

# Entrepreneurship Development

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# The Entrepreneurial Mindset

# Lecture Outline

- What is mindset?
- What is entrepreneurial mindset?
- Mindset and behavior
- The importance of entrepreneurial mindset
- Characteristics of having the right entrepreneurial mindset
- Building of an entrepreneurial society
- Effective/Ineffective entrepreneurial mindset

# What is mindset?

Mind + Set

mind



The ability to think and imagine

set

Group of things

# What is mindset?

## □ Mindset

- A mindset refers to a set of assumptions, methods or notations held by one or more people or groups of people which is so established that it creates a powerful incentive within these people or groups to continue to adopt or accept prior behaviors, choices, or tools.
- This phenomenon of cognitive bias is also sometimes described as mental inertia, "groupthink", or a "paradigm", and it is often difficult to counteract its effects upon analysis and decision making processes.

# What is mindset?

- According to Dr. Carol Dweck\* from Stanford University, US, there are two sets of mindset:
  - A fixed mindset
  - A growth mindset



\*Source: Carol C. Dweck (2006), Mindset: The New Psychology of Success, Random House



**FIXED OR**  
**GROWTH**  
**MINDSET?**

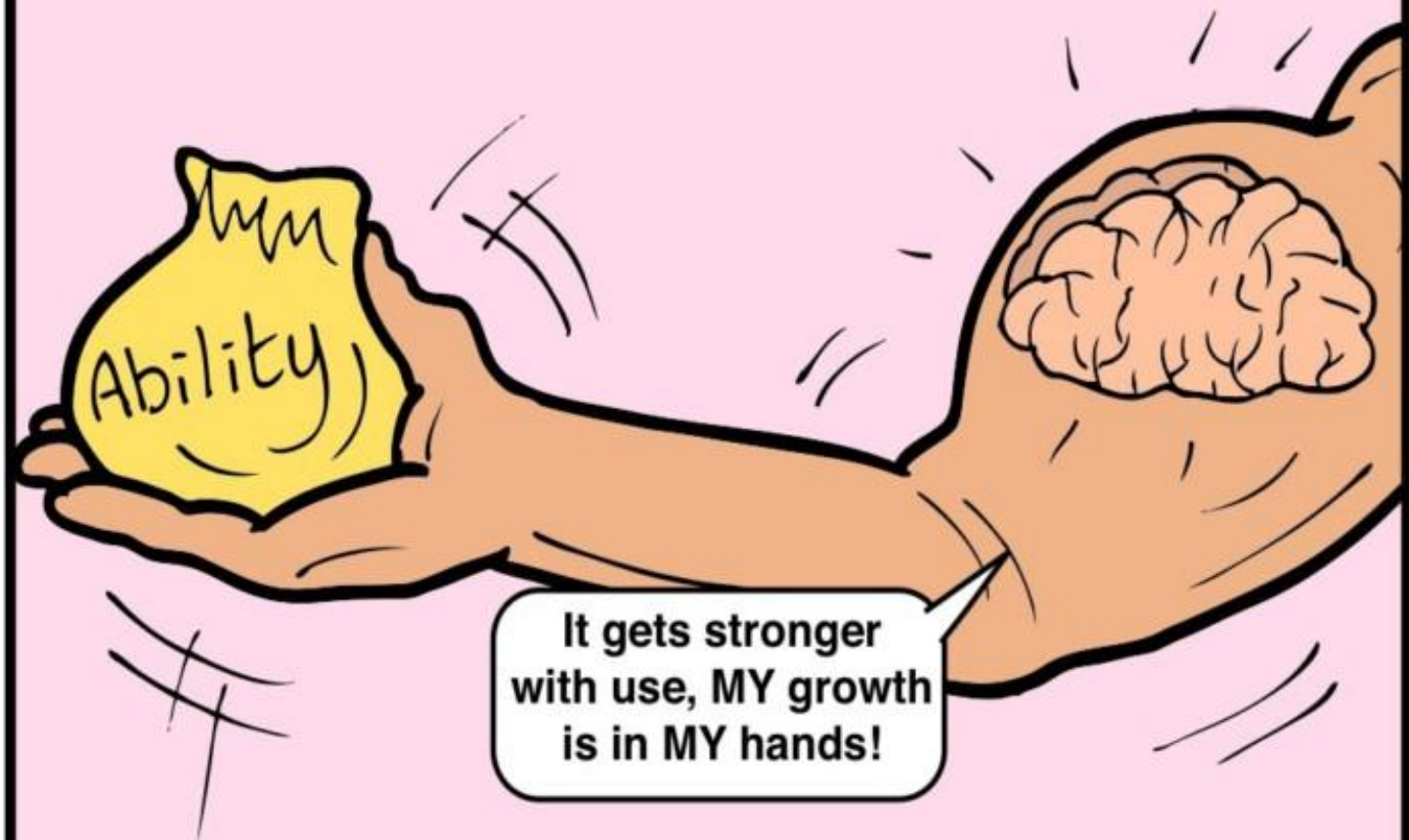
# What is mindset?

- In a fixed mindset , people believe that their basic qualities, like their intelligence or talent, are simply fixed traits (rigid). They spend their time documenting their intelligence or talent instead of developing them. They also believe that talent alone creates success—without effort.

# What is mindset?

- In a growth mindset, people believe that their most basic abilities can be developed through dedication and hard work—brains and talent are just the starting point. This view creates a love of learning and a resilience that is essential for great accomplishment. Virtually all great people (including entrepreneurs) have had these qualities.

**The brain is like a muscle**



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# Adolescent Brain Development

## Fixed Mindset

intelligence is static

- **Challenges** ... avoid
- **Obstacles** ... give up
- **Effort** ... no point
- **Criticism** ... deflect
- **Success of others** ...  
feel threatened

2

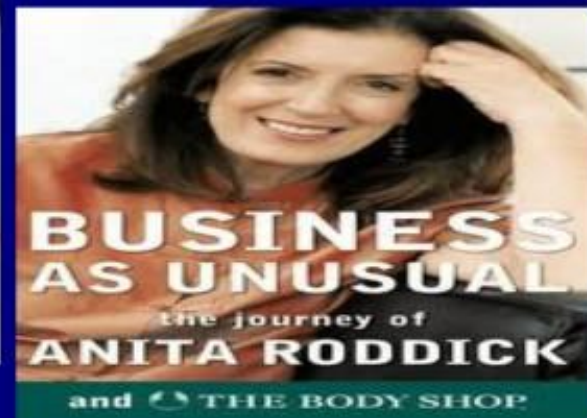


## Growth Mindset

intelligence is developing

- **Challenges**... embraces
- **Obstacles** ... fortitude
- **Effort** ... work hard
- **Criticism** ... learns
- **Success of others** ...  
celebrates

# Faces of successful entrepreneurs



# Successful entrepreneurs

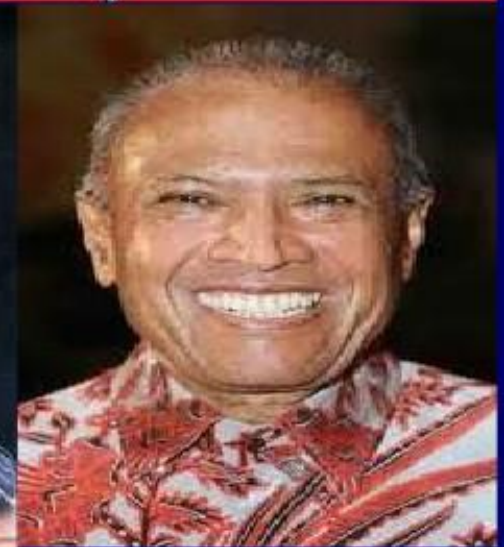
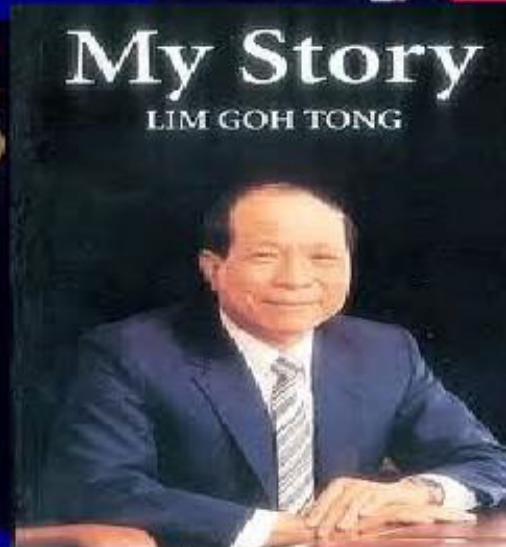
- ❑ Bill Gates - Microsoft
- ❑ Richard Branson – Virgin Airline
- ❑ Anita Roddick – Body Shop
- ❑ Konosuke Matsushita - Panasonic
- ❑ Steve Job – Apple
- ❑ Soichiro honda - Honda
- ❑ Akio morita - Sony

# Successful Entrepreneurs (Malaysia)

- ❑ Syed Mokhtar Al-Bukhari - Tradewinds
- ❑ Lim Goh Tong – Genting Groups
- ❑ Tony Fernandez – Air Asia
- ❑ Ananda Krisnan – Maxis
- ❑ Others?



# Faces of successful entrepreneurs - local



# TONY FERNANDES – AIR ASIA

# Social Entrepreneurs

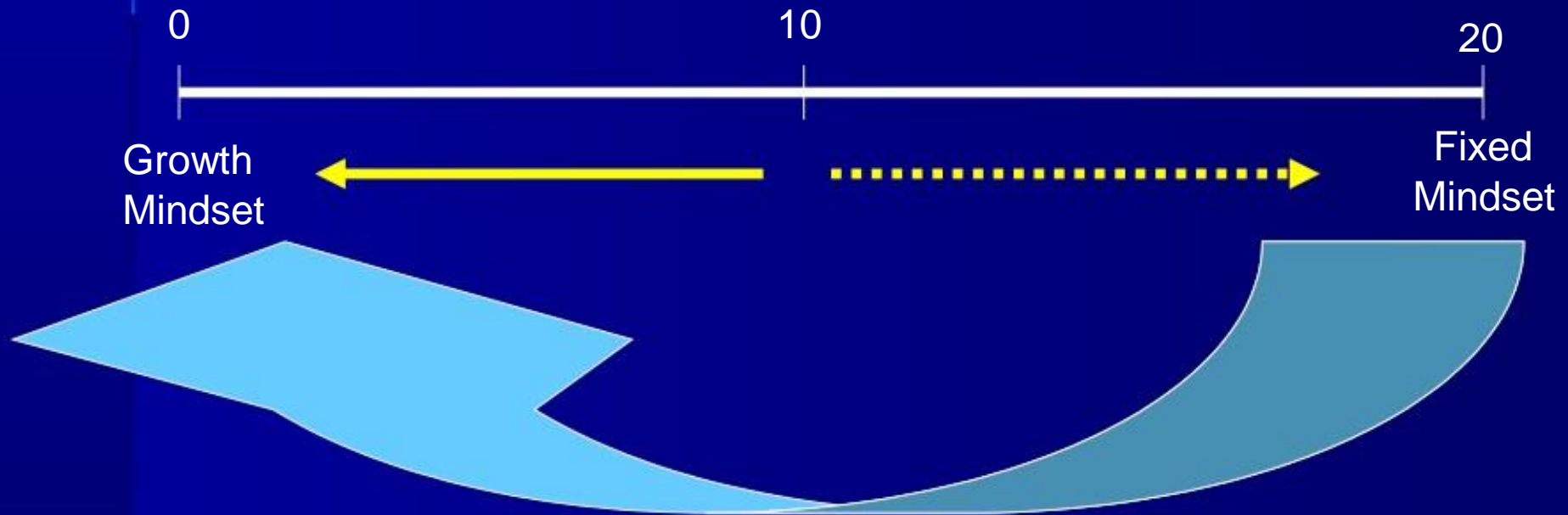
Professor Muhammad Yunus

Founder of Grameen Bank, Bangladesh

# Test Your Mindset

- ❑ You are given a set of twenty statements.
- ❑ Please respond freely to those statements.
- ❑ There is no right or wrong answer.

# Test Implications



# Can mindset be changed?

- Although people may differ in every which way—in their initial talents and aptitudes, interests, or temperaments BUT everyone can change and grow through application and experience.
- The passion for stretching yourself and sticking to it, even (or especially) when it's not going well, is the HALLMARK of the growth mindset. This is the mindset that allows people to thrive during some of the most challenging times in their lives.

# What is Entrepreneurial Mindset?

- Is a set of cognitive (thinking) processes that triggers the individuals to act or to behave entrepreneurially.
  - Sometimes it is called entrepreneurial talent or mentality
  - This mindset, talent or mentality can be changed and modified over time
  - The basis for the individual behavior

# Entrepreneurial Mindset

- Having the right attitude:
  - Able to work without supervision
  - Able to self-motivate
  - Able to make quick decisions
  - Able to handle stress
  - Open-minded and flexible
  - Focused
  - Persistent
  - Patient, etc.





# Mindset and Behavior

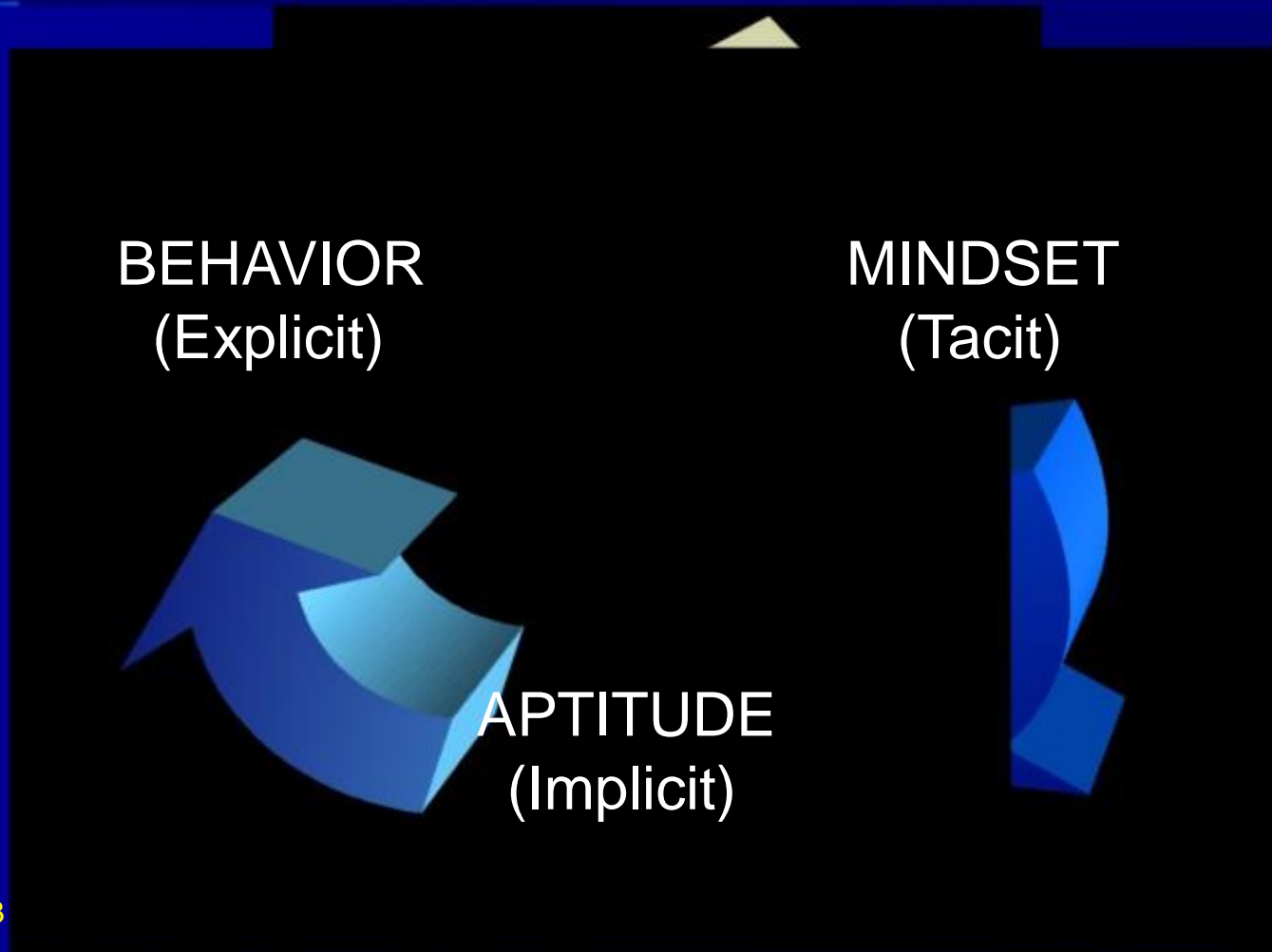
- Functional knowledge
- Entrepreneurial skills
- Managerial skills
- Technical skills
- Communication skills
- IT skills



- Intrinsic
  - Intention
  - Spirit
  - Responsibility
- Extrinsic:
  - Role Model
  - Rewards
- Pro-active
- Positive values
- Propensity to take risk
- Creative and innovative
- Inquisitive mind
- Pursuing excellence

Mindset affects the individual behavior at all levels

# Mindset and Behavior



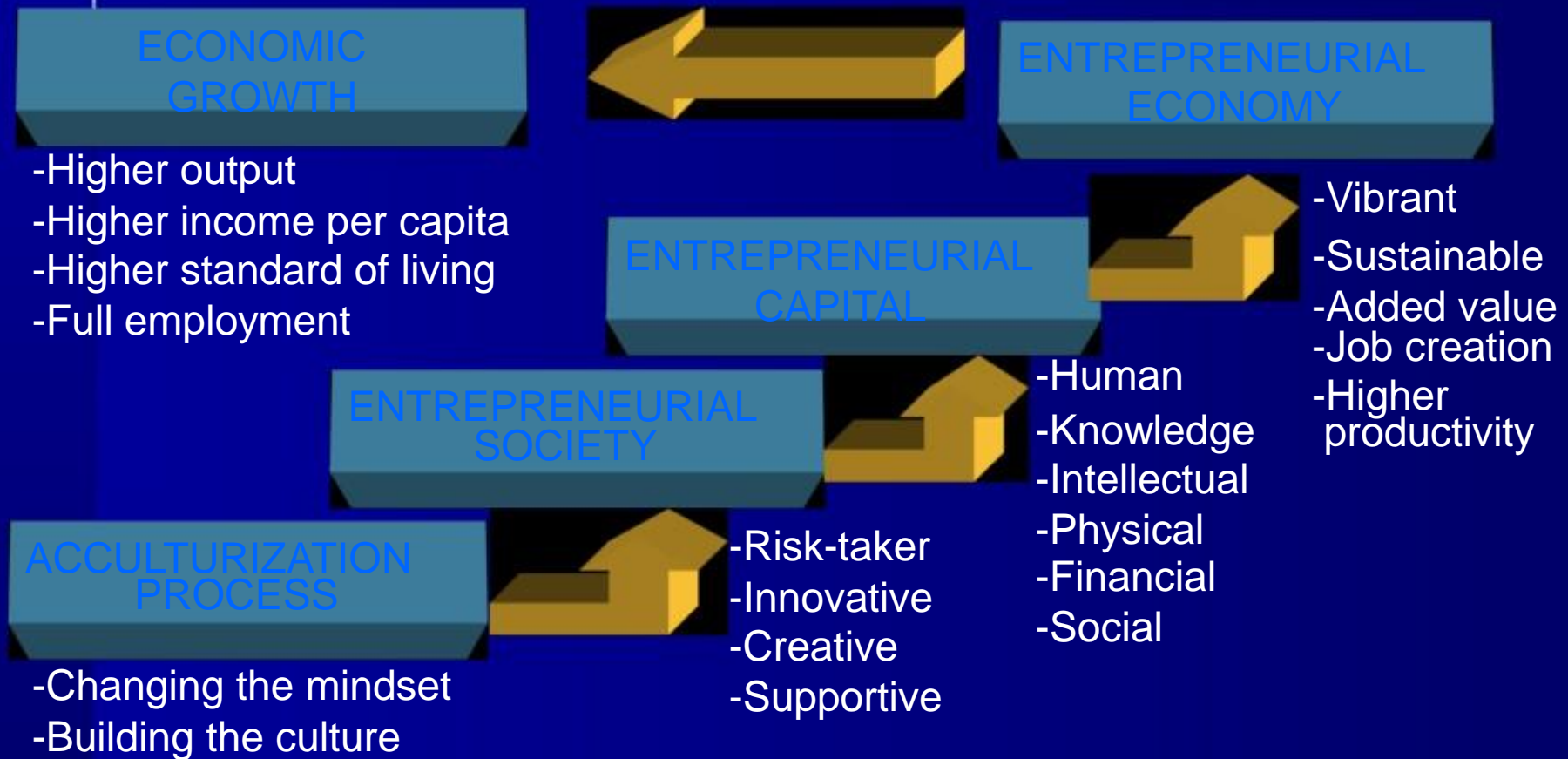
# The Importance of Entrepreneurial Mindset

- To cope with the rapidly changing economy.
  - Business/economic environment today has become fuzzy, chaotic/messy, complex, uncertain and change very rapidly.
  - To succeed in the midst of this chaos and uncertainty we require the agility, creativity, flexibility, innovation, interdependence and vision of entrepreneurs and their enterprising units.

# The Importance of Entrepreneurial Mindset

- To build an entrepreneurial society
  - Developing the right mindset at a very early age
  - Inculcation and acculturation process need to implemented through various programs and activities
  - Entrepreneurs as agents of change at every level of the society
  - Important contribution to entrepreneurial capital
  - Entrepreneurship as a way of life

# Building an Entrepreneurial Society



# The Importance of Entrepreneurial Mindset

- To spur/encourage innovation and growth
  - From creative people, comes creative products
  - Innovation creates and adds value
  - Finding new source of economic growth
  - Change as process, not destiny
  - Thinking “out of the box” becomes norms of the society
  - Innovation in every part of the value chain

# Ineffective Entrepreneurial Mindset

- ❑ Don't care attitude
- ❑ Not being meticulous/ takes thing for granted)
- ❑ Passing the buck
- ❑ Why should I care?/ Careless attitude

# Ineffective Entrepreneurial Mindset

- ❑ Wait and see
- ❑ Non-punctuality
- ❑ Subsidy mentality
- ❑ Ask more, give less



# Developing an Effective Entrepreneurial Mindset

- ❑ Understand what motivates you
- ❑ Know what you love
- ❑ Challenge yourself
- ❑ Reversal thinking
- ❑ Change your habit (once in a while)
- ❑ Always believe that you can
- ❑ Break away from norms

# Summary

- We (entrepreneurs) must see things from different perspectives, willing to try new ways of doing things, willing to tolerate a higher level ambiguity, do not fear failure, seek and embrace new norms, and most importantly to realign our mental attitude – the **mindset**

# Conclusion

- Four (4) categories of people:
  - Makes things happen
  - See things happen
  - Wonder what happen
  - Do not know what happen

Which category would you like to be in?