

ENTREPRENEURSHIP AND IMPORTANCE OF PERSONALITY ON ENTREPRENEURSHIP: A RESEARCH ON TRAINEES OF ENTREPRENEURSHIP EDUCATION PROGRAM

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—Abstract—

Enterprising personality has distinctive characteristics separating the entrepreneur from others. Therefore, the level of impact of personality and environmental factors on entrepreneurship has increasingly been discussed over the last years. Entrepreneur people are the ones which have ability to see the opportunities and seize, to take risks, to create innovation and implement. In this research, the notions of entrepreneur and entrepreneurship are defined, the important personal characteristics of entrepreneur and the factors affecting entrepreneurship are explained and the relationship between these factors and the personality of entrepreneur are analyzed. Also, the effects of education and propose of developing business and entrepreneurial skills are mentioned. In this context, the research has been conducted on the trainees of the Applied Entrepreneurship Education Program, which has been organized with the collaboration of Istanbul Kültür University, KOSGEB (SME Development Organization) and İŞKUR (Turkish Job Foundation). The impact of personalities of the trainees on entrepreneurship have been evaluated within the study.

Keywords: *Entrepreneur, Entrepreneurship, Personal Characteristics of Entrepreneurs, Education*

JEL Classification: L - Industrial Organization, L2 - Firm Objectives, Organization, and Behavior, L26 - Entrepreneurship

1. INTRODUCTION

The phenomenon of entrepreneurship is one of the topics significantly laid stress upon in recent years. The increase of entrepreneurship is closely related to the fact of carrying importance for economic and social development. Growing entrepreneurial activities play a major role in mobilizing stagnant economies and contribute to the solution of the creation of new employment opportunities and of employment problems (Jack and Anderson,1999:110-125). Entrepreneurs, performing these activities differ from the other people since they have specific personal characteristics. They are the people who see opportunities which others can not, take risk and evaluate the opportunities and create innovation. During this study, a questionnaire has been completed by the trainees of the Applied Entrepreneurship Education Program conducted by the co-operation of Istanbul Kültür University, KOSGEB and İŞKUR.

2. ENTREPRENEURSHIP

2.1. The Concept of Entrepreneurship and its Emergence

The concept of entrepreneurship is based on the 19th and 20th centuries. Richard Cantillon was the person to use the concept of entrepreneurship in the economic sense for the first time. According to Cantillon entrepreneur is a person acting in conditions where income is uncertain, expenses are certain (Binks and Vale,1990:9-10). By Jean-Baptiste Say, this concept achieved its understanding which we use today. According to Say, the entrepreneurial concept is the person bringing together all the factors of production, manufacturing a property of which he believes to be a valuable, and taking the risk for the profit to be earned. Say's definition of entrepreneur is based on both the ability to assume risk and having the capability of management (Cole,1942:122). Schumpeter, who is characterized as the founder of the modern entrepreneurial idea, has defined entrepreneur as the innovator, the one responsible for "the doing of new things or the doing of things that are already done in a new way" and he defined this as the basis for economic development (Schumpeter,1978:74). According to Hisrich and Peters who also made important contributions to the theory of entrepreneurship, the entrepreneur is the person bringing together labor, raw materials and other assets to create a greater value. The entrepreneur, at the same time is the one creating change, innovation and a new order. In this context, entrepreneurship is seen as a process of creating a new value by taking sufficient labor and time, taking financial, physical and social risks and obtaining monetary rewards, personal satisfaction and independence (Hisrich and Peters,2002:9-10). Frank Knight, made important contributions to the theory of entrepreneurship and has been a prominent person in

the entrepreneurship literature. Knight was the first person to demonstrate the difference between risk and uncertainty and who generalized the theory of entrepreneurship of Cantillon. In addition, he made analysis of features and motivation necessary to be a successful entrepreneur. According to Knight, to be a successful entrepreneur one needs to be successful in assuming uncertainty and judicial decision-making (Praag,1999:322). Another important name investigating how the concept of entrepreneurship emerged is David McClelland. He reviewed the subject, taking into account the motivating forces. He sees the most important motivating forces in the emergence of entrepreneurs as the need of achievement, establishment of social relations and power. According to him, persons acting with achievement motivation are, optimistic with innovative understanding and who love to deal with tasks that require responsibility. The most important characteristics of these individuals are that they are independent, effective and willing to take risks (McClelland,1961:36).

2.2. Factors Affecting Entrepreneurship

Factors affecting entrepreneurship can be grouped under four main headings; demographic factors, social factors, psychological factors and factors outside of them. The contents of demographic/personal factors are age, marital status, gender, income level and education. Social factors can be considered as culture and society, family and religious values (Stephen,1998:11). Previous researches showed that the entrepreneurs have the ability to act quickly during the emergence of new opportunities, and that there is an important relationship between the capabilities of the entrepreneur and the activities (Hardy,1999:52). In many researches, the motivation, personal characteristics, family structure of an entrepreneur were examined. Accordingly, it was accepted that in addition to the education level of entrepreneurs, their personality traits are considered to be an important variable. In terms of individual approach, demographic variables have an important role in being entrepreneurial. For example, for those who are the first child in the family, those with higher level of education and those born in an entrepreneur family it is more likely to be/ become an entrepreneur. In addition, many factors such as age, marital status, socio-economic status, family income affect being entrepreneurial (Coulter,2001:16-17). Entrepreneurship according to environmental approach is a reaction to social, political, economic, technological and cultural conditions. Entrepreneurship together with these conditions, affects the behavior, past experience, personality, talents and abilities of this person (Lee and Peterson,2000:402-403). The most important factor within the environmental factors affecting the person is the cultural characteristics of society he/she lives in. Culture, social class membership, family and friends take place in the factors

affecting personality. If in a culture, values which set up the general outline of entrepreneurship such as, self-employment, being successful and earning money are appreciated, it means that entrepreneurship is well-supported in this culture. The ratio of setting up new enterprises is high in these cultures. Together with this, in cultures, which are ignorant of success and new enterprise ideas, and seeing unsuccessfulness as a great loss of reputation, the chance of being successful enterprises are very low. Another influential factor in entrepreneurship is the level of trust in society. Where the feeling of trust is high, entrepreneurs can easily cooperate with other individuals, and this facilitates them to assign their power and responsibilities (Hisrich and Peters,2002:52-54).

Education is an effective method of encouraging entrepreneurship. It is accepted that it has positive effects on promoting entrepreneurial spirits of young people studying at university and directing them to entrepreneurship. The goal of entrepreneurship education is to reveal the entrepreneurial personality. It is not easy for a person to embrace a culture of entrepreneurship. This is because entrepreneurship has a comprehensive content and assigns difficult tasks and responsibilities to the person. However, if determined studies in this issue can be formed as a program, positive results may be achieved (Rasmussen and Sorheim,2006:185-194).

2.3. Properties of an Entrepreneurial Personality

The success of the person in entrepreneurship depends on many features such as capital, knowledge, experience, stability. Even if the chance of success depends on many different environmental and demographic factors, the real key determinant factors are the characteristics which the entrepreneur carries himself (Hisrich and Peters,2002:32-33). Characteristics of entrepreneurs can be listed as persons seeing change as an opportunity, being innovative, imaginative, creative, flexible and having the ability to endure ambiguity, being adaptable, reliable, being able to take risks, being persistent, responsible and self-reliant (Chell and others,1991:47). In addition, it is considered that these persons have the strength to endure the struggle of life, and have more motivation in achieving the objectives (Johnson,1996:62-70).

The most important characteristic of the entrepreneurial personality is the feature of tendency for taking risks or the predisposition to take risks. Entrepreneurial risk includes believing in a maximum return and to realize the venture with rational decision-making. Experience in the work field and entrepreneurial instincts also have an important role on the amount of risk which the entrepreneurs may take (Busenitz,1999:325-341). Being your own boss, the desire of being independent is

lying behind the desire of individuals to establish their own operation (Hisrich and Peters,2002:27) and own value judgments. These factors; creating the entrepreneur personality are at the same time the basic qualities separating the entrepreneur individual from the average individuals (Bridge and others,1998:42).

3. AIM OF THE STUDY, SCOPE AND HYPOTHESIS

3.1. Research Method

In this study, the relationship between trainees' entrepreneurial personality and their entrepreneurship trends has been examined, and it has been tried to determine the impact of the trainees' characteristics in being entrepreneur or not. To collect the data a questionnaire is used which is based on the study of Stephen L. Mueller and Anisya S. Thomas published in Journal of Business Venturing "Culture and Entrepreneurial Potential: A Nine Country Study of Locus of Control and Innovativeness" and Nuray Girginer and Nurullah Coşkun's study; "The Point of View of Undergraduate Business Students for Entrepreneurship" presented in 3rd National Information, Economics and Management Congress. The research has been conducted from October 2010-January 2011 on the trainees of the Applied Entrepreneurship Education Program, which has been organized by the collaboration of Istanbul Kültür University, KOSGEB (SME Development Organization) and İŞKUR (Turkish Job Foundation). The research is applied to 220 trainees out of 239 which attended the program regularly. But only 158 of them were taken into analysis. Because of the missing values, 62 questionnaires were eliminated. In questionnaire, 5-type Likert Scale is used. Questions measuring the entrepreneur characteristics, control focus, entrepreneurship trend, innovation and creativity contain 44 items. Before implementing the questionnaire a pre-test is performed to 35 trainees to see if the questions were well understood, and then applied to others. Cronbach's alpha of the questionnaire is 0,73. Analysis is done by SPSS 18.0. Independent sample t-test and frequencies of demographic factors are applied to the questions. Demographical distribution of respondents are indicated in Table 1.

Table 1: Demographic Features

Expressions	Selection	%
Gender	Male	50,6
	Female	49,4
Age	20-24	15,8
	25-29	20,3
	30-34	30,4
	35-39	23,4
	40-44	4,4
	45-49	5,7
Marital Status	Married	53,8
	Single	46,2
Educational Status	High School	31
	Vocational School	22,8
	Bachelor	39,9
	Master's Degree	6,3
Are mother and Father self- employed?	Mother is self- employed	2,5
	Father is self- employed	21,5
	Mother and Father are self- employed	5,1
	None	70,9
Are mother and father public servants?	Mother is public servant	3,8
	Father is public servant	12,7
	Mother and father are public servants	8,9
	None	74,6
Are mother and father retired?	Mother retired	8,9
	Father retired	54,3
	Mother and father retired	18,4
	None	18,4
Have you worked at any job until today?	Worked	95,6
	Not worked	4,4
Scale of the place where you have worked	Small Scale	17,1
	Medium Scale	34,2
	Large Scale	48,7
Have you ever had any entrepreneurial attempt?	Yes	32,3
	No	67,7
Do you have any job idea which you never have shared with someone else?	Yes	68,3
	No	19,0
	I would like to have one	12,7
Have you ever had a course on entrepreneurship so far?	Yes	56,3
	No	43,7

3.2. Hypothesis:

The hypotheses about entrepreneurial activities, establishing entrepreneurs' own business and a relation between education level and having a guarantee job are as follows.

H₀: There is no significant difference between the mean of risk taking trends of the trainees who have joined entrepreneurial activities earlier and those who have not joined those activities.

Grouping Variables	Number of Person	Mean	Standard Deviation	df	t value	Sig (2-Tailed)
Entrepreneurial activities joined	51	1,65	,820	156	1,754	,081
Not joined	107	1,90	,846			

The results indicate that there is no statistically significant difference between the mean of risk taking trend within those joining entrepreneurial activities earlier and those not ($p > 0,05$).

H₀: There is no significant difference between the mean of having the trend to realize own ideas instead of working with a determined wage within the trainees who have joined entrepreneurial activities earlier and those who have not joined.

Grouping Variables	Number of Person	Mean	Standard Deviation	df	t value	Sig (2-Tailed)
Entrepreneurial activities joined	51	1,51	,612	156	1,640	,103
Not joined	107	1,70	,717			

The results indicate that there is no statistically significant difference between the mean of realizing own ideas instead of working with a determined wage within those joining entrepreneurial activities earlier and those not ($p > 0,05$).

H₀: There is no significant difference between the mean of the desire of establishing their own business within trainees whose mother and/ or father are self-employed and those whose are not self- employed.

Grouping Variables	Number of Person	Mean	Standard Deviation	df	t value	Sig (2-Tailed)
Mother and/ or Father are self-employed	46	1,72	1,026	55,561	2,481	,016
Mother and/ or Father are not self- employed	112	1,32	,541			

The results indicate that there is a statistically significant difference between the mean of the desire of establishing their own business within trainees whose

mother and/ or father are self-employed and those whose are not self- employed ($p < 0,05$).

H_0 : There is no significant difference between the mean of the desire to make carrier at a continuous and guaranteed workplace of trainees who have graduated from a high school and those who have a Bachelor / Master's degree.

Grouping Variables	Number of Person	Mean	Standard Deviation	df	t value	Sig (2-Tailed)
High school absolvent	63	2,63	1,324	91,906	2,279	,025
Bachelor / Master's degree	36	2,11	,950			

The results indicate that there is a statistically significant difference between the mean of the desire to make carrier at a continuous and guaranteed workplace of trainees who have graduated from a high school and those who have a Bachelor / Master's degree ($p < 0,05$).

4. RESULTS AND DISCUSSIONS

Enterprising personality has distinctive characteristics separating the entrepreneur from others. Therefore, the level of impact of personality and environmental factors on entrepreneurship has increasingly been discussed over the last years. Entrepreneur people are the ones who can see the opportunities that others cannot, can take risks and seize opportunities, can create innovation and dare to implement. In this study, the relationship between trainees' entrepreneurial personality and their entrepreneurship trends has been examined. Looking at the rate of those who answered the question "should entrepreneurship education be given in universities", the result is as follows: 13,3% answered no, and 86,7% answered yes. The rate of trainees responding that it is not appropriate for them to work in a public sector is 82,9%, of those who considers that taking risk is necessary to live a comfortable life is 96,2%. Instead of working with a determined fee, the rate of those preferring to realize own ideas is 99,4%. The rate of those always preferring flexible working hours is 81%, those responding "my greatest ideal is to be self-employed" is 96,8%, trainees who are ambitious is 45%, those considering entrepreneurship as a risk is 93%, trainees who have courage and self-reliant is 54% and the rate of innovative and creative trainees is 97,5%. These rates indicate the characteristics of entrepreneurs which can be listed as persons seeing change as an opportunity, being innovative, imaginative, creative, flexible, having ability to take risks, being ambitious and self-reliant. Elements affecting success in entrepreneurship are listed as follows: 37,9% management features and experience, 32,3% personal characteristics, 15,2% having enough funds, 14,6% right timing. It is also supported with the hypothesis

that the desire to be self-employed, whose mother and/ or father is self-employed is higher than of those mothers and fathers working in another sector. In addition, it is also supported with the hypothesis that trainees with bachelor or master's degrees have a much higher desire to make a career at a guaranteed and continuous job than those with a high school degree. But an entrepreneur candidate with high school degree should be trained on how to realize their entrepreneurial idea with a business plan, including management, organization, marketing, finance and accounting. The Applied Entrepreneurship Education Program has the purpose to develop the entrepreneurship personality features and to train candidates who don't have a bachelor or master's degree for setting up a business plan.

5. LIMITATIONS AND FUTURE RESEARCH

The limitation of this study is that, Applied Entrepreneurship Education Program, which has been organized by the collaboration of Istanbul Kültür University, KOSGEB (SME Development Organization) and İŞKUR (Turkish Job Foundation), generally held in Istanbul between October 2010 and January 2011. Within association universities, it was only applied in Istanbul Kültür University. At the coming educational course period (From June 2011 till December 2011) these courses will continue with 1000 trainees in Istanbul Kültür University and will be set up in other universities as well. After a wider implementation, this research can be replicated on a higher number of trainees.

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