Impact of Personality on Entrepreneurial Intentions: A proposed framework

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Abstract: Personality has been found to be a primary antecedent in anticipating entrepreneurial intentions of an individual. Although many proposed personality traits exist which cover an individual from a general perspective, the study proposes the use of specific entrepreneurial personality traits. The entrepreneurial personality traits have been studied individually in previous studies, are promising to provide a holistic answer to the question of entrepreneurial personality and its relationship to entrepreneurial intentions.

Keywords: Entrepreneurial intentions, Personality, Proactivity, Creativity, Opportunism, Vision.

1.0 Introduction

Entrepreneurship is considered as one of the most important tools for economic development (Sautet, 2013). Entrepreneurial intentions are needed for developing entrepreneurship (Bae, Qian, Miao, & Fiet, 2014). Entrepreneurship trend can be strengthened if educational institutions succeed in developing entrepreneurial intention among the students (Qureshi & Mian, 2012; Kelley, Singer, & Herrington, 2011; Cornell University; INSEAD; WIPO, 2015; World Bank, 2016). Entrepreneurial activity which is the need of time for the developing countries arises from entrepreneurial intentions (Nieuwenhuizen & Swanepoel, 2015; Karimi, et al., 2015).

For the existence of entrepreneurial intentions, personality of the individual entrepreneur has been considered crucial (Anabela, Armindia, João, Mário, & Ricardo, 2013). Although many personality traits have been studied, characteristics such as proactivity, creativity, opportunism, and vision are consistently recognised as important for generating entrepreneurial intentions (Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2015).

Studies on entrepreneurial intentions have resulted in a thorough literature to be developed in the area. Attempts have been made to analyse the antecedents of entrepreneurial intentions using both quantitative (Aslam, Awan, & Khan, 2012; Mustapha & Selvaraju, 2015) and qualitative approaches (Guerrero, Urbano, Cunningham, & Organ, 2014; Ghina, Simatupang, & Gustomo, 2014). The steady growth of focus, attention and literature is encapsulated in the categorisation of available literature on entrepreneurial intentions by Liñán and Fayolle (2015).

It has often been highlighted in different studies that entrepreneurial intention is a derivative of a specific mind set, originating from personality traits of an individual (Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014; Espíritu-Olmos & Sastre-Castillo, 2015; Wang, Chang, Yao, & Liang, 2015). Personality traits are suggested to be more reliable influence on the decisions to become an entrepreneur (Wang, Chang, Yao, & Liang, 2015). The field of psychology can be helpful in understanding the elements required for new venture creation leading to entrepreneurial intentions (Altinay, Madanoglu, Daniele, & Lashley, 2012).

Personality traits have been highlighted to have an impact in development of entrepreneurial intentions (Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014; Jakopec, Krečar, & Susanj, 2013; Sušanj, Jakopec, & Krečar, 2015). Studies have also attempted to evaluate the personality traits on a broader level and the latest field in the same domain is Measure of Entrepreneurial Tendencies and Abilities (META) which has a significant impact on entrepreneurial intentions (Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2015; Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014). The structure of META measure implies that the dimension of personality can be represented at four broad levels of abstraction (Giacomin, Janssen, & Shinmar, 2015). Any attempt to include additional traits has highlighted that only the four are consistently replicable (Caliendo, Fossen, & Kritikos, 2014). These four measures of META are; entrepreneurial creativity, entrepreneurial pro-activeness, entrepreneurial opportunism and entrepreneurial vision (Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2015). Each of these traits further includes a vast number of identifiable characteristics.
2.0 Literature Review

2.1 Entrepreneurial Intentions

The literature in the field of entrepreneurial intentions (EI) has quickly grown over the years (Shapero & Sokol, 1982; Licht & Siegel, 2006). Researchers are constantly contributing to the area of entrepreneurial intentions, adding to the body of knowledge (Ahmed, et al., 2010; Altinay, Madanoglu, Daniele, & Lashley, 2012; Anabela, Arminda, João, Mário, & Ricardo, 2013; Ashourizadeh, Chavoushi, & Schött, 2014; Bae, Qian, Miaoyi, & Fiet, 2014).

The increasing interest in the area of entrepreneurial intentions is diversifying the research approach. The persistence of the trait approach in research on entrepreneurial intentions gave valuable insight into the mind of an entrepreneur (Kobia & Sikalieh, 2010). The literature available on personality and psychology factors highlights the innate complexities in personality and cognition, with a wide range of variables influencing the way individuals see, interpret and respond to reality (Bird, 1988; Envick & Langford, 2000; Ciavarella, Buchholz, Riordan, & Gatewood, 2004; Wang, Chang, Yao, & Liang, 2015; Espiritu-Olmos & Sastre-Castillo, 2015).

The field of entrepreneurial intentions has become so vast in its own that subdivisions can be identified originating within the field. Liñán and FAYolle (2015) attempted to identify the individual themes in the field of entrepreneurial intentions in order to highlight the importance attracted by each theme and to identify the new fields of study and existing gaps within entrepreneurial intentions. In this attempt, a meta-analysis highlighted five distinguishing themes within the field of entrepreneurial intentions highlighting the interest of researchers in the theme of personal-level variables (Liñán & FAYolle, 2015, Israr & Hashim, 2015). Among the identified themes, the literature available on personal level variables includes studying the effect of personality traits, psychological variables, demographics or prior experience on entrepreneurial intentions, confirming to the diversity of entrepreneurial intentions as a field of research (Aslam, Awan, & Khan, 2012; Saeed, et al., 2013; Miralles, Giones, & Riverola, 2015).

Studying psychology can assist in a better understanding of an individual’s intentions to become an entrepreneur (Zhao, Seibert, & Lumpkin, 2010; Brandsstätter, 2011; Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014). A similar approach can further lead to a better understanding of entrepreneurial intentions. Due to this reason entrepreneurial intentions have been of considerable research interest in the field of entrepreneurship (Karimi, et al., 2015; Espiritu-Olmos & Sastre-Castillo, 2015). The extant psychology literature indicated that intention was the foremost predictor of behaviour (Ashourizadeh, Chavoushi, & Schött, 2014), particularly when behaviour is difficult to observe, associated with unpredictable time lag and rare (Carland & Carland, 1997). Entrepreneurship is one such planned behaviour; therefore, entrepreneurial intention is an essential process in entrepreneurship as it is first in a sequence of actions toward enterprise formation (Kautonen, Gelderen, & Fink, 2015).

Overview of the available literature and the available meta-analyses suggests the high inclination of researchers to the influence of personal-level variables on entrepreneurial intentions (Liñán & Fayolle, 2015, Israr & Hashim, 2015). In line with the previous researches, it has been observed that META is a strong measure for entrepreneurial intentions (Almeida, Ahmetoglu, & Chamorro-Premuzic, 2014; Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2015) but when individual components are observed there are certain inconsistencies which give a solid reason to explore META with moderating effects.

2.1.1 Entrepreneurial Proactivity

Entrepreneurial proactivity is the potential of an individual of action orientation and the ability to complete a task. Proactivity indicates a high level of energy, goal orientation and competitive nature of an individual (Almeida, Ahmetoglu, & Chamorro-Premuzic, 2014; Leutner, Ahmetoglu, Harding, Akhtar, & Chamorro-Premuzic, 2014). Proactive individuals are confident and willing to take risks, persist in the face of adversity and are not deterred due to uncertainty or fear of failure.

These characteristics have been highlighted as the key characteristics of an entrepreneur, indicating that individuals who are proactive display a higher level of entrepreneurial intentions (Fini, Grimaldi, Marzocchi, & Sobrero, 2012; Jaskiewicz, Hunter, & Luchak, 2015). The importance of this relationship was suggested and studied in the start of the field of entrepreneurial intentions (Crant, 1996). The following empirical studies have stressed upon the importance of proactivity. Recent studies have also resulted in a positive and significant impact of entrepreneurial proactivity on entrepreneurial intentions (Yan, 2010; Prabhu, McGuire, Drost, & Kwong, 2012; Mustafa, Hernandez, Mahon, & Chee, 2016).
Hence, in line with the above discussion, the study proposes to evaluate the impact of entrepreneurial proactivity on entrepreneurial intentions.

Proposition 1: Entrepreneurial proactivity significantly affects entrepreneurial intentions among students of higher education institution.

2.1.2 Entrepreneurial Creativity

Entrepreneurial creativity is the potential of an individual for generating creative ideas. Creativity deals with an individual’s capacity to look at matters in an innovative way and finding unique solutions to problems (Almeida, Ahmetoglu, & Chamorro-Premuzic, 2014; Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014). Creative individuals are divergent thinkers with a capability of producing imaginative, original and inspiring ideas (Kibler, 2013).

The impact of entrepreneurial creativity in explaining entrepreneurial intentions has been argued (Sahut & Peris-Ortiz, 2013; Ashourizadeh, Chavoushi, & Schött, 2014). Studies have focused on the impact of creativity on entrepreneurial intentions and have found a positive relationship (Zampetakis & Moustakis, 2006; Hamidi, Wennberg, & Berglund, 2008). Empirical studies conducted recently have also supported the earlier findings (Horniga, Hancock, & Valls-Pasola, 2013; Smith, Sardeshmukh, & Combs, 2016).

Hence, in line with the above discussion, the study proposes to evaluate the impact of entrepreneurial creativity on entrepreneurial intentions.

Proposition 2: Entrepreneurial creativity significantly affects entrepreneurial intentions among students of higher education institution.

2.1.3 Entrepreneurial Opportunism

Entrepreneurial opportunism is the degree of alertness to new possibilities. Specifically, opportunism signifies the ability to see an opportunity within a crisis (Almeida, Ahmetoglu, & Chamorro-Premuzic, 2014; Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014). Opportunistic individuals tend to be on the lookout for new openings and do not like missing out on opportunities.

Opportunism has been considered a key factor of entrepreneurship. Studies have highlighted a significant and positive relationship between entrepreneurial opportunism and entrepreneurial intentions (Brännback & Carsrud, 2009; Valliere, 2013; Wen-Long, Liu, & Chiang, 2014; Khefacha & Belkacem, 2015). The recent empirical study claimed entrepreneurial opportunism as being a major determining factor of entrepreneurial intentions (Karimi, Biemans, Lans, Chizari, & Mulder, 2016; Karimi, et al., 2015).

Hence, in line with the above discussion, the study proposes to evaluate the impact of entrepreneurial opportunism on entrepreneurial intentions.

Proposition 3: Entrepreneurial opportunism significantly affects entrepreneurial intentions among students of higher education institution.

2.3.4 Entrepreneurial Vision

Entrepreneurial vision is the individual’s desire for progress, positive change and creating value. Specifically, entrepreneurial vision signifies an individual’s self-belief that things can be changed for the better and the inner desire to improve and create things valuable to other people (Almeida, Ahmetoglu, & Chamorro-Premuzic, 2014; Leutner, Ahmetoglu, Akhtar, & Chamorro-Premuzic, 2014). Visionary individuals believe in making a difference, preferring transformational projects and wish their achievements to bring about a constructive change.

There is a scarcity of literature available on vision of an individual. Mostly the studies have focused to one of the antecedents of entrepreneurial vision. Earlier studies have stated a positive impact of entrepreneurial vision on entrepreneurial intentions (Hyytinen & Ilmakunnas, 2007; Renko, Kroeck, & Bullough, 2012). Study by Lackéus and Middleton (2015) resulted in a positive but moderate impact of vision on entrepreneurial intentions.

Hence, in line with the above discussion, the study proposes to evaluate the impact of entrepreneurial vision on entrepreneurial intentions.

Proposition 4: Entrepreneurial vision significantly affects entrepreneurial intentions among students of higher education institution.

3.0 Underpinning Theories

This study proposes to use Entrepreneurial Event Model (EEM) as the underpinning theory (Shapero & Sokol, 1982), developed specifically for research on intentions in the entrepreneurship domain. As suggested by EEM, the perception of desirability and feasibility derives the intentions to start the business with tendency to act upon opportunities (Sheparo & Sokol, 1982).

3.1 Perceived desirability and perceived feasibility

Perceived desirability is the degree to which an individual is deviated towards the development of entrepreneurial intentions. In other words, the perception of an individual about his / her own
desire to become an entrepreneur is termed as perceived desirability (Krueger, 1993; Shapero & Sokol, 1982).

With reference to the current proposed study, entrepreneurial vision is the ability to see the bigger picture, having the motivation to bring change and create progress which is in line with perceived feasibility. In other words, self-perception of an individual regarding one's own capabilities to undertake entrepreneurship is termed as perceived feasibility (Krueger, 1993; Shapero & Sokol, 1982).

Furthermore, this study proposed to evaluate the impact of entrepreneurial creativity and entrepreneurial opportunism towards entrepreneurial intentions. With reference to the proposed study, entrepreneurial opportunism and entrepreneurial creativity is in line with the dimension of perceived feasibility in EEM.

3.2 Propensity to act

“Propensity to act” is defined as the personal disposition to act on one’s decisions, thus reflecting volitional aspects of intentions. It is difficult to visualise well-formed intentions without the existence of propensity to act. (Krueger N., 1993; Shapero & Sokol, 1982).

The study proposes to evaluate the impact of entrepreneurial proactivity towards entrepreneurial intentions. Proactivity relates to energy, confidence and self-determination. With reference to the entrepreneurial event model, proactivity is directly linked with propensity to act.

4.0 Proposed Research Framework

Based on the literature review, a proposed research framework for this study illustrating the impact of four broad personality traits of META on entrepreneurial intentions is displayed in Figure 1.

Figure 1

Proposed research framework

5.0 Conclusion

This paper has proposed the impact of personality on entrepreneurial intentions as highlighted in Figure 1. The proposed framework may be used to investigate the effect of entrepreneurial proactivity, entrepreneurial creativity, entrepreneurial opportunism and entrepreneurial vision on entrepreneurial intention. This will assist the universities in identifying the right individuals for incubators, education departments, planning departments, and other governing bodies in designing better policies for fostering entrepreneurship.

REFERENCES


