

Impact of Personal Traits Among Women Entrepreneurs

Reshma A R

Assistant Professor, MES Asmabi College, P. Vemballur

Abstract:

Entrepreneurs bring an enormous contribution to a country's economic growth. Developing individual's interest into new venture creation represents an important asset, especially for less developed countries where entrepreneurial activities are fundamental in enhancing economic growth. The recent economic crisis turned the attention of European policymakers towards entrepreneurship as a driving force for the creation of new job opportunities, regional/national competitiveness and growth. The aim of this article is to verify what relations are between locus of control, need for achievement and entrepreneurial intention of youth, following a cognitive approach and how much entrepreneurial education consolidates entrepreneurial skills and informs the young that entrepreneurship is a career option. This study focuses to determine the effectiveness of personality traits among women entrepreneurs. The originality of this study lies in its focus on personality traits on social rather than commercial entrepreneurship. It is hoped that the findings will trigger a paradigm shift towards greater social entrepreneurship.

Keywords:women entrepreneurs, personality traits, demographic variables

Introduction:

Entrepreneurship is often defined as the opportunistic pursuit of economic wealth via creative initiatives of the individual operating within an uncertain environment constrained by limited tangible resources (Austin et al., 2006; Mitchell et al., 2002). The framing of entrepreneurship within economic theory assumes the rationalistic model of man. Economic rationale neglects the idiosyncratic human capabilities that promote flexibility and use of social discretion in deriving practical innovative solutions (Baumol, 1968; Loasby, 2007). Economic theory also ignores the differences in human values, capabilities and power of the human will (Loasby, 2007).

The fast pace of change and rapid development of technology, the globalization of economies, the free circulation and liberalization of labour markets has led to great complex changes and irreversible transformations at an economic, social and structural level. To cope with these changes, there comes the need to generate new models to deal with the challenges in question in the field of entrepreneurship. Entrepreneurship is the main vector of economic development and competitive play, and gives the possibility of social climbing to various segments of population. Entrepreneurship plays an important role in the economy as driver of innovation and job creation.

Three decades ago, in a very influential article, Gartner (1988) criticized the study of entrepreneurial personality traits, arguing instead for a focus on how organizations emerge. Gartner disapproved of the varying definitions being used for entrepreneurship, preferring to

focus on a definition that emphasized the functional creation of new organizations. Gartner also questioned collecting traits of entrepreneurs using survey methodologies to discern an “ideal” personality for entrepreneurial performance. The shadow of this critique has been on the literature for a long time, and it is far from clear that these new efforts will overcome the challenges that Gartner (1988) outlined, as we re-surface many of these same challenges throughout this review. Yet, the better recognition of heterogeneity among entrepreneurs and powerful new data sources suggest it might be fruitful to re-examine some of these areas again, some 30 years later. After all, the focus for many is now on describing how personality may influence the creation of new organizations, addressing at least some of Gartner’s concern.

Research on the personality traits of entrepreneurs took off in the mid-20th century, unifying approaches from economics, psychology, sociology, and business management to answer the questions: Who is an entrepreneur? What drives them? What traits define them? The first few decades faced many conceptual challenges as researchers struggled to develop a solid theoretical framework and appropriate measurement tools. In 1971, economist Peter Kilby famously compared the entrepreneur to A.A. Milne’s Heffalump, a fictional elephant that all investigators approached with improvised proxies from their disciplines, each asserting that they had discovered the ever-elusive creature’s behavior. In the 1980s, this discordance in the literature led some researchers to conclude that there was no correlation between personality and entrepreneurship (e.g., Brockhaus and Horwitz, 1986; Gartner, 1988).

However, since the start of the 21st century and with the notable rise of public and intellectual fascination with start-up culture, the entrepreneurial personality literature has enjoyed a resurgence and convergence toward an increasingly consistent set of theoretical frameworks, with meaningful insights toward innovation policy and business education. The bulk of recent literature seeks to answer two main questions: (1) Do certain traits predict an individual’s likelihood of becoming an entrepreneur, and (2) Do certain traits predict an entrepreneur’s likelihood of achieving “successful” outcomes? These answers are pursued by investigating the prevalence of personality characteristics in entrepreneurs versus other populations, as well as by analysing the correlation of these characteristics with entrepreneurial performance factors such as business survival and growth (e.g., Baron, 2004).

While personality theory remains rife with its own set of contentions, researchers have primarily gravitated over the last few decades to the Big-5 factor personality model. Several additional traits have been fused into the Big-5 for entrepreneurial work, including self-efficacy, innovativeness, locus of control, and risk attitudes (which we reserve for individual discussion in the second part of this literature review). Researchers often mix and match these traits to describe a multidimensional “entrepreneurial orientation.” In this literature review, we mostly focus our discussion on literature published after 2000 to detail the newest wave of personality research and the cutting-edge questions. Rauch et al. (2009), Rauch (2014) and Patterson and Kerrin (2014) provide reviews of some of the seminal contributions that came earlier.

Big-5 model

The Big-5 model is a multidimensional approach towards defining personality, through measuring openness, Openness to experience, extraversion, agreeableness, and neuroticism. It has been the predominant model for personality traits since the 1980s, and the Big-5 traits have been found to influence career choice and work performance (e.g., Costa and McCrae, 1992; Digman, 1990; Goldberg, 1990; John et al., 2008; Rauch, 2014). The five “macro traits” cover a distinct set of characteristics, as described in John et al. (2008, p. 138):

- Openness to experience: describes the breadth, depth, originality, and complexity of an individual’s mental and experiential life
- Openness to experience: describes socially prescribed impulse control that facilitates task- and goal-orientated behavior
- Extraversion: implies an energetic approach toward the social and material world and includes traits such as sociability, activity, assertiveness, and positive emotionality
- Agreeableness: contrasts a prosocial and communal orientation toward others with antagonism and includes traits such as altruism, tender-mindedness, trust, and modesty
- Neuroticism: contrasts emotional stability and even-temperedness with negative emotionality, such as feeling anxious, nervous, sad, and tense.

The findings related to personality characteristics and other attributes of entrepreneurs, as well as the correlation of those characteristics with business performance, also imply that there may be scope for including some personality development modules in entrepreneurship education. Many academic institutes have introduced entrepreneurship training, ranging from high schools to executive programs, but these programs have to date focused more on hard skills rather than personality mapping and softer preparations. While some personality traits are fixed, Rauch (2014) provides some examples of how, for example, self-efficacy and achievement motivation can be influenced with relatively simple interventions. A clearer understanding of the specific traits of entrepreneurs and their heterogeneity may help to better match potential entrepreneurs to settings that are most closely aligned with their strengths.

Review of literature:

Littunen (2000), the typical characteristics of a successful entrepreneur are innovativeness, the ability to take risks and to co-operate, market and manufacturing knowledge, as well as, business management and marketing skills. Also, the ability to identify and grasp profitable business opportunities, to be able to correct errors effectively, the desire to take risks and a good nose for business are all characteristics of a successful entrepreneur. **Timmons (1994)** examined the six general characteristics of entrepreneurs i.e. commitment and determination, leadership, opportunity obsession, tolerance of risk, creativity and adaptability. **Carland&Carland (1996)** in their study suggests that entrepreneurs are not homogenous. They may well be characterised by need for achievement, preference for innovation and risk

taking propensity. **Desai (2001)** revealed the important personality traits leading to the success are emotional stability, personal relations, consideration and tactfulness. **Ehigie and Umoren (2003)** in their study considered self-concept, perceived managerial competence, work stress and business commitment are important psychological variables for perceived entrepreneurial success among women entrepreneurs. **Robbin and Judge (2009)** examined that entrepreneurs' personality traits to identify traits that have impact on business performance. Personality traits such as internal locus of control and ambiguity tolerance influenced the business success directly and the business process indirectly. **Noor H. et al (2009)** found that there was strong evidence of association between entrepreneurial competencies and business success in Malaysia. **Abdullah F. et al (2009)** confirmed that eight factors are vital to the success of entrepreneurs. In rank order of importance, these factors are advancement drive, achievement oriented, commitment, decision-making ability, managing risk, tenacity, networking, and optimism. **Elenurm and Alas (2009)** in a study reported that courage to risk, openness to new information, flexibility, creativity and determination were the features of successful entrepreneurs in Estonia. **Rauch and Frese (2007)** proposed a model titled, Entrepreneurs' Personality Characteristics and Success which described how broad personality attributes commonly known as the "Big Five Personality Traits" (Openness to experience, agreeableness, neuroticism, openness to experience, and extraversion) affect specific personal characteristics (need for achievement, locus of control, and risk-taking) and impact entrepreneurial goals, which then shape business creation and success. This research proposed the adoption of 'Big Five Personality traits' to better differentiate the various individual traits of people who intend to become entrepreneurs



Objectives:

- 1. To determine the demographic variables of women entrepreneurs
- 2. To know the impact of five personality traits among women entrepreneurs

Research methodology:

This study is a descriptive research type. Convenience sampling is used for this study. 100 women entrepreneurs from different districts of Kerala, taken as the sample for this study. Regression coefficient is used for to analyse the impact of five personality traits among women entrepreneurs. Percentage analysis is used for demographic variable analysis.

Data analysis and Interpretation:

Table 1

<i>Years of service</i>	<i>Frequency</i>	<i>Percent</i>
16-20	32	32.0
21-25	50	50.0
26-30	18	18.0
Total	100	100.0

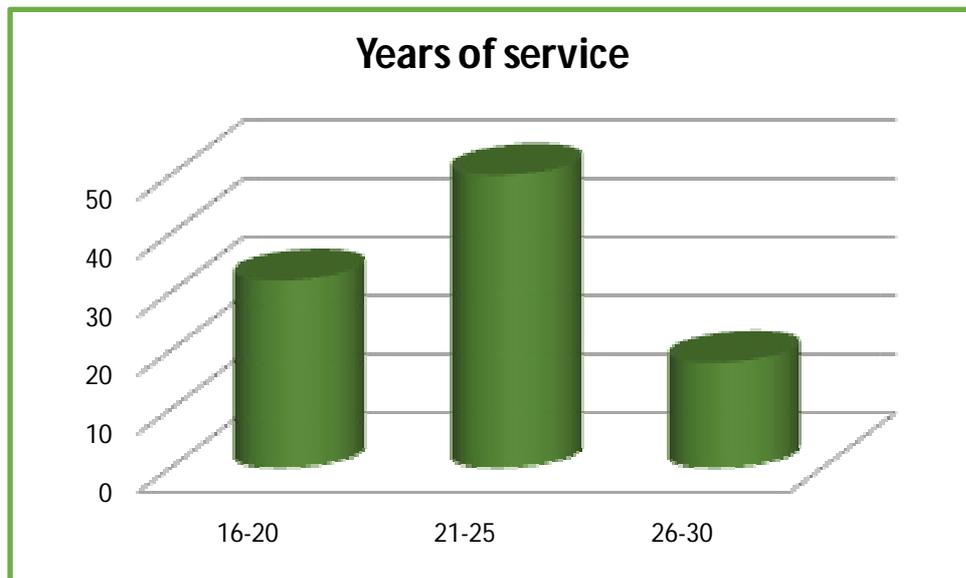


Table 2

<i>Qualification</i>	<i>Frequency</i>	<i>Percent</i>
SSLC	30	30.0
Pre degree	39	39.0
Degree	24	24.0
P G	7	7.0
Total	100	100.0

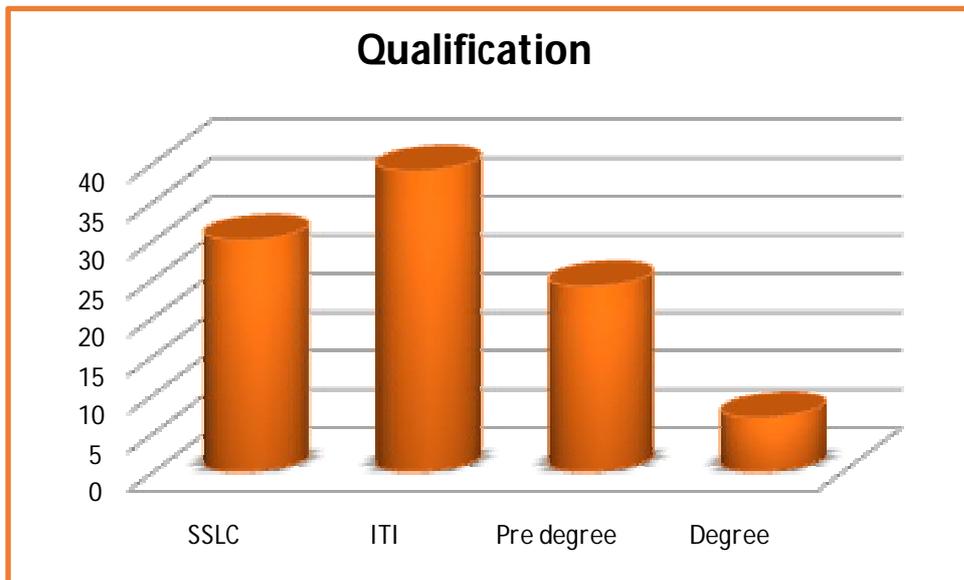


Table 3

<i>Marital status</i>	<i>Frequency</i>	<i>Percent</i>
Married	92	92.0
Unmarried	8	8.0
Total	100	100.0

Impact of big 5 personality traits among women entrepreneurs.

H1: Conscientiousness has a significant positive impact on the women entrepreneur’s success and performance

H2: Openness to experience has a significant positive impact on the women entrepreneur’s success and performance

H3: Agreeableness has a significant positive impact on the women entrepreneur’s success and performance

H4: Neuroticism has a significant positive impact on the women entrepreneur’s success and performance

H5: Extroversion has a significant positive impact on the women entrepreneur’s success and performance

Table 4

The regression Coefficients

Path	Estimate	Critical Ratio (CR)	P	Variance explained
Conscientiousness ->Women entrepreneur’s success and performance	0.126	1.248	0.215	1.6
Openness to experience→ Women entrepreneur’s success and performance	0.467	4.986	<0.001	21.8
Agreeableness→ Women entrepreneur’s success and performance	0.298	3.027	0.003	8.9
Neuroticism→ Women entrepreneur’s success and performance	0.436	4.602	<0.001	19.0
Extroversion → Women entrepreneur’s success and performance	0.888	13.910	<0.001	78.9

H1:Conscientiousness has a significant positive impact on the women entrepreneur’s success and performance

The results exhibited in Table 4 revealed that the regulatory construct Conscientiousness has no significant influence on Women entrepreneur’s success and performance as the standardised direct effect of this construct on Women entrepreneur’s success and performance was 0.126, which is less than the recommended value of 0.4. So the hypothesis H₁ is rejected and concludes Conscientiousness has no significant impact on the women entrepreneur’s success and performance

H2: Openness to experiencehas a significant positive impact on the women entrepreneur’s success and performance

The results exhibited in Table 4revealed that the regulatory construct Openness to experiencehad significant influence on Women entrepreneur’s success and performance as the standardised direct effect of this construct on Women entrepreneur’s success and performance was 0.467, which is more than the recommended value of 0.4 (p value is significant). So the hypothesis H₂ is accepted and concludes Openness to experience has a significant positive impact on the women entrepreneur’s success and performance

H3: Agreeableness has a significant positive impact on the women entrepreneur’s success and performance

The results exhibited in Table 4 revealed that the regulatory construct Agreeableness has no significant influence on Women entrepreneur's success and performance as the standardised direct effect of this construct on Women entrepreneur's success and performance was 0.298, which is less than the recommended value of 0.4. So the hypothesis H₃ is rejected and concludes Agreeableness has no significant impact on the women entrepreneur's success and performance

H4: Neuroticism has a significant positive impact on the women entrepreneur's success and performance

The results exhibited in Table 4 revealed that the regulatory construct Neuroticism had significant influence on Women entrepreneur's success and performance as the standardised direct effect of this construct on Women entrepreneur's success and performance was 0.436, which is more than the recommended value of 0.4 (p value is significant). So the hypothesis H₃ is accepted and concludes that neuroticism has a significant positive impact on the women entrepreneur's success and performance

H5: Extroversion has a significant positive impact on the women entrepreneur's success and performance

The results exhibited in Table 4 revealed that the regulatory construct Extroversion had significant influence on Women entrepreneur's success and performance as the standardised direct effect of this construct on Women entrepreneur's success and performance was 0.888, which is more than the recommended value of 0.4 (p value is significant). So the hypothesis H₂ is accepted and concludes that extroversion has a significant positive impact on the women entrepreneur's success and performance

Findings:

The belief of cultural and religion, preference, and capabilities of entrepreneurship, environment, and technology, are some factors which have influenced the effectiveness and the performance of the women entrepreneurs in small scale industry.

50% of women employees have 20-25 years of experience. 39% of women entrepreneurs are pre degree holders. 92% of them are married. Openness to experience, neuroticism and extroversion has a significant positive impact on the women entrepreneur's success and performance. But conscientiousness and agreeableness has no significant positive impact on the women entrepreneur's success and performance.

Conclusion:

The importance of entrepreneurship in creating wealth in society and businesses has been emphasised by many scholars. Entrepreneurship represents a driving force for the creation of

new job opportunities, regional/national competitiveness and growth, having substantial economic and social benefits. Although a vast variety of factors play a significant role in the decision to become an entrepreneur, our main focus was directed towards the role of locus of control, need for achievement and entrepreneurial education on youth entrepreneurial intention. Entrepreneurial competencies are mediating influence entrepreneurial characteristics of business performance. Increasingly strong entrepreneurial characteristics will cause the higher competence of the owner, which will ultimately lead to higher business performance.

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