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Original Article (Quantified)

An analysis of the direct and indirect effects of the relationship between personality and adaptability on entrepreneurial behavior in Trophy Generation entrepreneurs.

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Abstract

This study was conducted to examine the direct and indirect effects of the relationship between personality and propensity for adaptability on entrepreneurial behavior among Trophy Generation entrepreneurs. Achieving control and stability in entrepreneurs' behavior is one of the most important concerns of any business. Since personality is an important factor in behavioral responses, understanding it will increase the ability to predict and the power to shape behaviors. This research posits that individuals' personalities can have a significant impact on their propensity to adapt to conditions and on the emergence of entrepreneurial behavioral responses. On the other hand, the potential and new generation of entrepreneurs, referred to here as the Trophy Generation, possesses their own distinct behavioral characteristics. This paper attempts to test and investigate its claim within this generation. Accordingly, young managers of knowledge-based companies in Yazd province were selected as the study population, and 116 people were chosen as a sample by simple random sampling. This research employed a quantitative, cross-sectional approach, using a questionnaire instrument and random sampling for assessment. To investigate the research topic, hypotheses were presented in the form of a conceptual model and then tested using structural equation modeling for reliability, validity, the structural model, and finally fit and quality, conducted with SmartPLS 4.1 software. The findings indicate that the personality of the Trophy Generation and adaptability tendencies have a positive and significant effect on entrepreneurial behavior. The findings also show that the mediating role of propensity for adaptability cannot be rejected.

Keywords:

Generation Z, personality, entrepreneurial behavior, adaptability tendencies.

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Extended Abstract

Introduction

Organizational entrepreneurship involves cultivating entrepreneurial behaviors within an organization. Researchers believe that organizational entrepreneurship is a very broad concept encompassing the creation, development, and implementation of new ideas or behaviors (Mahmoudi, 2023). Entrepreneurial behavior can be seen as the study of human behaviors that pursue the exploitation of entrepreneurial opportunities through the creation and development of new businesses (Panahi et al., 2024). Globally, entrepreneurial behaviors play a central role in carrying out entrepreneurial activities, and research has even shown that they affect economic growth and development. Although there is no consensus that key entrepreneurial behaviors necessarily appear in a particular context or for a specific generation, studies indicate that multiple factors influence entrepreneurial behaviors and actions. Among these factors are an individual entrepreneur's beliefs, personality, and intentions, which ensure their emergence and persistence. The stronger these personality factors are, the more likely an individual is to engage in entrepreneurial behavior and to sustain prior behaviors. Clearly, the manner in which these traits manifest increases the likelihood of unforeseen events occurring and can lead to unexpected consequences (Panahi et al., 2024). Past research on entrepreneurship among the Trophy generation has emphasized areas such as: the role of social media in building trust and satisfaction for entrepreneurs, the impact of the business environment on entrepreneurial behavior, and even their patterns of green purchasing behavior (Liu et al., 2019). However, research on the entrepreneurial behavior of this generation remains limited and gaps still exist in the literature. This is both because the topic is interdisciplinary (management and psychology) and because the propensity or biological imperative for these individuals to adapt to entrepreneurial responses has not been considered. These are gaps that necessitate attention to a new perspective in this research.

In particular, most previous studies on Trofi generation entrepreneurial behavior have focused on developed economies, whose business environments differ and whose findings may not be applicable to less-developed economies such as Iran, where more than 80 percent of entrepreneurs still face startup challenges. Moreover, this study contributes to the existing literature by examining the role of two theories—namely, the generational cohort theory and complex adaptive systems theory—in explaining entrepreneurial behavior (Ssekiziyivu & Banyenzaki, 2021). This study also adds to the field by confirming that Trofi generation personality and adaptation inclinations are significantly associated with entrepreneurial behavior.

On the other hand, research indicates that the founding of startups and knowledge-based companies plays an important role in countries' entrepreneurial development and that business success requires the creation of an effective ecosystem in which an innovation culture and provision of necessary supports exist. Furthermore, ongoing and reciprocal processes among influencing factors help entrepreneurs succeed sustainably in today's competitive and complex environment. The occurrence of multiple failures among startups in Iran indicates a problem in the entrepreneurial processes of these institutions (Golar et al., 2025). In particular, entrepreneurial organizations are largely formed around individual or team ideas that react quickly to environmental influences and often lack sufficient readiness to cope with external changes and triggers. This issue leads to failure at various stages of their entrepreneurial journey. Therefore, selecting knowledge-based companies as successful startups is an appropriate option for investigating the research topic. Ultimately, this study seeks to answer whether the personality of Trofi generation individuals can influence their adaptation inclinations and ultimately lead to entrepreneurial behavior.

Theoretical Framework of the Research Entrepreneurship and Entrepreneurial Behavior

Entrepreneurial behavior refers to those entrepreneurial actions taken to start an investment, manage and develop it, and bear all the risks with the hope of earning profit. Entrepreneurship is a struggle in which an individual needs certain characteristics to succeed (Wang et al., 2022).

Trophy Generation Entrepreneurs

The definition of the Trophy Generation has so far been limited to birth years and the period when they reached maturity (Han et al., 2023). The generation born between 1980 and 2000 (1360 to 1380 in the Iranian calendar) is called the Trophy Generation. Trophies are also known as Generation Y, the Me Generation, and the Millennials (Dalton, 2014). A generation is a recognizable group of people whose birth years typically share a common 20-year span (Dimock, 2019).

Generational Personality and Entrepreneurial Behavior among Trophy Entrepreneurs

According to some researchers (Weber & Urick, 2023), age cohort generally defines Trophies. Based on this, generational personality is a method of categorizing a group of people with similarities tied to the era in which they were born and the period when they reached maturity (Boyle, 2023). Generational personality aligns with the domain of entrepreneurial behavior.

Generational Personality and Adaptability Tendencies

The Trophy Generation's personality is described as the most creative and adaptable generation (Horsaengchai, 2011). Trophies quickly adapt to new technologies and their environment (Boyle, 2023).

The Mediating Role of Adaptability Tendencies in the Relationship between Generational Personality and Entrepreneurial Behavior

The characteristics of the Trophy Generation strongly influence them (Boyle, 2023). Trophy entrepreneurs are pragmatic and innovation-oriented and focus on long-term development (Zheng et al., 2022). Evidence shows that Trophies are categorized differently because the economic, technological, and social aspects of their developmental period are unique (Twenge, 2013). Previous studies have reported that Trophy entrepreneurs use generational traits to perform with adaptability to overcome challenges in the business environment. Adaptability is conceptualized as an effective response experienced by a person to adjust to changing conditions (Othman et al., 2018).

Compatibility Tendencies and Entrepreneurial Behavior

Trophies have evolved alongside technologies that require them to continuously adapt to changes and, consequently, to exhibit creative and innovative behaviors (Podsakoff et al., 2003).

Research Methodology

This study is a quantitative applied study, conducted as a cross-sectional survey. The statistical population consists of managers and founders of knowledge-based companies, and the required sample size was determined to be 116 people using Cochran's method. The data collection instrument in this study was a developed questionnaire, the sampling method was

simple random sampling, and the analytical method used in this study was structural equation modeling.

Findings

According to the research findings, reliability tests (Cronbach's alpha, composite reliability, and Rho) and validity tests (convergent: factor loadings and AVE; and discriminant: Fornell–Larcker) confirmed the measurement models. The structural model tests also confirmed all direct and indirect relationships in this study, with t-statistics greater than 1.96. All tests in this section were performed using SmartPLS 4.1.

Conclusion

The present study, aiming to examine the role of personality and the propensity for adaptability in the entrepreneurial behavior of the Trophy generation, is aligned with research such as Pidduck et al. (2023), Sirajje (2023), Duong (2023), and Graham (2023). The results indicate that individuals within a particular age cohort tend to share a distinct set of beliefs because they grew up during the same period. Any positive change in generational personality is accompanied by a positive change in adaptability tendencies and entrepreneurial behavior. Overall, the relationship between generational personality and entrepreneurial behavior is significant both directly and indirectly. In other words, part of this association can be mediated by adaptability tendencies in relation to entrepreneurial behavior among Trophies. Put differently, millennial entrepreneurs who believe there is something in their character that leads to their success are more likely to challenge their assumptions about a project before working on it. As a result, they enter new situations innovatively and design concepts and projects that benefit them.

Based on the obtained results, it is recommended that knowledge-based companies pay special attention to the personality traits of the Trophy generation during recruitment and hiring processes. Additionally, organizations should strengthen adaptability tendencies among Trophy-generation employees by designing training and development programs.