                                | 0.12        | <b>0.58</b>   |
| Imaginative      | 0.32         | 0.04              | 0.01                                 | <b>0.52</b> | 0.09          |
| Stress resilient | 0.15         | 0.15              | <b>-0.51</b>                         | 0.21        | 0.15          |

Source: SOEP, own calculation

*Note:* Inverting the neuroticism value scale yields the variable emotional stability.

Table A 2. Variable overview and descriptive statistics

| Variable name             | Description   | Mean      | Standard deviation |
|---------------------------|---|-----------|--------------------|
| Self-employed             | Dummy for being self-employed   | 0.085     | 0.279              |
| Entry                     | Dummy for entry into self-employment  | 0.008     | 0.090              |
| Number of entries         | Number for entries into self-employment   | 0.063     | 0.274              |
| Exit                      | Dummy for exit decision from self-employment  | 0.007     | 0.084              |
| Extraversion              |   | 0.016     | 0.793              |
| Conscientiousness         |   | 0.058     | 0.697              |
| Emotional stability       | <i>Metric factor scores of the Big Five personality traits</i>  | 0.018     | 0.737              |
| Openness                  |   | -0.008    | 0.659              |
| Agreeableness             |   | -0.059    | 0.686              |
| LPA_resilients            |   | 0.154     | 0.361              |
| LPA_over-controllers      | <i>Prototypes derived from Latent profile analysis. Type membership (exclusive) as binary variable.</i> | 0.567     | 0.496              |
| LPA_under-controllers     |   | 0.290     | 0.454              |
| Cluster_resilients        |   | 0.403     | 0.490              |
| Cluster_over-controllers  | <i>Prototypes derived from cluster analysis. Type membership (exclusive) as binary variable.</i>        | 0.306     | 0.461              |
| Cluster_under-controllers |   | 0.291     | 0.454              |
| Entrepreneurial profile   | Distance to entrepreneurial profile   | -395.230  | 128.296            |
| LOC                       | Locus of control (factor score after factor analysis)   | 0.017     | 0.816              |
| Risk tolerance            | On a Likert scale (0-10)  | 4.831     | 2.143              |
| Age                       | In years  | 44.018    | 9.412              |
| University                | Dummy for having a university degree  | 0.240     | 0.427              |
| Vocational training       | Dummy for individuals who finished an apprenticeship  | 0.751     | 0.433              |
| Full-time work            | Dummy for full-time work  | 0.594     | 0.491              |
| Part-time work            | Dummy for part-time work  | 0.202     | 0.402              |
| Female                    | Dummy for females   | 0.544     | 0.498              |
| Unemployed                | Dummy for individuals not in paid work  | 0.146     | 0.353              |
| Foreigner                 | Dummy for non-German nationality  | 0.079     | 0.270              |
| Experience work           | Full-time work experience prior to the year of observation  | 15.090    | 10.776             |
| Experience unemployed     | Years of unemployment experience prior to the year of observation                                       | 1.214     | 2.829              |
| High school               | Dummy for individuals who received a diploma from a secondary school qualifying for university entrance | 0.229     | 0.420              |
| Disability                | Degree of disability in percent   | 3.106     | 12.960             |
| Father self-employed      | Dummy for having a father who was self-employed when the respondent was 15 years old                    | 0.093     | 0.290              |
| Capital income            | Household income from asset flows, Euros per year   | 2,265.428 | 18,308.130         |
| North                     | Dummy for individuals living in the North of Germany  | 0.163     | 0.369              |
| East                      | Dummy for individuals living in the East Germany  | 0.234     | 0.424              |
| West                      | Dummy for individuals living in the West Germany  | 0.330     | 0.470              |
| South                     | Dummy for individuals living in the South Germany   | 0.273     | 0.445              |

Source: The sample of the first model specification in Table 4 (dep. var. self-employed, n = 111,559) has been used to calculate the descriptive statistics.

Figure A 1. Interaction effects after logit regression, predicted probabilities (Dep. var. self-employed)

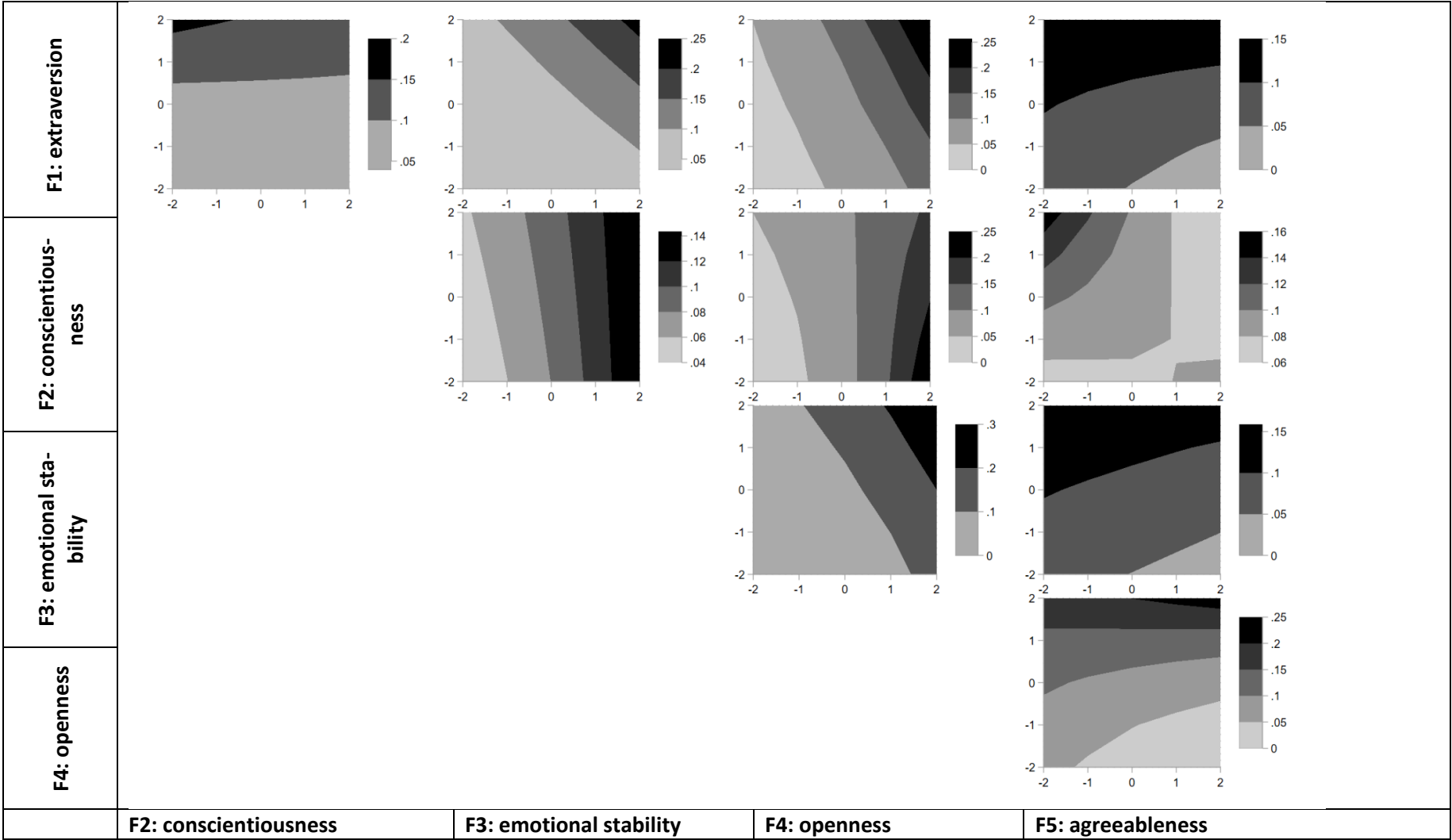


Figure A 2. Interaction effects after logit regression, predicted probabilities (Dep. var. entry)

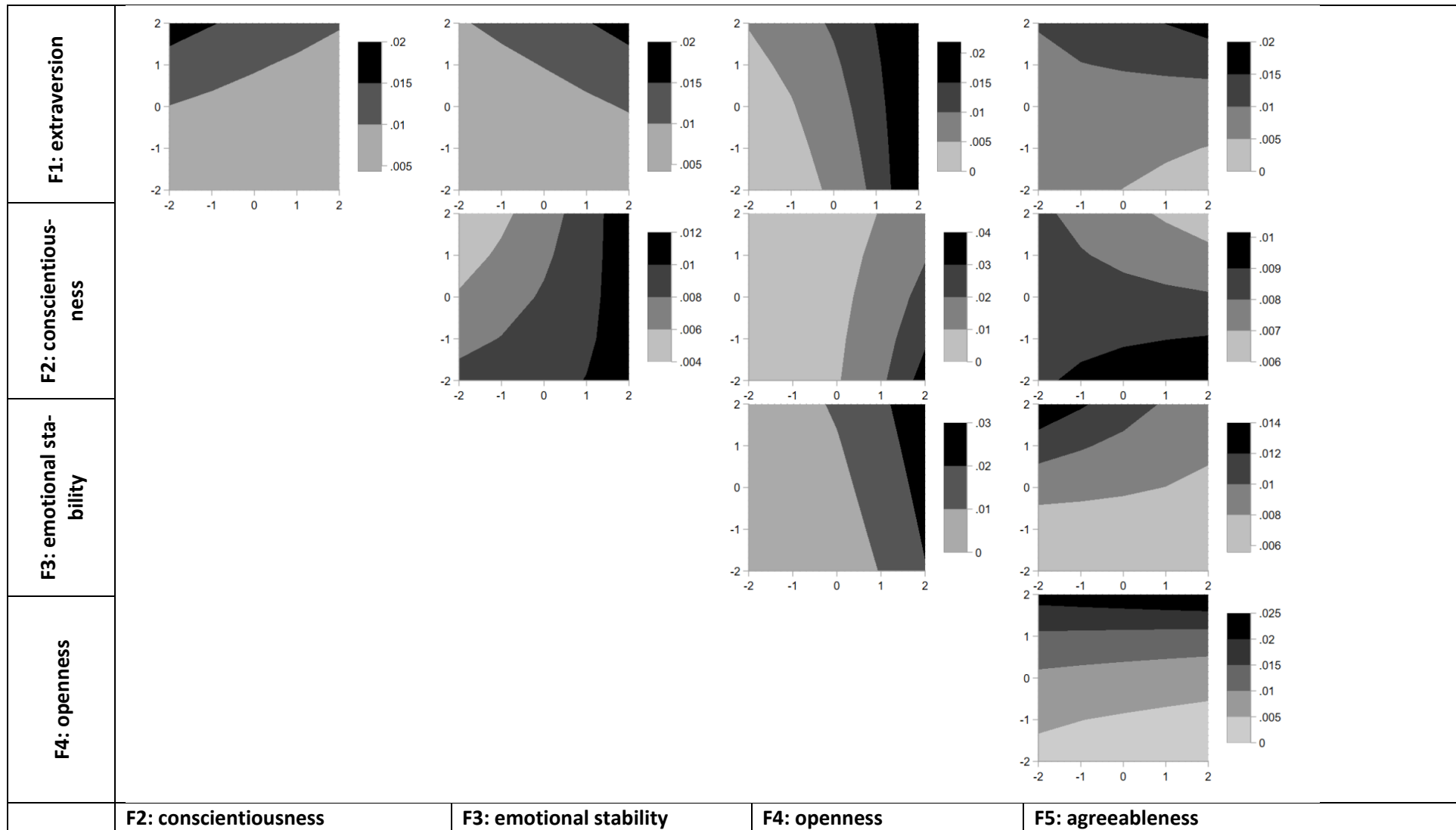


Figure A 3. Interaction effects after logit regression, predicted probabilities (Dep. var. exit)

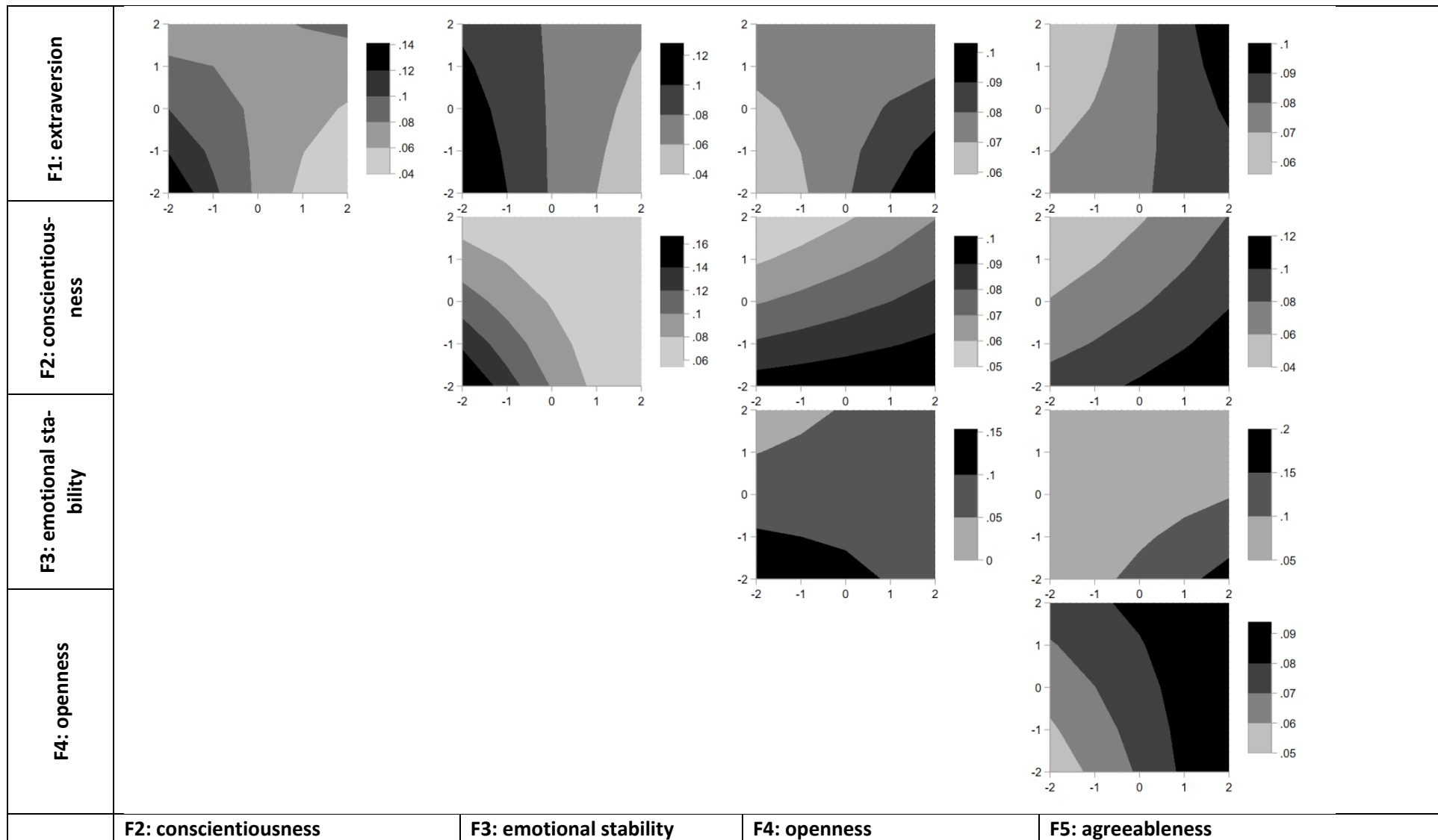


Table A 3. Regression results, Big Five factor scores and entrepreneurship

|                            | (1)<br>Self-employment | (2)<br>Entry         | (3)<br>Number of Entries | (4)<br>Exit          |
|----------------------------|------------------------|----------------------|--------------------------|----------------------|
| Extraversion               | 0,014***<br>(0.000)    | 0,000<br>(0.242)     | 0,005***<br>(0.000)      | -0,001<br>(0.829)    |
| Conscientiousness          | -0,002*<br>(0.093)     | 0,001<br>(0.208)     | -0,004***<br>(0.003)     | 0,000<br>(0.964)     |
| Emotional stability        | -0,006***<br>(0.000)   | 0,000<br>(0.918)     | 0,001<br>(0.381)         | -0,000<br>(0.945)    |
| Openness                   | 0,022***<br>(0.000)    | 0,003***<br>(0.000)  | 0,022***<br>(0.000)      | -0,005<br>(0.340)    |
| Agreeableness              | 0,000<br>(0.715)       | 0,000<br>(0.912)     | 0,000<br>(0.811)         | 0,004<br>(0.386)     |
| LOC                        | 0,018***<br>(0.000)    | 0,001**<br>(0.032)   | 0,004***<br>(0.001)      | -0,012***<br>(0.003) |
| Risk tolerance             | 0,011***<br>(0.000)    | 0,001***<br>(0.000)  | 0,008***<br>(0.000)      | 0,002<br>(0.321)     |
| Age                        | 0,016***<br>(0.000)    | 0,001***<br>(0.000)  | 0,009***<br>(0.000)      | -0,003<br>(0.257)    |
| Age squared                | -0,000***<br>(0.000)   | -0,000***<br>(0.000) | -0,000***<br>(0.000)     | 0,000<br>(0.632)     |
| University degree          | 0,023***<br>(0.000)    | 0,004***<br>(0.000)  | 0,016***<br>(0.000)      | -0,006<br>(0.433)    |
| Vocational training degree | -0,006***<br>(0.004)   | 0,001<br>(0.161)     | 0,008***<br>(0.002)      | -0,011<br>(0.171)    |
| Full-time employment       | 0,042***<br>(0.000)    | -0,016***<br>(0.000) | -0,024***<br>(0.000)     | -0,085***<br>(0.000) |
| Part-time employment       | -0,021***<br>(0.000)   | -0,012***<br>(0.000) | -0,033***<br>(0.000)     | -0,042***<br>(0.000) |
| Female                     | -0,019***<br>(0.000)   | -0,004***<br>(0.000) | -0,008***<br>(0.000)     | 0,026***<br>(0.000)  |
| Unemployed                 | -0,066***<br>(0.000)   | -0,003***<br>(0.002) | -0,024***<br>(0.000)     | 0,055***<br>(0.000)  |
| Foreigner                  | -0,003<br>(0.471)      | 0,001<br>(0.347)     | 0,008**<br>(0.011)       | 0,005<br>(0.676)     |
| Experience work            | -0,001***<br>(0.000)   | -0,000<br>(0.894)    | -0,001***<br>(0.000)     | -0,000<br>(0.352)    |
| Experience unemployed      | -0,001<br>(0.168)      | -0,000***<br>(0.004) | 0,001***<br>(0.000)      | 0,004***<br>(0.006)  |
| High school                | 0,035***<br>(0.000)    | 0,005***<br>(0.000)  | 0,038***<br>(0.000)      | -0,022***<br>(0.005) |
| Disability                 | -0,001***<br>(0.000)   | -0,000**<br>(0.026)  | -0,000***<br>(0.002)     | 0,001***<br>(0.007)  |
| Father self-employed       | 0,038***<br>(0.000)    | 0,002*<br>(0.072)    | 0,017***<br>(0.000)      | -0,017*<br>(0.077)   |
| North                      | -0,008***<br>(0.001)   | -0,001<br>(0.185)    | -0,011***<br>(0.000)     | -0,002<br>(0.867)    |
| East                       | 0,008***<br>(0.000)    | 0,000<br>(0.861)     | 0,003<br>(0.251)         | -0,011<br>(0.178)    |
| South                      | -0,004**<br>(0.034)    | -0,001<br>(0.172)    | -0,007***<br>(0.001)     | 0,003<br>(0.680)     |
| Capital income             | 0,000***<br>(0.000)    | 0,000***<br>(0.000)  | 0,000***<br>(0.001)      | -0,000<br>(0.638)    |
| N                          | 111,559                | 95,082               | 111,559                  | 8,928                |
| Mean Y-outcome             | 0.085                  | 0.008                | 0.063                    | 0.007                |

Notes:  $p$ -values in parentheses: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Year dummy variables have been included. Specifications 1, 2, and 4 display marginal effects after logit regressions. Specification 3 displays OLS coefficients.



Table A 4. Regression results, cluster analysis' prototypes and entrepreneurship

|                  | (1)<br>Self-employed | (2)<br>Entry       | (3)<br>Number of entries | (4)<br>Exit       |
|------------------|----------------------|--------------------|--------------------------|-------------------|
| Resilients       | 0,016***<br>(0.000)  | 0,002**<br>(0.017) | 0,012***<br>(0.000)      | 0,001<br>(0.865)  |
| Over-controllers | -0,005**<br>(0.026)  | -0,000<br>(0.937)  | -0,006***<br>(0.004)     | -0,004<br>(0.619) |
| N                | 111559               | 95071              | 111559                   | 8928              |
| Mean Y-outcome   | 0.085                | 0.008              | 0.063                    | 0.007             |

Notes:  $p$ -values in parentheses: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Year dummy variables and the full set of covariates have been included. Specifications 1, 2, and 4 display marginal effects after logit regressions. Specification 3 displays OLS coefficients.

Table A 5. Regression results, entrepreneurial profile and resilient profile

|                         | (1)<br>Self-employed | (2)<br>Entry        | (3)<br>Number of entries | (4)<br>Exit       |
|-------------------------|----------------------|---------------------|--------------------------|-------------------|
| Resilient profile       | 0,000***<br>(0.000)  | 0,000***<br>(0.004) | 0,000***<br>(0.000)      | 0,000<br>(0.629)  |
| Entrepreneurial profile | 0,000***<br>(0.000)  | 0,000<br>(0.200)    | 0,000***<br>(0.000)      | -0,000<br>(0.264) |
| N                       | 111,559              | 95,071              | 111,559                  | 8,928             |
| Mean Y-outcome          | 0.085                | 0.008               | 0.063                    | 0.007             |

Notes:  $p$ -values in parentheses: \*  $p < 0.10$ , \*\*  $p < 0.05$ , \*\*\*  $p < 0.01$ . Year dummy variables and the full set of covariates have been included. Specifications 1, 2, and 4 display marginal effects after logit regressions. Specification 3 displays OLS coefficients.