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BUSINESS | JOURNAL REPORTS: SMALL BUSINESS

Why Introverts Make Great Entrepreneurs

Conventional wisdom says you need to be an extrovert to start a successful business. That's wrong for all sorts of reasons.



PHOTO: LINDSAY HOLMES FOR THE WALL STREET JOURNAL

By **ELIZABETH BERNSTEIN**

August 24, 2015

Imagine a typical entrepreneur.

A quiet, reserved introvert is probably not what first came to mind. Aren't entrepreneurs supposed to be gregarious and commanding—verbally adept and able to inspire employees, clients and investors with the sheer force of their personality? No wonder the advice for introverts who want to be entrepreneurs has long been some form of: “Be more extroverted.”

Now, though, business experts and psychologists are starting to see that guidance is

wrong. It disregards the unique skills that introverts bring to the table—the ability to focus for long periods, a propensity for balanced and critical thinking, a knack for quietly empowering others—that may make them even better suited for entrepreneurial and business success than extroverts.

Indeed, numerous entrepreneurs and CEOs are either self-admitted introverts or have so many introvert qualities that they are widely thought to be introverts. These include Bill Gates, co-founder of Microsoft, Steve Wozniak, co-founder of Apple, Larry Page, co-founder of Google, Mark Zuckerberg, co-founder of Facebook, Marissa Mayer, current president and CEO of Yahoo, and Warren Buffett, chairman and CEO of Berkshire Hathaway.

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entrepreneurs, introverts succeed because they “create and lead companies from a very focused place,” says Susan Cain, author of “Quiet: The Power of Introverts in a World That Can’t Stop Talking” and founder of Quiet Revolution, a website for introverts. This spring, she co-founded the Quiet Leadership Institute, a consulting firm with a mission to help companies harness the talent of introverted employees and to help introverts draw on their natural strengths. The company’s clients include General Electric, Procter & Gamble and NASA.

Another big plus, she says: Introverts are not interested in leadership for personal glory, and they steer clear of the cult of personality. Their emphasis is on creating something, not on themselves.

“By their nature, introverts tend to get passionate about one, two or three things in their life,” says Ms. Cain. “And in the service of their passion for an idea they will go out and build alliances and networks and acquire expertise and do whatever it takes to make it happen.”

Here are some of the traits common to most introverts that make them especially well-suited to entrepreneurship.

They crave solitude

Many people believe that introverts, by definition, are shy and extroverts are outgoing. This is incorrect. Introverts, whom experts say comprise about a third of the population, get their energy and process information internally. Some may be shy and some may be outgoing, but they all prefer to spend time alone or in small groups, and often feel drained by a lot of social interaction or large groups.

WHAT MAKES AN INTROVERT

- Careful thinkers who look before they leap.
- Usually only speak when they have something to say, after they've had a chance to process information internally.
- Comfort with independent thought and action.
- Feel at their most alive and most energized in quieter situations.
- Need solitude to balance out social time.
- Active inner life, imagination and a strong creative streak.
- Steady, balanced presence during turbulent times.
- Sharp observational skills.
- Capacity for active listening and connecting with people on an intimate level.
- Willing to put other people and their vision in the spotlight.
- Desire for focus and to develop a depth of understanding/mastery over a topic.

MYTHS ABOUT INTROVERTS

- They are shy or antisocial. There are “social introverts” who are drawn to people but need a higher ratio of solitude to social time. There are also those who more closely match the stereotypes of a strong loner.
- They make poor leaders, and are best suited for jobs that limit contact with people. In fact, research shows that introverted leaders often outperform extroverted ones.
- They're always quiet and don't talk.
- They're depressed.
- They're all bookworms and nerds.
- They're arrogant, aloof or stuck up.

Sources: Susan Cain and Beth Buelow
THE WALL STREET JOURNAL.

Extroverts—sometimes spelled “extraverts” in psychology circles—gain energy from being with other people and typically process information externally, meaning they prefer to talk through problems instead of pondering them alone, and they sometimes form opinions while they speak. (Ambiverts, a third personality type that

makes up the majority of the population, are a mix of introvert and extrovert.)

Being comfortable being alone—and thinking before acting—can give introverts a leg up as they formulate a business plan or come up with new strategies once the company is launched.

Introverts not only have the stamina to spend long periods alone—they love it. “Good entrepreneurs are able to give themselves the solitude they need to think creatively and

originally—to create something where there once was nothing,” says Ms. Cain. “And this is just how introverts are wired.”

Extroverts may find it hard to cloister themselves to think through big questions—what does the company have to offer, how will it reach its audience?—because they crave stimulation. Solitude drains them, and they aren’t as creative if they spend too much time alone, says Beth Buelow, a speaker and coach who is founder of The Introvert Entrepreneur, a website for introverts. So extroverts often take a “throw the spaghetti at the wall and see if it sticks” approach to solving problems, rather than think through possibilities.

While extroverts are networking, promoting or celebrating success, introverts have their “butt on the seat,” says Laurie Helgoe, author of “Introvert Power: Why Your Inner Life is Your Hidden Strength” and assistant professor in the department of psychology and human services at Davis & Elkins College in Elkins, W.Va. “An introvert on his or her own is going to enjoy digging in and doing research—and be able to sustain him- or herself in that lonely place of forging your own way.”

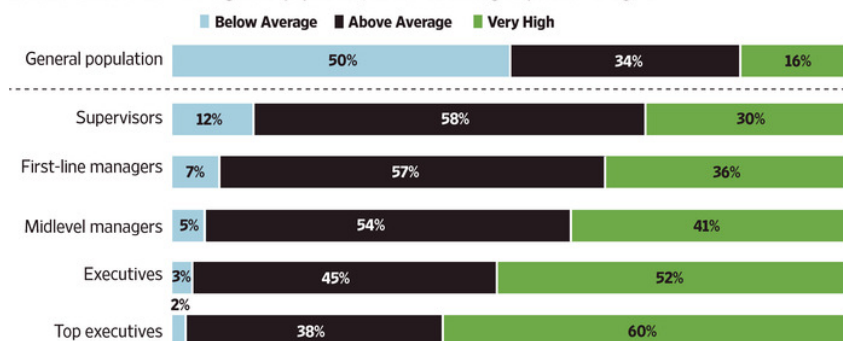
They don’t need external affirmation

Another important characteristic of introverts is that they tend to rely on their own inner compass—not external signals—to know that they’re making the right move or doing a good job. That can give them an edge in several ways.

For instance, they generally don’t look for people to tell them whether an idea is worth pursuing. They tend to think it through before speaking about it to anybody, and rely on their own judgment about whether it’s worth pursuing.

How Outgoing Are We?

Levels of extroversion in the general population, as well as among corporate managers



Source: a study of more than 4,000 managers who completed personality assessments, conducted by Deniz S. Ones and Stephan Dilchert, published in *Industrial Psychology* (2009)

THE WALL STREET JOURNAL.

With extroverts, the need for social stimulation, for getting the idea in front of other people, can make them leap before they’ve thought something out, Ms. Buelow says. “It’s very important for them to get outside feedback and motivation.” Feedback is great, of course. But at a certain point a leader needs to

decide on a plan and execute it.

Following their own compass also helps introverts stay focused on a venture. Extroverts can get sidetracked by seeking external validation, such as awards or media attention for a project, which can divert them from their main goals. While introverts welcome external validation, they won't let it define them or distract them. "It's about keeping the long-haul perspective," Ms. Buelow says.

What's more, because introverts aren't looking for outside events to validate their plans—or themselves—they don't take setbacks as personally as extroverts. Somebody who relies on external affirmation tends to take setbacks personally and may get dispirited if the company hits a rough patch. "We know that at least the common wisdom is that businesses will not generate a profit until their third year," Dr. Helgoe says. "So if you cannot stick it out through the time when you are not getting rewards, not known, not getting anywhere, you aren't going to make it."

They're better listeners

Extroverts talk—a lot. And in all that talking, they sometimes forget to let others get a word in, a trait that can be particularly damaging to their relationships with customers or clients. "They can have this idea that they have the gift of gab, so they can make assumptions and tell their customers what they need, instead of coming in and asking the customer," says Ms. Buelow.

Introverts don't have this problem—they wait to speak until they have something to say. Not because they're shy and socially inept, says Ms. Buelow, but because they are thinking and processing.

As a result, introverts are excellent listeners, observers and synthesizers, she says. "They can make unexpected connections because they're more focused on information input than output. And they're often good at connecting disparate dots." Extroverts take in information and spit it right back out, forming an opinion quickly, Ms. Buelow says, while "introverts take it in, process it and turn it around. They can sit with those dots long enough to see where the connection is."

An introvert's desire to put the spotlight on others and really listen—and to model this skill for others—will be a huge advantage to his or her company, in sales, management, partnering and just about any other aspect of the business, Ms. Buelow says. "The best businesspeople aren't necessarily the best talkers, but the best listeners, the people who ask the right questions," she says.

That was borne out in a study reported in the Harvard Business Review in December

2010. Adam Grant, a professor at the University of Pennsylvania's Wharton School, and his colleagues found that when employees were proactive, introverted leaders generated better performance and higher profits than extroverted leaders did.

Why? Extroverts are better at leading passive employees who need a lot of direction, says Dr. Helgoe. "But if you have a very creative, self-motivated staff, introverts are better at channeling that talent and staying out of the way—listening, taking in ideas, helping employees shine."

They're more realistic

Extroverts are oriented to seek the positive—to loudly promote what they're working on and rally their cheerleaders behind them. But that may lead them to overlook the realities of a situation. Introverts tend to be more critical, Dr. Helgoe says. As a result, they are more realistic when it comes to weighing feedback and analyzing information.

This general principle has been tested in a number of studies. In one classic experiment, people were shown pictures of flowers and of happy faces. Extroverts were more responsive to the happy faces; introverts responded equally to both. The upshot: Introverts aren't as easily led astray by happy distractions, such as recognition among peers, the number of Twitter followers they have or a fun new marketing app to try.

Likewise, a 2006 study, by researchers at Yale and Stony Brook universities, gave participants a Stroop test—showing them words of varying emotional content written in different-colored fonts and asking them to quickly identify the color, not the word.

When words showing positive emotions such as joy were shown, introverts more quickly identified the color—ignoring the content—than extroverts. Brain imaging revealed that when extroverts were slowed down by these words, activity in the region of their brain responsive to positive stimuli increased.

The significance, experts say, is that when someone is focusing more on positive feedback, he or she may ignore or minimize the importance of the negative.

Finally, in a 2009 study looking at how introverts and extroverts approached an "effortful task," Maya Tamir, director of the Emotion and Self-Regulation Laboratory at Boston College and Hebrew University in Jerusalem, found that extroverts sought a happy state while completing the task, while introverts preferred to maintain a neutral emotional state.

"The introverts' happy space is a quieter space with less interruptions," says Ms. Buelow.

“They won’t have that overstimulation.”

Of course, introverts do have some qualities that aren’t that well-suited for entrepreneurship: They can be too internally focused and sometimes shun networking. Extroverts are natural networkers and certainly know how to rally the troops.

But it’s time to recognize that introvert traits have long been undervalued in the business world—and it may be time for extroverts to try and be more like introverts.

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