

# Influence of Personality Traits And Social Norms on Entrepreneurial Intentions of Business Administrations' Students of Sylhet

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**Abstract :** The purpose of this study is to empirically investigate the influencing personality traits and social norms affecting entrepreneurial intentions of Business Administrations students in Sylhet City, Bangladesh. A sample of 250 students of Business Administration from five different universities in Sylhet City has been chosen proportionately. This study will contribute to the literature by assessing the personality traits and social norms affecting the entrepreneurial intention of students. The result of this study shows the impact of important personality traits and social norms on entrepreneurial intention. Regression model has been used to analyze the influence of personality traits and social norms on entrepreneurial intention. This study has found that some of the personality traits such as the need for achievement and risk-taking propensity significantly influence the entrepreneurial intentions of Business Administrations students while social norms are not playing an influential role to enhance the entrepreneurial intention. Hence, this study will be helpful to develop the entrepreneurial mindset among the students by focusing on their personality traits and removing social and cultural obstacles.

**Keywords :** Entrepreneurial intention, Personality traits, Social norms, Need for achievement, Internal locus of control, Risk taking propensity, Need for autonomy.

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## I. Introduction

Entrepreneurship development has emerged as a major concern to the government and policymakers of many countries in recent years. Entrepreneurship is now considered as the primary drivers of economic growth and development in many countries [31]. Entrepreneurship can be defined as the act of identifying opportunity in the marketplace and taking necessary initiative to exploit the opportunity for long-term gain [28]. The person who takes the initiative to exploit the opportunity by establishing a firm or venture is called the entrepreneur. Entrepreneurs not only earn profit but also create the employment opportunity for society as well as for them. Evidence suggests that entrepreneurially developed country has the low unemployment rate. Territories with higher increases on entrepreneurial initiative indexes tend to show a greater fall in unemployment levels [4]. In Bangladesh, entrepreneurship can play a significant role in generating employment for the young graduates because the number of graduates entering job market is much higher than the jobs available. In Bangladesh, it is necessary to develop the entrepreneurial mindset among the students from the very young age. To foster entrepreneurship throughout the country, entrepreneurial education has been made an integral part of curriculum particularly in Bangladesh [12]. However, besides this initiative, graduates from business administration background are rarely choosing entrepreneurship as a career. Being an entrepreneur is still neglected by many graduates though many initiatives have already been taken by the government and other agencies. A lot of research has been conducted over the past decades to identify the antecedents of entrepreneurial intention.

## II. Literature Review

Ajzen stated that human intentions are the individual effort to behave in a certain manner or display certain behavior. He argued that intention is the immediate antecedents of behavior [1]. Entrepreneurial intention could be the individual effort exerted to be an entrepreneur. Entrepreneurial intention is the individuals' conscious plan and action to set up a new business venture in today or near future [23]. Entrepreneurial intention can be defined as the individuals' willingness to start a new firm or create new value for the existing organization [21]. Several pieces of research have been conducted over the past decades to explore the factors that influence entrepreneurial intention [25] [30]. Nga & Shamuganathan identified personality traits are the most influential determinant of entrepreneurial intention [20]. The similar result has been found in Kristiansen's study [16]. In Thomas and Mueller study, they found that individuals with

personality traits of achievement orientation, tendency to take the risk, tolerance of ambiguity and an internal locus of control are more likely to engage themselves in entrepreneurial activities [23]. In Kristiansen, study they mentioned the need for achievement, the locus of control and self-efficacy as the personality traits of entrepreneurs [16]. Besides the need for achievement, Farouk, Ikram and Sami included the need for autonomy as another important personality trait of potential entrepreneurs [11]. In this study, we use personality characteristics such as the need for achievement, internal locus of control, propensity to take risk and autonomy as important predictors of entrepreneurial intention. These personality traits have been proven in prior studies. Need for achievement or achievement motivation is one of the prominent theoretical arguments related to entrepreneurship [2]. McClland argues that individuals with high need for achievement have the tendency to become an entrepreneur. Achievement motivation exerts individual effort to overcome obstacles and is regarded as key entrepreneurial attributes [19] [9]. Spangler (1992) identified need for achievement as a determinant of various outcomes such as career success, school graduates and firm performance [22]. Internal locus of control is the extent to which an individual believes that he or she can control his destiny. Kaufmann, Welsh, & Bushmarin define internal locus of control as the “Personal belief that one has influence over outcome through ability, effort or skills” and External locus of control as the “belief that external forces control outcomes” [13]. Internal locus of control fosters individual willingness to be an entrepreneur [32]. Internal locus of control has been found to be the important determinants of entrepreneurial intention in many pieces of research. Ang & Hong proved internal locus of control as a predictor of entrepreneurial intention in their study conducted to the university students in Singapore [3]. It is also found that internal locus of control leads to higher performance of entrepreneurs in terms of profitability [14]. Risk taking propensity can be defined as individual willingness to take the risk of establishing a venture. Begley argued that risk-taking propensity is the only traits which differentiate entrepreneur from non-entrepreneur [5]. Koh found that entrepreneurially motivated individuals have the high-risk scores than non-entrepreneurially motivated individuals [15]. Entrepreneurs cannot avoid risk because entrepreneurs seek opportunities in an uncertain environment [9]. Some studies suggest that entrepreneur should be the moderate risk taker to avoid the uncertain situation [6]. Need for autonomy refers to the individual willingness to enjoy freedom and independence in their action. Aldridge found that entrepreneurs are significantly higher than the general people who enjoy freedom and independence. Caird argued that entrepreneur require the stronger need for autonomy than any other occupational groups. Because entrepreneur wants to be controlled by themselves and doesn't like to work in a restrictive environment. Entrepreneurs prefer to avoid restriction imposed by the rules, procedures and social norms [6] [7]. Another important influence of entrepreneurial intention is perceived social norm. Perceived social norms can be measured as the perceived social pressure to carry out or not to carry out the entrepreneurial behavior [18]. Social pressure may come from many sources such as family, friends, and society [12]. The selection of entrepreneurship as a career has been governed by the value of entrepreneurship within the society [29]. Perceived social norms also include the cultural orientation of a particular society. Cultural orientation refers to the value or emphasis put on the entrepreneurial effort by a society. Supportive national culture increases the entrepreneurial potential of a country [23]. In research, it is found that some cultures are entrepreneurially advanced because they are more conducive to the entrepreneurship. Family orientation has the profound influence on entrepreneurial intention. Family orientation refers to the family member's perception towards the entrepreneurial effort. Parents can play a vital role in developing young people's outlook regarding entrepreneurship [27]. Krueger, Reilly, & Carsrud found that individual's family expectations influence the desirability of becoming an entrepreneur [17]. Perceived relational support is also an important element of social norms. Individual intentions to be an entrepreneur also depends on the expected support of the significant others [17]. These significant others groups include the family member, friends, and relatives. In the current study, this relational support mainly focuses on motivational and monetary support of family, friends, and relatives. If someone avails such kind of support then he/she might be encouraged to choose an entrepreneurial career [26]. Friends and relatives can be a great source of inspiration regarding entrepreneurial intentions of young graduates. Previous research showed that friends have a significant influence on choosing a career path of entrepreneurship, because students have seen their friends are the best source of advice and capital [8] [10].

### **III. Objectives of The Study**

The broad objective of the study is to identify the impact of personality traits and social norms on entrepreneurial intentions of business administrations students. The specific objective also includes the followings:

- I.** Identify the influential personality traits of student's entrepreneurial intention.
- II.** Identify the influence of family orientation, Culture and perceived relational support on entrepreneurial intention.

### **III. Methodology of the study**

To conduct this study, variables have been identified from the previous research. The research is based on the primary data. Primary data are used to obtain the objectives of the study. A structured questionnaire has been used to collect the primary data. Convenience sampling technique was operationalized to distribute the questionnaire among the students. Based on the research objectives, questionnaires were distributed among the both undergraduate and graduate level students of Business Administration Department. 250 questionnaires are distributed proportionately in 5 different universities including four private universities and one public university in Sylhet City. In order to assess the respondent’s viewpoints on the topic being investigated, the respondents were asked to indicate their level of agreement of the different factors which are likely to influence their entrepreneurial intention. Respondent’s level of agreement are measured on 1 to 5 scale whereas, 1 = strongly disagree, 2 = Disagree, 3 = Neutral, 4 = Agree and 5 = strongly agree. All the questionnaires are successfully distributed and collected. Statistical Packages for Social Science (SPSS) software has been used to conduct statistical analysis.

#### IV. Results and Discussions

**The demographic profile:** The demographic information of the respondents is presented in table 1. From the table it can be seen that majority of the respondents lies between the 21 to 25 (60.8 percent) years of age. Respondent’s genders are composed of the male and female. In this category among the 250 respondents, 164 are male which represents the 65.6 percent of the total respondents. All of the respondents are students. Respondents are selected proportionately from the five different universities including one public university namely, Shahjalal University of Science and Technology (SUST) and four private universities namely, Leading University (LU), North East University Bangladesh (NEUB), Metropolitan University (MU) and Sylhet International University (SIU) in Sylhet city. Respondent’s level of education and their area of concentration have also been identified. This table shows that majority of the respondents are from the graduate level. 59.6 percent of the respondents participated from the graduate level and 40.4 percent have participated from the undergraduate level. In the next category respondent’s concentration area of the study has been identified. This table represents that 26 percent of the respondents have participated in the accounting and information system concentration area, 24 percent from the finance and banking area, 24 percent from the marketing concentration area, 24 percent from the marketing, 16.4 percent from Human Resource Management (HRM), 9.2 percent from the management, and 4 percent of the respondents are from the Tourism and Hospitality Management (THM) concentration area.

**Table 1:** Demographic Profile of the Respondents

		Valid Percent			Valid Percent
<b>Age</b>	21-25 years	60.8	<b>Major</b>	Finance and banking	24.0
	26-30 years	35.6		Accounting/AIS	26.0
	31-35 years	3.2		Marketing Management	24.0
	36 and above	.4		HRM	9.2
	<b>Total</b>	<b>100.0</b>		THM	16.4
<b>Gender</b>	Male	65.6		<b>Total</b>	<b>100.0</b>
	Female	34.4		<b>Institute</b>	SUST
	<b>Total</b>	<b>100.0</b>	NEUB		20.0
<b>Education</b>	Undergraduate	40.4	LU		20.0
	Graduate	59.6	MU		20.0
	<b>Total</b>	<b>100.0</b>	SIU		20.0
			<b>Total</b>		<b>100.0</b>

**Table 2:** Entrepreneurial experience of the respondents

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	54	21.6	21.6	21.6
	No	196	78.4	78.4	100.0
	<b>Total</b>	<b>250</b>	<b>100.0</b>	<b>100.0</b>	

Table 2 represents the entrepreneurial experience of the respondents. It has been asked of the respondents that whether they have prior entrepreneurial experience or not? 78.4 percent of the respondents answer that, they

have no prior entrepreneurial experience while 21.6 percent reported, they have previous entrepreneurial experience.

**Descriptive statistics:** Table 3 depicts the response of the students on personality traits such as Need for achievement, the internal locus of control, Risk-taking propensity and Need for autonomy with the degree of response ranging from strongly disagree (1) to strongly agree (5) and accordingly in between. The responses as shown in table reveal that individuals need for autonomy has made the most significant influence on respondent's entrepreneurial intentionality by representing the highest mean.

	N	Mean	Std. Deviation	Skewness		Rank
	Statistic	Statistic	Statistic	Statistic	Std. Error	
Need for achievement	250	3.8280	.59615	-.821	.154	3
Internal locus of control	250	3.9347	.63139	-1.034	.154	2
Risk taking propensity	250	3.4300	.84555	-.723	.154	4
Need for autonomy	250	4.0187	.78904	-1.492	.154	1
Valid N (listwise)	250					

Table 4 represents the influence of social norms on entrepreneurial intention. Social norms have been measured by the dimensions of family orientation, culture and perceived relational support. From our analysis, it is found that social norms are not supportive to the entrepreneurial intention. The mean of the observed variables is shown in below. Family orientation represents the highest mean (2.9) whereas culture represents the lowest mean (2.67) which implies that culture is less supportive of the potential entrepreneur despite the positive family orientation towards the entrepreneur. Perceived relational support also secured low score (2.79) in influencing entrepreneurial intention.

	N	Mean	Std. Deviation	Skewness		Rank
	Statistic	Statistic	Statistic	Statistic	Std. Error	
Family orientation	250	2.9180	.85745	-.191	.154	1
Culture	250	2.6680	.69549	-.059	.154	3
Perceived relational support	250	2.7800	.86173	-.072	.154	2
Valid N (listwise)	250					

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.588 <sup>a</sup>	.345	.326	.71037
a. Predictors: (Constant), PRS, NA, CUL, RIP, ILC, FO, NFA				

Table 5 represents the model summary. From the model summary table we can find how well the model fits the data. From the table we found that R value is 0.588 which indicates that there is a strong positive correlation between the observed variables (i.e need for achievement, internal locus of control, risk-taking propensity, need for autonomy, family orientation, culture and perceived relational support) and dependent variable (Entrepreneurial intention). R2 value indicates the proportion of variability in the outcome variables is explained by the predictor's variable. Here we notice that R<sup>2</sup> value is 0.345 which implies that 34.5 percent of the variability of entrepreneurial intentions is explained by the observed variables.

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	64.375	7	9.196	18.225	.000 <sup>b</sup>
	Residual	122.118	242	.505		
	Total	186.493	249			
a. Dependent Variable: EI						
b. Predictors: (Constant), PRS, NA, CUL, RIP, ILC, FO, NFA						

Table 6 represents the Analysis of Variance (ANOVA). ANOVA tests imply that whether the regression model is good fit or not for the data. In ANOVA test if the significance value of the 'F' statistics is small (smaller than 'P' value i.e 0.05) then the independent variables could be able to explain the dependent variable. In our study we observed that independent variables (need for achievement, internal locus of control, risk taking propensity, need for autonomy, family orientation, culture and perceived relational support) are statistically significantly predict the dependent variable (entrepreneurial intention), F(7, 242) = 18.225, P<0.0005.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
a. Predictors: (Constant), PRS, NA, CUL, RIP, ILC, FO, NFA					

1	(Constant)	.827	.342		2.416	.016
	NA	.256	.094	.176	2.716	.007
	ILC	-.118	.094	-.086	-1.257	.210
	RIP	.425	.066	.415	6.466	.000
	NFA	.149	.079	.136	1.882	.061
	FO	-.027	.072	-.026	-.369	.712
	CUL	-.069	.071	-.055	-.965	.336
	PRS	.129	.068	.128	1.895	.059
	a. Dependent Variable: EI					

Table 7 represents the coefficients of each independent variable. Coefficients of independent variables are essentials for determining the relative importance of each independent variable in predicting the dependent variable. From the statistical analysis, it is found that need for achievement and risk-taking propensity significantly ( $p < 0.05$ ) contribute to the determination of entrepreneurial intentions of Business administration students. Unstandardized coefficient indicates how much dependent variables change with the change of independent variables. Here we observe that Entrepreneurial intentions are positively influenced by Need for achievement (NA) and Risk taking propensity (RIP) which further implies the increase in Need for achievement (NA) and Risk taking propensity (RIP) enhance the entrepreneurial intention.

### V. Conclusion and Managerial Implications

From the study, it is found that besides the individual personality traits (i.e; achievement motivation, internal locus of control, risk-taking propensity and need for autonomy) social norms (i.e; family orientation, culture and perceived relational support can play the vital role in developing entrepreneurial mindset among the Business administrations students. Entrepreneurial intent cannot be accelerated unless the family orientation and cultural outlook have been changed. Entrepreneurial socialization is necessary. Entrepreneurial socialization is the process of preparing an individual to be an entrepreneur by enhancing entrepreneurial competencies under the influence family, educational institutions, and personal experience. Cultural outlook should be changed and relational support from family, friends, and relatives should be enhanced to foster entrepreneurship among the students. Students have the willingness to take risk and challenges to establish a venture but such kind of initiative will not succeed until it is supported by the family, friends, society, and other institutions. In conclusion, we would like to say that, this study is not free from limitations. Most importantly, this study has only been conducted in a single city of Bangladesh. The second limitations include the sample size. The result would be more authentic if the sample size larger.

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