

Exploring Personality Traits That Influence Entrepreneurial Intention

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Abstract

In the verge of development, India is stated giving vivid importance to Entrepreneurship. Special attention is been given through entrepreneurship development departments to motivate the postgraduate students. Even though, the proportion of students taking entrepreneurship is not satisfactory. The primary aim of this research is to examine how personality traits impact the entrepreneurial intentions of postgraduate students., so that the students with specific traits can be directed towards starting their own business. Statistical population of the data was Master of Business Administration students of selected Anna University affiliated colleges. Totally 482 primary data were collected based cluster sampling method. The instrument consists of 44 questions related to personality and 5 questions related to entrepreneurial intention. The Structural Equation Model reveals the significant influence of Conscientiousness, Extraversion and Agreeableness traits on entrepreneurial intention.

Keywords: personality, entrepreneurial, intention, big-five

1. Introduction

The significance of entrepreneurship in economic development is notable, specifically in addressing the demand for increased employment opportunities to accommodate the growing pool of employable human resources. (Kumar & Raj, 2019). Through the Programme Startup India-2016 Government has taken initiatives to nurture and facilitate startups. Nevertheless, merely 11 percent of the Indian population engages in early entrepreneurial pursuits and only 5 per cent has established entrepreneurship (EDI, 2018), this percentage ranks as one of the lowest globally. Hence, there is something more than motivation and facilitation is required to trigger the entrepreneurial thought in one's mind. The arousal of intention is not alone from Government support, available financial facilities and resources but it is also from individual traits (Javan, 2013). As outlined by Mohamadi et al. in 2011, Douglas Lobar's research highlighted the significance of personality factors alongside internal and external elements in entrepreneurship. The study also emphasized two crucial types of traits for entrepreneurship: the first being skilled structure, involving knowledge expertise in the relevant field, and the second being personality structure, encompassing qualities like self-confidence, risk-taking, and emotional control.

The initiation of an individual's entrepreneurial path commences when they make the decision to launch a new venture (Al-Bati &Diala Neebal,2022). To increase the prevalence of startups, it is crucial to comprehend the factors that impact the decision to embark on this entrepreneurial journey. In this regard Lee and Wong (2004) identified reasons such as habits, desires, needs, and beliefs as crucial factors in entrepreneurship journey. Similarly, Ajzen (1991), in his theory of planned behavior, highlighted influential factors as "antecedents," encompassing personal attitude, perceived social norms, and perceived behavioral control, all recognized as pivotal elements in entrepreneurship.

Big Five personality model is used to gain a comprehensive understanding of how personality traits affect entrepreneurial intentions, and the five dimensions mentioned in Big Five model were, openness, conscientiousness, extraversion, agreeableness, and neuroticism (ZhiLi, FangmeiLu & GangHe, 2024, Jones & Kingsley, 2021).The dimension of openness gauges an individual's fascination with uniqueness, with highly open individuals characterized by creativity, sensitivity, and curiosity. On the opposite end of the openness spectrum, individuals tend to be more conventional

and find comfort in familiar environments (Robbins & Judge, 2008). As for the trait of conscientiousness, it assesses a person's reliability, with highly conscientious individuals being organized, responsible, and determined. Whereas, a person with low score of conscientiousness would be unreliable, unorganised and easily distracted (Rothman & Contzer, 2003). The extraversion trait refers a person's level of comfort in relationship with others. Individuals of this nature are often characterized as assertive and sociable, displaying a willingness to engage with others without hesitation (Clark & Watson, 1991), agreeableness, are denoting an individual's propensity to align with others. Those with high agreeableness scores tend to be cooperative and easy-going, while those with low scores exhibit rigidity and disagreeableness (Robbins & Judge, 2008). Regarding neuroticism, Robbins and Judge (2008) describe it as the capacity to endure stress. Individuals with favourable neuroticism scores typically exhibit calmness, serenity, self-confidence, and security. Conversely, those with unfavourable scores are prone to feeling uneasy, insecure, dispirited, and anxious.

This paper seeks to explore how these dimensions impact the entrepreneurial intentions of postgraduate students.

2. Review of Literature

Personality traits are crucial in shaping entrepreneurial intention, as numerous studies have demonstrated. For instance, Hu et al. (2018) highlighted the significance of creativity and a proactive personality in identifying opportunities and fostering new enterprises. Similarly, Zhao et al. (2009) conducted a meta-analytic review that comprehensively assessed the effects of traits like agreeableness, extraversion, and introversion on entrepreneurial intentions and venture performance. Cai et al. (2020) further showed that a proactive personality positively moderates the relationship between entrepreneurial intention and behavior, underscoring the essential role of personality traits in entrepreneurial endeavours. Research by Şahin et al. (2019) and Bazkiaei et al. (2020) focused on the Big Five personality traits, identifying self-efficacy as a key factor in determining entrepreneurial intention. Additional studies by Panda (2023), Ji-Ping et al. (2022), and Murugesan & Jayavelu (2017) highlighted the importance of individual-level factors in shaping entrepreneurial aspirations. Ahmed & Ashfaq (2010) also emphasized the specific influence of locus of control and self-efficacy on entrepreneurial intentions. Moreover, Jing et al. (2022) and Otchengco Jr. & Akiate (2021) illustrated how traits such as extraversion, openness to experience, and a proactive personality mediate the influence of various factors on entrepreneurial intentions among students. Personality traits not only directly impact entrepreneurial intentions but also mediate the effects of other variables on these intentions. Besides personality traits, factors such as being hardworking, risk-taking, self-confident, tolerant of ambiguity, creative, and flexible (Javan, 2014; Li-Na Li, 2022), along with positive attitude (Ahu, 2016), also significantly affect the entrepreneurial intentions of college students.

In conclusion, extensive research underscores the importance of traits like creativity, proactive personality, agreeableness, extraversion, and conscientiousness in shaping entrepreneurial aspirations. Understanding the interplay of different personality traits with entrepreneurial intentions can provide valuable insights for fostering an entrepreneurial mindset and behavior.

3. Research Methodology

3.1. Research Goal

The aim of this research is to investigate how the Big Five personality traits—openness, conscientiousness, extraversion, agreeableness, and neuroticism—impact entrepreneurial intention.

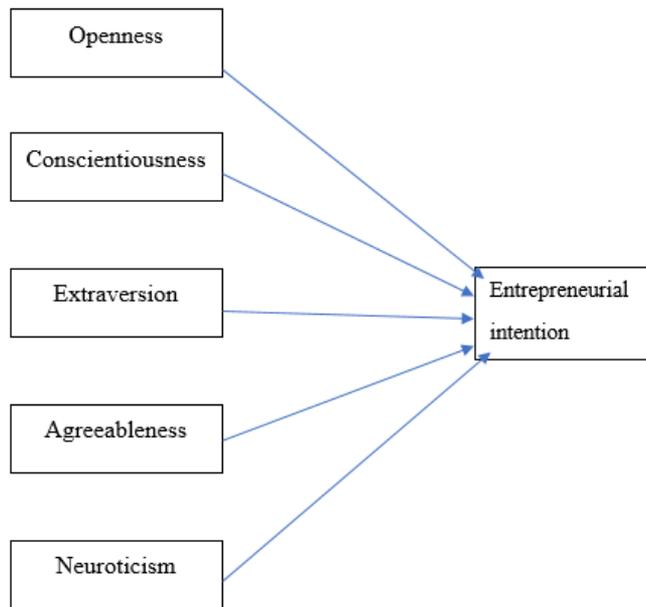
3.2. Sample and Data Collection

The study was conducted among the students perusing master of business administration in selected Anna University affiliated colleges. 600 questionnaires were sent to valid e mail address of MBA students of selected Coimbatore cluster Anna University Affiliated colleges. whereas, 482 responses were received by researcher and that has been considered for further analysis.

3.3. Research Instrument

The questionnaire on Big Five personality traits John, O. P., & Srivastava, S. (1999) consisting 44 questions to measure personality traits and Five question items had been borrowed from the scale by Linan and Chen (2009) to measure the entrepreneurial intention.

3.4. Research Model



3.5. Hypotheses

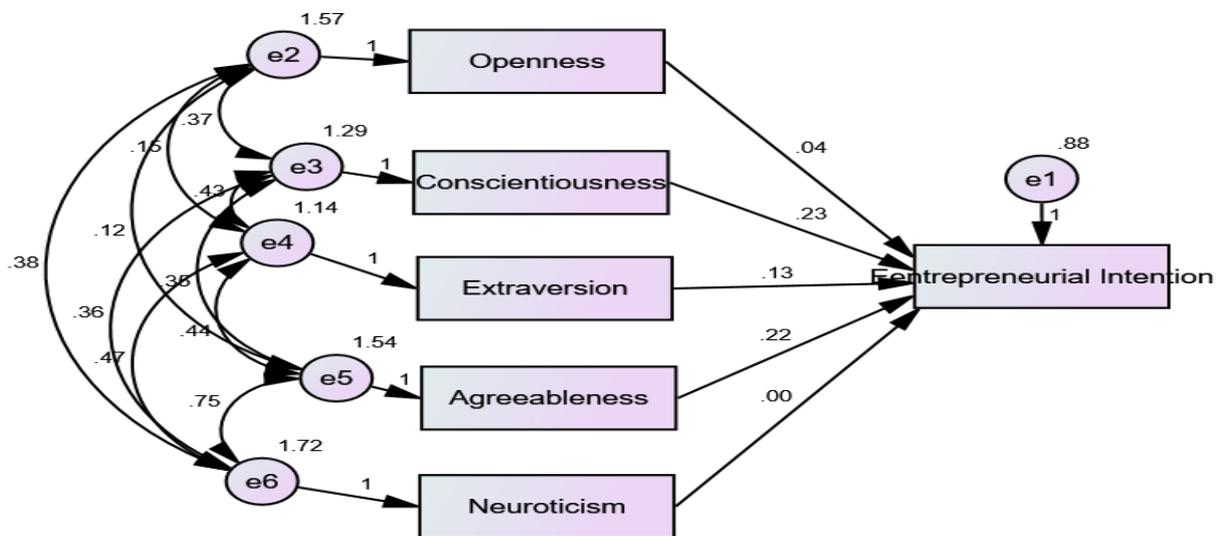
- H0₁: Openness has no influence on entrepreneurial intention
- H0₂: Conscientiousness has no impact on entrepreneurial intention
- H0₃: Extraversion has no influence on entrepreneurial intention
- H0₄: Agreeableness does not affect entrepreneurial intention
- H0₅: Neuroticism has no impact on entrepreneurial intention

3.6. Instrument

To measure the personality trait, the Big-Five trait taxonomy consisting 44 questions was used (John & Srivastava, 1999). Entrepreneurial Intentions Questionnaire having 12 questions developed by Linan and Chen (2009) was used to analyse the entrepreneurial intent of post graduate students.

4. Analysis and Interpretation

Structural Equation Model (SEM)



Variables in the Structural Equation Model Analysis

The variables used in the structural equation model are

I. Observed, endogenous variables

1. Entrepreneurial Intention
2. Openness
3. Conscientiousness
4. Extraversion
5. Agreeableness
6. Neuroticism

II. Unobserved, exogenous variables

1. e1: Error term for Entrepreneurial Intention
2. e2: Error term for Openness
3. e3: Error term for Conscientiousness
4. e4: Error term for Extraversion
5. e5: Error term for Agreeableness
6. e6: Error term for Neuroticism

Hence number of variables in the SEM is

Number of variables in model	:	12
Number of observed variables	:	6
Number of unobserved variables	:	6
Number of exogenous variables	:	6
Number of endogenous variables	:	6

Regression Weights: - Default model

Variables		S.E of B	Unstandardized co-efficient	t value	P value
Entrepreneurial Intention	<--- Openness	.037	.039	1.038	.299
Entrepreneurial Intention	<--- Conscientiousness	.042	.232	5.514	***
Entrepreneurial Intention	<--- Extraversion	.043	.129	2.992	.003
Entrepreneurial Intention	<--- Agreeableness	.042	.222	5.250	***
Entrepreneurial Intention	<--- Neuroticism	.040	.003	.068	.945

From the above table, Unstandardized coefficient of openness on Entrepreneurial Intention is 0.037 represents the partial effect of openness on Entrepreneurial Intention, holding the other path variables as constant. The estimated positive sign implies that such effect is positive that Entrepreneurial Intention would increase by 0.037 for every unit increase in openness and this coefficient value. Since the p value is greater than 0.05, the relationship is statistically insignificant.

The unstandardized coefficient of Conscientiousness on Entrepreneurial Intention is 0.232, indicating the partial effect of Conscientiousness on Entrepreneurial Intention while keeping other path variables constant. The positive sign suggests that for every unit increase in Conscientiousness, Entrepreneurial Intention by 0.232. This coefficient is significant at the 1% level.

Unstandardized coefficient of Extraversion on Entrepreneurial Intention is 0.129 represents the partial effect of Perception on Satisfaction, holding the other path variables as constant. The estimated positive sign implies that such effect is positive that Entrepreneurial Intention would increase by 12.9% for every unit increase in Extraversion. Since the p value .003 is less than 0.05, the association is significant at 5% level of significance.

The unstandardized coefficient of Agreeableness on Entrepreneurial Intention is 0.222, indicating the partial effect of Agreeableness on Entrepreneurial Intention while keeping other path variables constant. The positive sign recommends that for every unit increase in Agreeableness, leads to increase in Entrepreneurial Intention by 22.2%. the relationship between Agreeableness on Entrepreneurial Intention is significant at the 1% level.

The unstandardized coefficient of Neuroticism on Entrepreneurial Intention is 0.003 indicating the partial effect of Agreeableness on Entrepreneurial Intention while holding other path variables constant. The positive sign suggests that for every unit increase in Neuroticism, 3% increase in Entrepreneurial Intention is identified. The p value of .945, which is greater than 0.01 indicates the insignificance of relationship.

Based on the Standardized coefficient values, Agreeableness and Conscientious are the most influencing big five personality traits (26% and 25% respectively) on entrepreneurial intention of post graduate students and Neuroticism (3%) is found to be the least influencing factor.

For the purpose of testing the model fit, null hypothesis and alternative hypothesis are framed

HYPOTHESIS

Null hypothesis : The hypothesized model has a good fit.

Alternate hypothesis : The hypothesized model does not have a good fit.

Model fit summary of Structural Equation Model

Indices	Value	Suggested value
Chi-square value	6.157	-
DF	2	-
P value	0.066	> 0.05 (Hair et al., 1998)
Chi-square value/DF	3.157	< 5.00 (Hair et al., 1998)
GFI	0.995	> 0.90 (Hu and Bentler, 1999)
AGFI	0.949	> 0.90 (Hair et al. 2006)
NFI	0.984	> 0.90 (Hu and Bentler, 1999)
CFI	0.989	> 0.90 (Daire et al., 2008)
RMR	0.052	< 0.08 (Hair et al. 2006)
RMSEA	0.071	< 0.08 (Hair et al. 2006)

The table shows that the calculated P-value is 0.066, which is greater than 0.05, indicating a perfect fit. The Goodness of Fit Index (GFI) value is 0.995, and the Adjusted Goodness of Fit Index (AGFI) value is 0.949, both exceeding 0.9, which represents a good fit. Additionally, the Normed Fit Index (NFI) value is 0.984, and the Comparative Fit Index (CFI) value is 0.989, further indicating a perfect fit. The Root Mean Square Residuals (RMR) and Root Mean Square Error of Approximation (RMSEA) value is 0.071, which is less than 0.08, signifying a perfect fit.

5. Findings and Conclusion

The present study aims to investigate the relationship between the five-factor model of personality traits (openness, conscientiousness, extraversion, agreeableness, and neuroticism) and entrepreneurial intention. Prior research has suggested that personality characteristics play a significant role

in an individual's decision to become an entrepreneur (Mujahid et al., 2019). Some researchers argue that personality is a crucial factor in differentiating successful entrepreneurs from others (Sirec & Mocnik, 2012), while others contend that personality may not be as important (Kerr et al., 2018). The results indicate that three of the five personality traits, namely Conscientiousness trait having the quality of diligent, efficient, and responsible, often setting and pursuing long-term goals with persistence, Extraversion persons characterized by qualities such as sociability, assertiveness, enthusiasm, and a high level of energy, and Agreeableness emphasis on empathy, cooperation, and ethical behaviour are having a significant influence on entrepreneurial intention. Specifically, Conscientiousness and Agreeableness have a positive and significant impact on entrepreneurial intention, with Conscientiousness exhibiting the strongest relationship (Mujahid et al., 2020). Contrary to expectations, Neuroticism characterized by emotional instability, anxiety, moodiness, and a tendency to experience negative emotions such as fear, sadness, and anger and Openness associated with openness, such as creativity, curiosity, and tolerance for ambiguity, can theoretically support entrepreneurial activities, they do not appear to be strong predictors of whether individuals intend to pursue entrepreneurship.

From these we can conclude that, personality trait such as Conscientiousness, Extraversion and Agreeableness are influencing entrepreneurial intention. Whereas openness and Neuroticism found to have no influence on the entrepreneurial intention.

6. Social Implication

Government is taking so much initiatives to promote the entrepreneurship among the student's community. Even still the result is not so good as expected. Already studies have proven that, the external support is not alone enough to instigate the entrepreneurial intention among people and something more which is coming from the internal self is required (Ajzen, 2002). Our study is also supported that, respondents with some specific traits has more driven towards entrepreneurship than others. Hence it is recommended that, aspirants with Conscientiousness, Extraversion and Agreeableness traits have to be given more attention as they already have intention to become entrepreneur in their traits.

7. Scope for Further Research

1. Explore the influence of personality characteristics on the success of entrepreneurs. That will explain the level of association of each trait on the success proportion of entrepreneurs.
2. Analyse, how the personality type influences the choice of business of an individual.
3. Examine how cultural factors may interact with individual characteristics to shape entrepreneurial aspirations, considering the impact of cultural dimensions on entrepreneurial mindset.
4. Analyze the role of external factors, such as economic conditions, industry trends, and regional support systems, in shaping the entrepreneurial intentions.
5. Examine the influence of social networks on the entrepreneurial intentions of graduate students, exploring how interpersonal relationships, mentorship, and peer support contribute to or hinder entrepreneurial aspirations.

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