

A STUDY ON ENTREPRENEURIAL INTENTION AND PERSONALITY AMONG FEMALE ENTREPRENEURS IN KUALA NERUS, TERENGGANU, MALAYSIA

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Abstract: Even though many studies on the relationship between personality and intention to venture into business have been conducted, they produced mixed results regarding the relationship of both variables. Due to this issue, the present study was conducted to examine the relationship between personality and entrepreneurial intention among potential female entrepreneurs. Data was collected by using questionnaires distributed to 52 female entrepreneur candidates in Kuala Nerus who actively joined a series of entrepreneurial courses organized by the Terengganu State Government through purposive sampling. The data was analyzed using a simple linear regression model performed by Statistical Package for Social Science (SPSS-22). The result revealed that personality could only explain its effect on entrepreneurial intention among potential female entrepreneurs in Kuala Nerus by 6.3%, which shows that personality is not a major factor that determines one's entrepreneurial intention. Further, this study found that personality has a significant positive relationship with the entrepreneurial intention.

Keywords: Female Entrepreneurs, Personality Traits, Entrepreneurial Intention

Introduction

Studies have shown that various researchers have attributed different explanatory variables to entrepreneurial activities (Owoseni, 2014). In fact, studies also revealed that males are more prone to entrepreneurial involvement than females and there are also different factors that motivate males and females for becoming entrepreneurs (Demartino & Barbato, 2001).

Most males choose to be entrepreneurs for wealth creation and economic advancement but females become entrepreneurs to earn extra income for family or to balance work and family. Whatever the reasons, there is an increased national and international interests in the field of entrepreneurship among males and females due to its implication on individuals and economic benefits of a nation (Hisrich, 2005).

In Malaysia, the involvement of women in business is increasing. This should be seen as an opportunity for more women to come forth and explore business as a way of earning additional family income and more importantly

as a career choice. In fact, female entrepreneurs have contributed a lot to national economic development and it is believed that Malaysia can be transformed into a high income nation faster if more women get involved in business activities.

The Malaysian Government has been playing a very active role in promoting entrepreneurship spirit among its citizens. Its target is not only males but also females. Since more than a decade, the government has embarked on developing capacity building initiatives through various ministries and agencies to promote and nurture more women entrepreneurs in various kinds of busines. Starting 2008, campaigns were conducted aggressively in some states to increase awareness among low-income rural women especially in Kelantan and Terengganu; the two states in Peninsular Malaysia with the highest poverty rates and lowest human development.

In Terengganu, even though women are said to still face serious challenges in meeting their changing roles as wives, mothers, family

caregivers, workers and entrepreneurs, there are trends indicating that progress is being made in the social and economic status of women (Debroux, 2010). Yayasan Pembangunan Usahawan (YPU) has been actively promoting and conducting training for females especially to set up new ventures or sustain their businesses. Setting up businesses and sustaining their operation is not an easy task. Thus, those who voluntarily venture into and survive in business must have possessed certain characteristics of personality. Realizing that, it seems important to investigate how far personality influences one's entrepreneurial intention.

Many studies have been conducted on the relationship between personality and entrepreneurial intentions. However, this paper aims to examine the role of personality in the entrepreneurial intention among female entrepreneurs in Kuala Nerus, a small district in Terengganu, Malaysia, that offers a great potential of sea-product-based businesses. The Terengganu State Government recently has given prior attention to promote and nurture entrepreneurial activities in this village. The results are hoped to enrich the existing literature in Malaysia, particularly, since it examines and focuses on the influence of personality on entrepreneurial intention among female entrepreneurs.

Literature Review

Entrepreneurial intention

Intention is a representation of a future course of action to be performed (Bandura, 2001). It is not simply an individual is expected action in the future but it is what one already puts commitment to bring it about to a reality. In the literature, quite a number of scholars agreed that intention could be the best predictor of individual behavior and action.

Entrepreneurial intention is a commitment of an individual to start a business (Krueger, 1993). However, scholars have a limited

understanding of the factors that contribute to entrepreneurial intention and how the factors influence individuals to make intention into existence (Markman *et al.*, 2002). Scholars also have grouped factors that are responsible for the formation of entrepreneurial intention into two macro categories: the individual and contextual domains. The factors that fall under the first domain include demographics, individual skills and knowledge, personal traits, individual network, social ties and psychological characteristics. While factors that fall under the second category include environmental support, environmental influence as well as organizational factors (Fini *et al.*, 2009).

Personality and Entrepreneurial Intention

Study on personality, entrepreneurship and individual intention to become an entrepreneur has been quite a popular topic of interest among academia and business public. There is little consensus about the importance of personality as a predictor of entrepreneurial success (Barrick & Mount, 2005; Baron *et al.*, 2007). However, some researchers did highlight significant association between personality and entrepreneurship (Brandstatter, 2011) and also between personality and entrepreneurial intention (Owoseni, 2014; Zhao *et al.*, 2010; Hu, 2008; Yosuf *et al.*, 2007; Zhao & Seibert, 2006).

Iregun and Arikboga (2015) carried out a study to identify the link between personality and the intention towards social entrepreneurship among students of Business Administration. About 197 respondents were involved in the study; 82 females and 115 males. The result revealed that personality has a significant relationship on the social entrepreneurship intentions among students of Business Administration in Istanbul.

Peng *et al.* (2012) conducted a research to analyze the factors that can influence students' entrepreneurial intention level. At the same time, the study also aimed to observe other factors like individual factor, family background and environmental factor. A total

of 2,010 students were involved in the study; 1241 males and 769 females. The result showed that the subjective norm has a significant relationship on entrepreneurial attitude and self-efficacy and it also directly and significantly influences their entrepreneurial intention. The result also indicated that individual factors have a significant influence on entrepreneurial intention among university students in Xi'an, China. Based on the literature research, thus the hypothesis for this study was developed as below:

Ho: There is no significant relationship between personality and entrepreneurial intentions among female entrepreneur candidates in Kuala Nerus.

Ha: There is a significant relationship between personality and entrepreneurial intentions among female entrepreneur candidates in Kuala Nerus.

Method

The study is a quantitative research where questionnaires were used as a means to gather information. Questionnaires were distributed to females who registered and participated in a series of entrepreneurial courses designed for those who intended to open up a business provided by the Terengganu state government. The purposive sampling was used in this study since the aim of this study is to examine the influence of personality on entrepreneurial intention among potential female entrepreneurs in Kuala Nerus. The main reason why Kuala Nerus was chosen for the study is because it is the place where the state government is focusing to promote and inculcate entrepreneurial spirit among the residents who have potential to market abundant of their sea-based products.

The second reason is because in Kuala Nerus, especially in a village called Seberang Takir, the majority of the residents are under category B40 whose household monthly income is less than RM2,500.00 (Yeong, 2015). Besides, the majority of the family heads are fishermen or are involved in fishery activities.

The survey questions were divided into three sections: Section A required the respondents to supply their demographic information, Section B requested the respondents to answer questions on personality (by Goldberg, 1992) and section C requested the respondents to answer questions on entrepreneurial intention (by Linen, 2005 & Kolveried, 2006).

There were 52 potential female who entrepreneurs participated in this study. However, only 45 responses were usable after the data screening process. The demographic data were presented using frequency and percentage and simple linear regression analysis was used to test the hypothesis that was proposed.

Results and Discussion

Respondents' Demographic Profile

Table 1 displays that majority of respondents were 40 years old and above and from the table it can be concluded that many of the respondents in this study intended to be involved in business when they reach 30 years and above. It can be assumed that at the age of 20s, they might not be interested yet in becoming entrepreneurs. All respondents in this study are Malays. In terms of marital status, the majority of them (82.2%) were married. In terms of education level, the majority of the respondents had completed their secondary school with SPM.

Table 1: Respondents' Profile

Item	Category	Frequency	Percentage
Age	13-19	2	4.4
	20-29	7	15.6
	30-39	10	22.2
	40 and above	26	57.8
Race	Malay	45	100.0
Marital Status Education Level	Single	8	17.8
	Married	37	82.2
	Primary School	1	2.22
	PMR	5	11.1
	SPM	34	75.50
	Certificate	3	6.70
	Diploma	2	4.45

Since the number of respondents is quite small, thus measure of sampling adequacy (Table 2) was examined to determine whether the data could undergo factor analysis. It was found that

even though the sample is small, the KMO value is more than 0.60. Thus, it can be concluded that the sample in this study is adequate to go for further analysis.

Table 2: Measure of Sampling Adequacy

Kaiser-Meyer-Olkin	Bartlett's Test of Sphericity		
	Approx. Chi-Square	Df	Sig.
0.728	76.291	21	0.000

Table 3 shows that each of the items used in this study has fulfilled the sample requirement. All

anti-image values were found to be more than 0.60.

Table 3: Anti-image Matrices

		P_1	P_2	P_3	IT_3	IT_1	IT_2	P_4
Anti-image Covariance	P_1	.516	-.278	-.147	-.015	-.058	-.136	.023
	P_2	-.278	.568	.006	-.062	.017	-.007	-.130
	P_3	-.147	.006	.738	.104	.068	-.088	-.256
	IT_3	-.015	-.062	.104	.590	-.256	-.185	-.089
	IT_1	-.058	.017	.068	-.256	.660	-.066	-.114
	IT_2	-.136	-.007	-.088	-.185	-.066	.691	.025
	P_4	.023	-.130	-.256	-.089	-.114	.025	.706
Anti-image Correlation	P_1	.716*	-.514	-.238	-.028	-.100	-.228	.038
	P_2	-.514	.728*	.009	-.107	.027	-.010	-.205
	P_3	-.238	.009	.629*	.158	.097	-.123	-.355
	IT_3	-.028	-.107	.158	.717*	-.410	-.289	-.137
	IT_1	-.100	.027	.097	-.410	.742*	-.098	-.167
	IT_2	-.228	-.010	-.123	-.289	-.098	.811*	.036
	P_4	.038	-.205	-.355	-.137	-.167	.036	.735*

a. Measures of Sampling Adequacy(MSA)

Table 4 below exhibits the results of reliability test for the variables used in this study. The Cronbach's Alpha for both personality and entrepreneurial intention is more than 0.60. This

means that the items used in this study have measured what they are supposed to measure and have fulfilled the reliability requirement.

Table 4: The Result of Scale Reliability Testing

Variable	Cronbach's Alpha	Cronbach's Alpha based on Standardized Items
Personality	0.656	0.714
Intention	0.699	0.707

Table 5 indicates the level of personality and entrepreneurial intention among female entrepreneurs in Kuala Nerus. It was found that the mean for both variables can be categorized as high. This revealed that female participants

in this study possess the desired personality and demonstrate high entrepreneurial intention. To be specific, conscientiousness (P2) produced the highest mean, followed by openness (P1), agreeableness (P4) and extroversion (P4).

Table 5: The level of Personality and Intention to Venture into Business

Variable	Mean	Std. Deviation
Personality	4.278	0.539
Intention	4.281	0.471

Table 6 displays the results of simple linear regression analysis to test the hypothesis proposed. The results show that personality could only explain its effect on entrepreneurial intention in this study by 6.3%. This means that 93.7% of entrepreneurial intentions among the female participants in this study are more likely to be explained by other factors. This finding

seems to support Gartner (1989) who stated that personal traits have a little explanatory power to predict entrepreneurship. The finding of this study is consistent with the previous studies that found a significant relationship between personality and entrepreneurial intention (Owoseni, 2014; Zhao *et al.*, 2010; Hu, 2008; Yosuf *et al.*, 2007; Zhao & Seibert, 2006).

Table 6: The Result of Hypothesis Testing

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	3.339	0.556		6.003	0
	Personaliti	0.220	0.129	0.252	1.707	0.095
1	R2 =	0.063		F-Stats =	2.915	
	Adj. R2 =	0.042		Sig =	0.095	

a. Dependent Variable: Entrepreneurial Intention

Referring to the above table, this study found that the value of F statistics is 2.915 and significant at the level 10%. The results show that personality has significant positive relationship with the entrepreneurial intention (using $\alpha = 0.10$ and CI = 90%). Therefore, H₀ is rejected and H_a is accepted. The model also demonstrated that, by assuming personality increases 1% then the entrepreneurial intention will increase as much as 22%. The size of estimation value can be categorized as small (Cohen, 1992).

Conclusion

Based on the findings, in general, it can be concluded that personality can influence one's entrepreneurial intention, as revealed by many past studies. However, the results of this study cannot be generalised due to the small sample size and the use of only female participants at Kuala Nerus in Terengganu, Malaysia. This study found that personality traits significantly affect the likelihood of a person to involve in business. Past studies suggested that personality trait are relatively stable and is something that is not very easy to change (Stock *et al.*, 2016; Roberts & DelVecchio, 2000). Hence, a person with a certain favorable traits and personality would be more likely to be involved with business compared to a person with a certain unfavorable personality traits. Favorable personality traits potentially guide on individual's ability to work with one another to make life-affirming decisions and create the foundation for greater sustainable business actions.

For practical implications, policy makers or entrepreneur associations that are involved with entrepreneurs such as *Yayasan Pembangunan Usahawan* (Entrepreneur Development Foundation) could try the following recommendations; (1) Conduct personality test for entrepreneurs in order to identify their personality traits. This test enables policy makers and entrepreneur bodies to have a better understanding of personality traits of respective entrepreneurs and hence can provide trainings and activities that can enhance their

entrepreneurial skills. Trainings and activities can be tailored to suit the need of entrepreneurs involved with those trainings and or programs. (2) Organize a collaborative effort of business activities/programs rather than individual activities/programs. Collaborative business projects enable entrepreneurs to learn and share experiences and knowledge from one another. Working in collaboration with other members in business projects would also enable partners to leverage on strengths and compensate for weaknesses.

In short, collaborative projects make it possible for entrepreneurs to complement each other personality traits. For instance, in a collaborative business project, there will commonly be an entrepreneur that falls in an extroversion category while others in other categories. Entrepreneurs that are in the extroversion category are normally talkative and energetic. On the contrary, there will be others that fall in other categories who might be less talkative and less energetic. However, besides personality traits, there are other important factors that can predict entrepreneurial intention, which are worth to be studied in the future. Future studies can examine the influence of factors such as motivation, demographics and government support on entrepreneurial intention.

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