

A STUDY ON IMPACT OF PERSONAL QUALITIES, BEHAVIOURAL TRAITS AND EXTERNAL FORCES IN ENTREPRENEURIAL SUCCESS

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Abstract

Entrepreneurial development is the utmost requirement for the growth of a nation. Entrepreneurial success is mostly depends on the personal qualities, behavioural traits and external forces connected with the entrepreneurship. Therefore, this study has been initiated to impact of personal qualities, behavioural traits, and external forces in entrepreneurial success. This study was conducted with a sample of 100 entrepreneurs; data has been collected by using survey instrument amongst the entrepreneurs. Questionnaire has been constructed with four parts, such as demographic background, personal qualities, behavioural traits, and influence of external forces. Simple percentage analysis, Friedman's chi-square test, t-test, and factor analysis are used to analyse the data collected. It was concluded that entrepreneurial success is widely depends on the personal qualities, behavioural traits, and influence of external forces.

Key words used: Entrepreneurs, Personal Qualities, Behavioural Traits, External Forces, Entrepreneurial Success, Entrepreneurship.

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1. INTRODUCTION

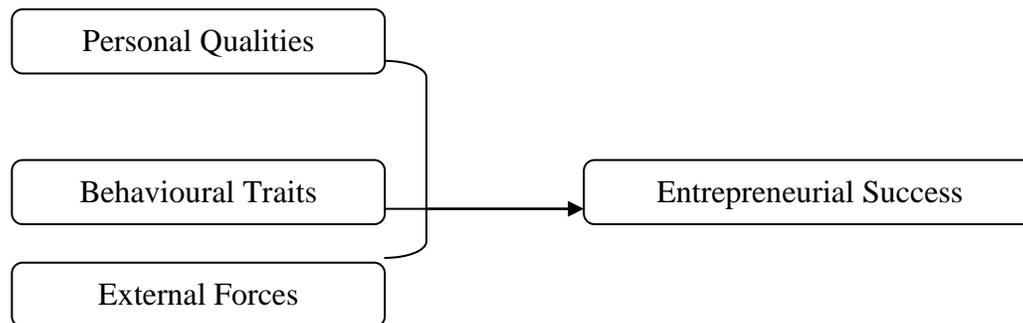
Entrepreneurial activities play an important role in the economy of any country. Entrepreneurship is not an easy task to all; it requires some sort of physical, psychological, emotional abilities to conduct business. Businesses are operating in a highly tough, harsh and unforeseen environment. Entrepreneur should equip themselves with required knowledge, awareness, and skills so as to run their business in aggressive and cut throat competition. Due to the effect of globalization, the business environment is transforming from one edge to another edge, which can't managed without the active presence of personal qualities and behavioural traits. In this perspective, the entrepreneurial ventures enhances the income and wealth of the both entrepreneur and the nation. The business atmosphere is mostly determined by personal characteristics like qualities and traits of individual entrepreneurs. Personal characteristics are most essential to conquer unpredictable, complex, and changing atmospheres in the business environment. Entrepreneurs should be capable to have more personal qualities and behavioural traits in order to manage external forces concerned with the business.

2. RATIONALE FOR THE STUDY

Entrepreneurs from a psychosomatic view are described as active individuals concerned in the entrepreneurial processes. Entrepreneurship requires intensive knowledge on business affairs which is mainly relied on personality qualities and behavioural traits of the entrepreneurs. Success in every business activity is mainly influenced by the entrepreneur's personal qualities and behavioural traits. Both are considered essential towards paying clear attention on the business affairs. Moreover, the existence of external forces has huge impact on entrepreneurial success. Personal qualities have close connection with self-motivation, confidence and integrity, open minded and action oriented on work, which induces the entrepreneur to perform well. Similarly, self-started and decisive, competitive and viable, originality and creative ideas, and determination and persistence make entrepreneurs to actively engage in the business affairs. Personal qualities like strong people skills and effective communication skills facilitates to establish better relationship among stakeholders. Self-discipline, passion and excitement, strong work ethics and adaptable and flexible increases their concentration in performing regular business. Similarly, product and market knowledge and clear sense of direction will lead to achieve objectives of their business.

The concept of behavioural traits is gaining popularity and interest in entrepreneurship. Behavioural traits is mostly associated with achievement motive, locus of control, drive for innovation, creativity, risk taking, problem solving, independence, hard work, emotional quotient, and knowledge update. Behavioural traits is the key attributes of successful entrepreneur and is connected with the way in which they functioning in their business. Perfect behavioural traits can increase efficiency of the entrepreneur and determine the success of entrepreneurship. Generally, entrepreneurship is influenced mostly by the external forces such as marketing, human resource, production, finance and technology aspects. An entrepreneur should have knowledge on personal qualities, behavioural traits, and influence of external forces in the success of entrepreneurship. The impact of personal qualities, behavioural traits and external forces in entrepreneurial success is exhibited in the following framework.

Figure – 1: Framework on Entrepreneurial Success



3. REVIEW OF LITERATURE

Lee and Tsang (2002) revealed that most important personal qualities are courage, responsibility, self-reliance, perseverance, creativity aspects of a business. Entrepreneurs have a tendency to select themselves a particular area that has consistency with their personal characteristics and need for success. Moreover, they plan to control their venture by applying strong and specific qualities (Sidik, 2012). Better qualities will enhance skills and knowledge of the entrepreneur (Frese and Gielnik, 2014). Creativity, risk taking, and independence will enhance behavioural traits of the entrepreneur (Knorr et al, 2013). Almedia et al. (2014) revealed that entrepreneurial traits characterised by mainly risk taking and creativity. Fairlie and Holleran (2012) showed that higher risk tolerance requires more knowledge. The main problems of entrepreneurship includes,

lack of proper leadership, planning and insufficient financial resources are the difficulties that they face during execution of their businesses (Palaniappan et al. 2012). Alam and Kabir (2015) revealed that government support, dedicative effort, and high concentration are the prominent prospects associated with entrepreneurship.

4. OBJECTIVE OF THE STUDY

This study has been commenced with the following objectives. These are as follows:

1. To examine the demographic background of entrepreneurs.
2. To assess the impact of personal qualities in entrepreneurial success.
3. To check the various behavioural traits involved in the success of entrepreneurship.
4. To investigate the external forces influencing entrepreneurial success of a person.

5. RESEARCH METHODOLOGY

This study has been initiated with a sample of 100 entrepreneurs and the survey is conducted in various parts of Madurai district in Tamil Nadu. The sample required for the study is collected on the basis of simple random sampling. The sample has been identified from the district industrial centre, and development financial institutions. Sampling has been conducted by interviewing the randomly identified entrepreneurs. Non-disguised and structured questionnaire is distributed to collect data from the respondents. The questionnaire is divided into four parts; the first part intended to collect information on demographic background of entrepreneurs. The second part seeks the impact of personal qualities in entrepreneurial success. The third part reveals about the behavioural traits of entrepreneurs and its connection with entrepreneurial success. The fourth part seeks the influence of external forces on entrepreneurial success of a person. In order to make this study in a fruitful manner, the questionnaire has been pre-tested with 20 entrepreneurs, which deliberated to explore the aspects connected with entrepreneurial success. This study is based on descriptive research and it used primary data. Demographic background of entrepreneurs is tested through simple percentage analysis. Descriptive statistics has been employed to check personal qualities in entrepreneurial success. Personal traits analysed through t-test and Factor analysis used for checking influence of external factors on entrepreneurial success.

6. RESULTS AND DISCUSSIONS

6.1. Demographic Background of Entrepreneurs

The demographic background of entrepreneurs has been tested through the demographic features like, gender, age, educational qualification, monthly income, marital status, experience, nature of entrepreneurship, and area of operation.

Table – 1: Analysis of Demographic Background

Characteristics	Distribution	Sample	Frequency
Gender	Male	82	82%
	Female	18	18%
Age	18 – 30 years	30	30%
	31 – 50 years	38	38%
	51 years & above	32	32%
Educational Qualification	School education	47	47%
	Degree/ Diploma	39	39%
	PG/ Professional	14	14%
Monthly Income	Less than Rs.25,000	23	23%
	25,001 – 50,000	59	59%
	More than Rs.50,000	18	18%
Marital Status	Married	79	79%
	Unmarried	21	21%
Experience in Business	Less than 3 years	28	28%
	3 – 10 years	38	38%
	More than 10 years	34	34%
Nature of entrepreneurship	Self-started	47	47%
	Acquired	42	42%
	Inherited	11	11%
Area of Operation	Rural	47	47%
	Urban	53	53%

(Source: Primary data)

In table-1, gender of the entrepreneurs shows that 82% are male and 18% are female. Age of the entrepreneurs revealed that 30% are in 18 – 30 years of age, 38% are in 31 – 50 years of age, and 32% are in 51 years and above. Educational qualification discloses that 47% are falling under school education category, 39% are completed their degree or diploma, and rest 14% are completed professional or post graduate degree. 59% of the entrepreneurs' monthly income ranges from Rs.25,001 to 50,000, 23% are in less than Rs.25,000, and 18% are in more than Rs.50,000. Marital status shows that 79% are married and 21% are unmarried. Experience level of entrepreneurs reveals that 38% of the respondents are having experience of 3 – 10 years in their respective field, followed that 34% are in more than 10 years of experience and rest 28% of respondents are belonging to less than 3 years of experience. Nature of entrepreneurship shows that 47% of entrepreneurs are started their venture on their own effort, 42% are acquired existing business of others and 11% are inherited from their family or spouse family. Area of business operation divulges that 47% are in rural and 53% are in urban areas.

6.2. Impact of Personal Qualities

To identify the impact of personal qualities in success of entrepreneurship, Friedman chi-square test has been administered. Null hypothesis framed and it states that the rank of personal quality variables do not differ from the expected value. For a constant sample size, higher the value of chi-square test, the higher is the difference among each variable rank sum and its expected value. Put together, the chi-square value is 141.869 for these ranking, degrees of freedom are up to the number of variable less than 1, and asymptotic significance is estimated probabilities of achieving factors are not basically different. Therefore, chi-square result with 15 degrees of freedom is unlikely to have happened by change, it is measured that the 100 entrepreneurs do not impacted by all these variables.

Table-2: Descriptive Statistics

Personal Qualities	Mean Rank	Mean Score	Std. Deviation	Chi-Square
Self motivation	10.72	3.657	1.43678	141.869
Confidence and integrity	8.98	3.474	1.46896	P value 0.00*
Open minded and action oriented	7.67	2.753	1.73457	

Self starter and decisive	9.76	3.457	1.62581
Competitive and viable	6.89	2.658	1.65335
Originality and creative ideas	8.77	2.479	1.68787
Determination and persistence	7.16	3.643	1.80639
Strong people skills	7.21	2.547	1.46869
Self-disciplined in work	9.36	3.561	1.72795
Passion and excitement	6.92	2.874	1.09560
Adaptable and flexible	7.71	3.258	1.32464
Product and market knowledge	8.38	2.842	1.32468
Effective communication skills	7.86	3.615	1.74523
Clearsense of direction	6.48	3.329	1.67989
Strong work ethics	7.33	2.136	1.43692

(Source: Primary data)

*Significant at 1% level

Table-2 reveals that the impact of personal qualities in entrepreneurial success of a person, the Friedman's test is performed and the results are presented. It could be determined that among the various factors, self motivation (10.72) is ranked first; it is followed by self started and decisive (9.67), self-disciplined in work (9.36), are ranked as second, and third respectively. Moreover, confidence and integrity (8.98), originality and creative ideas (8.77), product and market knowledge (8.38) are ranked as fourth, fifth, and sixth respectively. Subsequently, effective communication skills (7.86), adaptable and flexible (7.71), open minded and action oriented (7.67), strong work ethics (7.33), strong people skills (7.21), determination and persistence (7.16), passion and excitement (6.92), competitive and viable (6.89), and clear sense of direction (6.48) are ranked. Personal qualities have enough impact in entrepreneurial success of the entrepreneurs. Null hypothesis is accepted and it can be concluded that all these personal qualities are considered important for the success of entrepreneurship.

6.3. Behavioural Traits

Entrepreneur behaviour is greatly connected with the management of business and achievement of goals. Behaviour traits show the intention of entrepreneurs while managing their entrepreneurial ventures; it is varied among rural and urban entrepreneurs. In order to check the

behavioural traits of entrepreneurs, they are classified into rural and urban category. The entrepreneurs are requested to rank the traits at five point scale namely highly agree, agree, neither agree or disagree, disagree, and highly disagree with grades of 5, 4, 3, 2, and 1 respectively. The mean scores of the attributes are computed and it has been analyzed by using t-test, which is presented in table-3.

Table – 3: Behavioural Traits

S. No	Variables	Mean Score		t-test
		Rural	Urban	
1	Achievement motive	4.125	3.843	2.379
2	Locus of control	3.862	3.752	2.347
3	Drive for innovation	4.085	4.217	-2.541
4	Creativity in entrepreneurship	3.853	4.073	2.417
5	Risk taking behavior	4.121	3.861	-2.645
6	Problem solving style	4.075	3.800	-1.234
7	Need for independence	3.937	4.122	2.856
8	Hard work for ever	4.245	3.982	1.489*
9	High emotional quotient	3.792	4.242	2.678
10	Continuous knowledge update	3.827	3.954	2.272

Source: Primary data

* Significant at 1% level

It is evident that in table-3, the behavioural traits among rural and urban entrepreneurs are differing from each other. The main behavioural traits among rural entrepreneurs are hard work for ever, achievement motive, risk taking behaviour, drive for innovation, and problem solving style; since their mean scores are 4.245, 4.125, 4.121, 4.085, and 4.075 respectively. Among the urban entrepreneurs, the significant behavioural traits are high emotional quotient, drive for innovation, need for independence, and creativity in entrepreneurship; since their respective mean scores are 4.242, 4.217, 4.122, and 4.073 respectively. Concerning the behavioural traits of entrepreneurs, almost all the variables are significant at 5% level. It indicates that the entrepreneurs possess relevant behavioural traits to conduct their business and it has significant impact in the entrepreneurial success.

6.4. Influence of External Forces

The influence of external forces in the success of entrepreneurship has been checked by using rotated component matrix, the results are provided as under.

Table – 4: Rotated Component Matrix

Labels	Variables	Human Resource	Marketing	Finance	Production	Technology
EF14	Lack of skilled labor	.831	-.043	-.051	.182	.223
EF09	Lack of technicians	.825	.084	.043	.115	.189
EF26	High labor cost	.791	.116	.152	.078	.258
EF04	Frequent leave	.764	.185	-.056	.173	.193
EF20	Problems of labor union	.746	.094	.242	.053	.074
EF23	No training to the employees	.685	.075	.117	.252	.098
EF08	Interference of middleman	.264	.821	.086	.103	.112
EF15	Lack of organized market	.096	.758	.042	.147	-.184
EF22	High cost of raw material	.178	.723	.136	-.094	.086
EF03	Lack of advertisement	.269	.665	.109	.153	.293
EF21	Sale of goods for credit	.103	.657	.088	.047	.188
EF10	Low price for product	.147	.612	.079	.084	.064
EF24	No minimum price support	-.294	.584	.158	.241	-.047
EF16	High competition	.143	.545	.144	.237	.113
EF01	Lack of finance	.096	.130	.742	.133	.067
EF25	High interest for loans	.042	.236	.711	.103	.084
EF07	Bad debts problems	.147	.123	.701	.225	.115
EF13	Working capital problems	.121	.229	.684	.097	.086
EF19	Dearth of subsidized finance	.084	.113	.601	-.021	-.041
EF17	Under utilization of capacity	.122	.143	.148	.781	.308
EF02	Power problems	.228	-.033	.211	.766	.145

EF18	High production cost	.098	.161	.283	.699	.131
EF12	Pollution problems	.197	.072	.113	.575	.057
EF06	High cost of technology	.127	-.062	.053	.112	.801
EF05	Use of obsolete technology	.058	-.035	.077	.167	.713
EF11	Government restrictions	.035	.165	.036	.241	.625
Eigen values		6.523	4.923	2.132	1.722	1.174
% Variance		17.19	12.23	10.27	8.85	6.42
Cumulative % Variance		17.19	29.42	39.69	48.54	54.96
Cronbach'sα		0.793	0.775	0.743	0.679	0.646

(Source: Primary data)

Table-4 shows the factor loadings that are extracted in the rotated component matrix and significant factors are highlighted in bold. The factor loadings cut-off rate is fixed as 0.5. The exploratory factor analysis reveals that the influence of external force in entrepreneurial success and which accounts for cumulative variance of 54.96% explained in the data. The Cronbach's alpha values for the factors intended possess good reliability values i.e., $\alpha > 0.5$. Subsequently, the factors are identified and named as influence of human resources, marketing, finance, production and technology factors. Human resource factor is main factor which is observed with the explained variance of 17.19%. It is loaded with six factors like lack of skilled labour, lack of technicians, high labour cost, frequent leave, problems of labour union, and no training to the employees. It brings greatest influence on entrepreneurial success. Marketing factors have been considered as significant factor with explained variance of 12.23%. It consists of interference of middlemen, lack of organized market, high cost of raw material, lack of advertisement, sale of goods for credit, low price for product, no minimum price, and high competition. Finance factors explain 10.27% of variance in data; it is loaded with five factors like, lack of finance, high interest for loans, bad debts problems, working capital problems, and dearth of subsidized finance. Moreover, production factors are loaded with under utilization of capacity, power problems, high production cost, pollution problems and accounts 8.85% variance in data. Finally, technology factors are loaded with three variables such as, high cost of technology, use of obsolete technology, government restrictions, which together explains 6.42% variance in data. It is confirmed that these external forces have significant effect in success of entrepreneurship.

7. FINDINGS AND CONCLUSION

Success of entrepreneurship largely requires certain characteristics connected with the entrepreneur. Simple, these characteristics can be termed as personal qualities and behavioural traits. Moreover, entrepreneurial success depends upon the influence of external forces. Therefore, this study has been paid an attention in this regard to check its impact on entrepreneurial success. The demographic background shows that 82% are male, 38% are in 31 – 50 years of age, 47% are completed school education, 59% are in the monthly income group of Rs.25,001-50,000, 79% are married. Besides, 38% are having experience of 3 – 10 years, 47% are started their on their own effort, and 53% are belongs to urban areas. Friedman's test presents that self motivation, self-started and decisive, and self-disciplined work are the significant personal qualities which have impact in the success of entrepreneurship. The important behavioural traits among rural entrepreneurs are hard work for ever, achievement motive, risk taking behaviour, drive for innovation, and problem solving style. Similarly high emotional quotient, drive for innovation, need for independence, and creativity in entrepreneurship are important behavioural traits among urban entrepreneurs are statistically significant at 5% level. The exploratory factor analysis on influence of external forces explains 54.96% variance in data, with five broad factors such as human resource factors, marketing factors, finance factors, production factors, and technology factors. It was concluded that entrepreneurial success is widely depends on the personal qualities, behavioural traits, and influence of external forces.

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