THE IMPACT OF PERSONALITY TRAITS AND KNOWLEDGE ON ENTREPRENEUR PERFORMANCE

By

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ABSTRAK

Bidang keusahawanan sememangya telah dilihat sebagai pemangkin kepada pembangunan ekonomi. Kerajaan berpendapat bahawa kejayaan negara pada masa hadapan bukan sahaja dari segi intelek, malah ia juga dilihat dari aspek keperibadian dan intelektual. Oleh yang demikian, kajian ini mengeksploitasikan model personaliti dan pengetahuan dalam mengenalpasti pencapaian usahawanan terutamanya dikalangan usahawan di Kota Bharu, Kelantan. Model personaliti ini terdiri daripada empat elemen yang menentukan kecenderungan seseorang iaitu dorongan kejayaan, lokus kawalan, kesediaan mengambil risiko dan toleransi kesamaran. Manakala pengetahuan terdiri daripada tiga elemen iaitu tahap pendidikan, pengalaman kerja dan kemahiran. Responden yang terlibat dalam kajian ini terdiri daripada usahawan-usahawan yang menjalankan perniagaan di Kota Bharu, Kelantan. Oleh itu, analisis korelasi hubungan dan regrasi berganda telah digunakan untuk mengkaji kesan personaliti dan pengetahuan para usahawan terhadap pencapaian mereka dalam bidang yang diceburi. Secara amnya, analisis kolerasi pearson mendapati bahawa tidak terdapat hubungan antara toleransi kesamaran terhadap perncapaian usahawan. Manakala, analisis regrasi mendapati ke ketujuh-tujuh (7) iaitu dorongan kejayaan, lokus kawalan, kesediaan mengambil risiko, toleransi kesamaran, tahap pendidikan, pengalaman kerja dan kemahiran mempengaruhi pencapaian usahawan di Kota Bharu, Kelantan.

ABSTRACT

It is widely accepted that entrepreneurship represents a real engine of economic development. The government acknowledge that to become success in the future not enough just have a good personality traits and intellectual, it more but it more depends on human capital. This study tends to exploit the model of personality traits and knowledge approach in order to capture the entrepreneurs' performance among entrepreneurs in Kota Bharu, Kelantan. Model of personality traits suggests four dimensions that determine traits which are need for achievement, locus of control, risk-taking propensity and tolerance for ambiguity while knowledge consists of three distinct dimensions namely education level, work experience and skills. The respondents in this study comprise of entrepreneurs in Kota Bharu, Kelantan. Hence, Pearson correlation and multiple regression analysis are conducted in order to examine the impact of personality traits and knowledge on entrepreneurs' performance. The element of personality traits based on their need for achievement, locus of control, risk-taking propensity and tolerance for ambiguity. Meanwhile for the element of knowledge consists of education level, work experience and skills. Generally, results of Pearson correlation for tolerance for ambiguity revealed that there will be no relationship between personality traits towards entrepreneur performance. Furthermore, results of multiple regression shows that that the seven (7) independent variables namely need for achievement, locus of control, tolerance for ambiguity, risk taking, education level, working experience and skills dimension were important in determining the factors influencing the entrepreneur performance in Kota Bharu, Kelantan.

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DEDICATION

SPECIALLY DEDICATED FOR:

My Husband and Parents,
Mohd Ruzlisham Mat Ghani@Abdullah
Wan Zulkiffli bin Wan Ahmad
Kamriah binti Kadir
For the love, faith, support, prayers, patience, sacrifices and kindness,

My Late Sister,
Wan Farahida binti Wan Zulkiffli
Even though you have gone, the memories always with me and will never fade,
May Allah bless your soul with everlasting peace and tranquillity...

My sisters,
Wan Zahira Farahiyah binti Wan Zulkiffli
Wan Farahdiana binti Wan Zulkiffli
For the support, kindness, prayers and faith,

My nieces and nephews,
Muhammad Aqil Haziq, Muhammad Amirul Haziq, Ahmad Ajmal
Wafiq, Wan Lili Damia and Wan Nur Adlin Syafiqah
For bring joy and happiness. Let this accomplishment inspire you-all to always pursue
your own dreams and ambitious,

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Ida Nadia Hamidon
For the prayers, wishes, being very supportive, understanding, and helpful also for the
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ABBREVIATIONS

SMEs	Small Medium Enterprise
SPSS	Statistical Package for Social Science
PROSPER	Projek Pembangunan Usahawan Dalam Bidang Peruncitan
SMIDEC	Small and Medium Industries Development Corporation
MTDC	Malaysian Technology Development Corporation
MARA	Majlis Amanah Rakyat
MITI	Ministry of International Trade and Investment
MEDEC	Malaysian Entrepreneurship Development Centre
PUNB	Perbadanan Usahawan Nasional Berhad
R&D	Research and development
NEP	New Economic Policy
MPPB	Bumiputra Industrial and Business Society
KB	Kota Bharu

CHAPTER 1

INTRODUCTION

1.0   Introduction

This chapter emphasize on the explanation of the background of study where the general ideas on the scope of study is clarified. Then, the problem statement on this research is stated followed by the research questions, objectives of the study, significance of this study, limitations on conducting this study as well as the organization of the study.

1.1   Background of Study

All developed and developing countries have recognized the importance of the development of Small Medium Enterprises (SMEs) because it plays a significant role in economic development. SMEs perform as a useful vehicle for economic growth of countries, because they have capacity to achieve rapid economic growth while generating a considerable extent of employment opportunities (Namalathasan 2005; Reddy, 1991).

Development of SMEs is significant in the developing countries which suffered from problems of unemployment, lack of investment, balance of payment and poverty because growth of SMEs provides solution for the complex economic problem of a country. SMEs are assumed to play a key role in social and economic development.

Entrepreneurship is a decisive factor for economy to attain its competitive and dynamic character. It is the driving force for the achievement of economic development and creation of jobs and contributing at the same time to personal development. According to Namalathasan (2005), he stated that it is important to encourage entrepreneurship because they are market oriented. Their outlook effectively solves many problems in the community and market place with the optimal use of resources. They organize themselves effectively and they thrive at their work at the same time influence on employees result in productive and efficient working ventures. They build business cresting wealth and developing themselves and others in their communities. Thus, entrepreneurial action results in contributing towards the development of overall environment and society.

Therefore, in Malaysia, a large number of government agencies and financial institutions involved in the development of entrepreneurship such as Small and Medium Industries Development Corporation (SMIDEC), Malaysian Technology Development Corporation (MTDC), Majlis Amanah Rakyat (MARA), SME Bank (Small Medium Enterprise bank), Bank Rakyat, Perbadanan Usahawan Nasional Berhad (PUNB), Malaysian Entrepreneurship Development Centre (MEDEC) and many more.

Government also has always taking steps to promote the creation and development of entrepreneurs by providing positive business environment, tax incentives, training programmes and various financing scheme. In nurturing the entrepreneurship

development in the country, Malaysian government established a department called the Ministry of Entrepreneur Development in 1995 (Hassan, 2007). The Ministry of Entrepreneur Development has set the objective to generate and develop entrepreneurs who are resilient, successful and competitive in all the potential growth sectors of the economy (Choy et al., 2005). However, in 2004, Malaysian government has been restructuring its department and hence the Ministry of Entrepreneur and Co-operative were established with objectives to provide an environment that will promote and assist the development of entrepreneurs as well as to inculcate a culture of entrepreneurship among Malaysians.

Despite of it is acknowledge that the typical traits of a successful entrepreneur are the ability to take risks, innovativeness, knowledge of how the market functions, manufacturing know-how, marketing skills, business management skills and the ability to cooperate (Casson, 1982). On the other hand, entrepreneurs performance often describe achievements or attributes of a high performance such as strong financial results, satisfied customers and employees, high levels of individual initiative, productivity and innovation, aligned performance measurement and reward systems, and strong leadership (Epstein, 2004).

Many researchers have tried to define the performance interrelated with the characteristics of the successful entrepreneur (Harada, 2002). Unfortunately significant progress has not been made, largely due to researchers, they are not taking into account

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that many problems in business research and that businesses have different characteristics, objectives and qualities and that these differ between industries (Beaver, 2002). It is advocated that the enterprise reflects the individual personality and behaviour of the entrepreneur, their commitment and vision being central to the success of the business (Hill and McGowan, 1999).

Curran et al. (1986) argue that the combination of the knowledge, experiences and personality, of entrepreneur and the way in which they are affected by the outside influences of society and the environment give the impact on business performance. Hodgetts and Kuratko (1992) suggested that the entrepreneurial characteristics that contribute to business success are to do with technical and mental ability, human relations skills, high achievement drive and creativity. These authors also found that setting up a business for positive reasons such as to be independent, to be creative and to do enjoyable work is associated with entrepreneur performance.

Therefore, the aim of this study attempts to examine whether entrepreneur personality traits and knowledge will give an impact on entrepreneurs performance which is indirectly will affect their business performance.

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1.2   Problem Statement

The importance of SMEs for economic development has long been recognized. SMEs are more responsive to market demands and in particular are perceived as an important means of job creation. However, irrespective of country, SMEs face common problems which impair both their performance and survival rate. Some statistics suggest that the failure rate of small business in their first five years is more than 50% (Reiss, 2006).

In Finland, about 59% of the firms operating in 1986 and employing less than five persons had closed down by the year 1996. At the same time, the establishment of new firms with less than five employees created about 68 500 new jobs during this period (Morrison et al., 1996). While in the UK, up to 85% of firms are estimated to disappear before their fifth year of operations (Bennet, 1997).

In Malaysia, the previous study found that the company's bankruptcy during the period 1987 to 1997 because of financial reasons (Mohamed et al., 2001). Meanwhile, Zulkarnain et al. (2001) used twenty-four distressed and non-distressed companies from the period 1980 to 1996 matched according to the industry, failure year, closest asset size and age since incorporation. In addition, even though there have been no comprehensive studies or accurate figures published so far, the estimated failure rate for SMEs was 60% (Portal Komuniti KTAK, 2006).In an effort to curb the increasing number of SMEs failures, the Malaysian government has taken various measures, including the recent

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establishment of the SMEs Bank (in October 2005) to cater for the financial needs of SMEs. Other support programmes includes promoting and increasing production efficiency, enhancing quality and productivity through automation and modernisation of machinery, encouraging SMEs to undertake R&D, product development and creating a more conducive business environment for SMEs (Central Bank of Malaysia, 2006).

Government assistance, while being useful, should not be seen as an absolute solution for reducing the rate of business failures. There are other important factors that SME must invoke to ensured continued prosperity. Stokes and Blackburn (2002) suggest that focusing on the business owner as the unit analysis will improve understanding of the experiences of entrepreneurs in managing the business to mitigate the likelihood of business failing. This is because more often than not, when an organisation fails to achieve the desired outcome, the reason is related to the actions of the top management or the founder-owner (N. Ahmad and P. Shen Seet, 2008; Longenecker, Simonetti and Sharkey, 1999).

Clearly, it is important to identify the causes for these problems because the high business failure rate brings about various negative implications for the respective countries and to the individual entrepreneurs themselves. At a macro level, business failure could severely affect the national economy. According to Ripsas (1998), he argues that despite the potential of adding job faster than bigger firms, smaller firms also

eliminate them faster when there is relatively high failure rate. While Naples (1999) argue that;

> "Business failures are not just blips on the screen of economic activity that are instantaneously counteracted by business formation. They destroy jobs, and this independently contributes to economic decline. When a drop in autonomous spending leads to business failures, the appropriate expenditure multiplier is substantially larger than standard models suggest. Consequently, national income falls further, and unemployment increases more drastically".

Referring to Chak (1998), the most significant contributing factor to failure among SMEs is a shortage of resources. At a firm level, a history of business failure may hamper the entrepreneurs from obtaining loans/financial assistance the next time round because businesses need to have a good track record to qualify for credit. Besides weakening the confidence of creditors in business, failure may also impair the confidence of the consumers. This makes effort to rebuild the business even harder due to the bad image and reputation caused by business failure. At an individual level, business failure can be harmful to the psychological and physical health of the entrepreneurs and their family (Blackman, 2003) because the experience of failing can cause emotional hazards to those who are the closest to the entrepreneurs and their family. Realising the severe effect of business failure to the stability and health of a country economy and also to the individual

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entrepreneur themselves, it is crucial to identify behaviours that could be associated with business failure (N. Ahmad and P. Shen Seet, 2008).

Scholars have indicated that the reason for many small business failure are due to lack of competencies among business owners (Kinggundu, 2002) as well as the lack of abilities and skills of those who hold key positions in organisations (Longenecker et al., 1999). Others have also found evidence that non-rational behaviours of the business owners and entrepreneurs themselves in managing the business contribute to entrepreneurial failure. Some have argued that if entrepreneurs are able to equip themselves with the relevant abilities and skills, the negative impact of external factors on business could be minimised (Wasiczzuk, 2000).

1.3 Research Questions

Based on the problem statement, the following research questions are developed:

1. How do the entrepreneurs differ according to their personal characteristics and other demographic background?

2. How entrepreneur's personality traits and knowledge will affect their performance?

3. Are there any relationship between personality traits and knowledge on their performance?

1.4   Research Objectives

The main objective of this research is to gain understanding on entrepreneurs in Kota Bharu, Kelantan. Specifically, this study will attempt to investigate the impact of personality traits and knowledge on entrepreneur's performance. The purposes of this study are:

   i.   To determine the entrepreneurs characteristics who actively involved in business activities based on their demographic factor.

   ii.   To investigate the effect of entrepreneurs personality traits and knowledge on entrepreneur performance.

   iii. To analyze the influences between personality traits and knowledge toward entrepreneur performance.

1.5   Significance of the study

This study added to the body of knowledge both of the academic and business sectors. This research would have significant contributions as follows:

   1. Through the findings, the study will provide the feedback on the entrepreneurial personality traits and knowledge and how it relates to the performance.

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2. The findings produced in this study could be used as a device to get better understanding how entrepreneur regulate their characteristics and knowledge towards improving and maintaining their business performance.

3. The finding of this study also indicate the level of confident and desirability in the entrepreneur's ability in order to sustain their own business.

4. This study would be a foundation for further research, and new variables which is not being identified in this study, may be explored in the near future.

1.6 Scope of the study

The scope of this study will cover entrepreneurs in Kota Bharu, Kelantan. The entrepreneurs who are the owners/operators of their business and the questionnaire will be handed over them. The study aimed to determine the factors namely personality traits and knowledge that can affect the entrepreneur performance. The study also aimed to determine the relationship between personality traits and knowledge elements towards entrepreneurs' performance.

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1.7   Limitation of the study

There are some limitations discovered in this study:

1. Generalizability of the findings

    This study was done in Kota Bharu, Kelantan and the finding cannot be used to generalize the entrepreneurs performance in Malaysia. A more extensive study along the same procedures will be necessary if any definite conclusions are to be made. However, due to the time constraint, it is not possible to carry out such an extensive research.

2. Time constraints

    The researcher was only given four months-period to complete this study.

3. Problems associated with data collection

    Some of the questionnaires distributed and returned cannot be used since some data may not be complete by respondents.

4. Respondent cooperation and data accuracy

    Some of the respondents were irresponsible in collaborating to answering the questionnaire. The accuracy of the data collected through questionnaires was therefore depends on the sincerity and truthfulness of the answers given by respondents.

5. Model

    The model that use in this study does not include all elements of entrepreneur personality traits and knowledge, but it can be considered relatively more

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complete than previous models, since it includes a higher number of dimensions and elements.

1.8   Organization of the study

This study is organized into five chapters. Initially, Chapter 1 has briefly introduced this study and stating its objectives. The main objective of this study is to examine the impact of personality traits and knowledge on entrepreneurs towards entrepreneurial performance. Moreover, Chapter 1 presents the problems statement, the research questions, and significance of the study as well as limitation of the study.

Meanwhile, Chapter 2 will review some of the relevant literature regarding to the construct of the proposed model. It reviewed the literature on the issues related to entrepreneurial personality characteristics or traits. In this study, four distinct dimensions of personality traits are used to define the entrepreneurial profile of business owner which are achievement motivation, locus on control, tolerance for ambiguity and risk taking propensity. While knowledge consists of three distinct dimensions namely entrepreneurs level education, working experience and skills. Thus, the concept, definition, measurement and previous empirical study related to the topic will be review in this chapter.

Then, the method that used in this study were explained in Chapter 3 namely research methodology. This research is a quantitative data based research. This chapter

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highlighted about the research framework, hypothesis, and research design. Besides that, the measurement of variables, data collection and techniques of data analysis were explained in this chapter. This chapter also describes the pilot survey conducted and explained the validity and the reliability of the measurement. Meanwhile, this chapter also explained on the data that will be analyzed by using descriptive methods with its assumptions. Descriptive methods will be used to interpret data in general while Pearson Correlation and multiple regressions will be conducted for the purpose of hypothesis testing.

Analysis of the data and findings of the research are described in Chapter 4. This chapter explained the data obtained from the respondents in Kota Bharu, Kelantan. The results cover the demographic information of the respondents and continued with results of various analysis and findings of the relationship of variables also explained in this chapter. The results were also shown in the form of tables and text for easy and fast understanding.

Lastly, Chapter 5 recapitulates the findings, discussions and implication on the findings of the study. This chapter also will give a brief overview of the introduction, review of the related literature, methodology and findings of the study. It also will take into account the inferences from the findings which come with certain conclusion. Finally, this chapter will provide the suggestion for future research related to the entrepreneurship field.

1.9   Conclusion

In general, this chapter has discussed a few issues and research problems that may exist in this study. This chapter also described background of the study, problem statement, research questions and research objectives. Moreover, the significant of this study, limitation and organization of this study were describes in this chapter. The next chapter will be explained on the literature review of the factors that influences entrepreneurial performance among entrepreneurs in Kota Bharu, Kelantan.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter will provide an outline of relevant literature in the interest of the proposed study. It is an overview of the research pertaining to independent variables and dependent variables of this study. The literature review highlights the definition and concept that related to the entrepreneur, entrepreneurship, personality traits, entrepreneur knowledge as well as entrepreneur performance will be discussed in this chapter. Furthermore, this chapter also will review some of the previous research pertaining to the personality traits, entrepreneur knowledge and their performance.

2.1 Entrepreneur

The word 'entrepreneur' is derived from the French verb *entreprendre* that means 'to undertake'. The term 'entrepreneur' has been defines differently by different people and yet no consensus has been reached on one universally accepted definition (Schaper & Volery, 2004). Some theorists have narrowly defined an entrepreneur as a person who has established their own business. According to Brockhaus (1980), he defined an entrepreneur as a major owner or manager of business venture not employed elsewhere.

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While Bygrave (1994) stated that an entrepreneur is someone who perceives an opportunity and creates an organization to pursue it.

Meanwhile, Maimumah (2001) defined an entrepreneur as the organizer of economic venture owns, organizes and assume risk of the business. Hisrich and Peters (2002) concluded entrepreneur as individual who takes risks and starts something new. The term "entrepreneur" has often refers to the founder of a new business, or a person who started a new business where there was none before (Gartner, 1998). While according to Hodgetts and Kuratko (1992), entrepreneurs as individual who is able to arrange, manage, and expect business risks.

Hisrich et al. (2005) viewed the perception of entrepreneur definition differs among individuals. For example, to an economist, an entrepreneur means one who brings assets such as recourses, labour and materials to be combined to make it greater value than before. To a psychologist, it means such a person who typically driven by certain forces which the need to obtain or attain something, to experiment, to accomplish, or perhaps to escape the authority of others.

On the other hand, in the perception of business operation, an entrepreneur means as a threat and an aggressive competitor or they can also be appeared as an ally, a source of supply, a customer, or someone who creates wealth for others (Hisrich et al., 2005). Referring to Dollinger (1995), he revealed that the common elements in the definition of entrepreneurs are (1) creativity and innovation, (2) resources gathering the founding of an

economic organization and (3) the chance for increase under risk and uncertainty. Broadsky (1996) found that an entrepreneur is one who engages in the conversion of ideas into viable business by means of ingenuity, hard work, resilience, imagination, luck and other ingredients that go into a successful start up.

According to Setty (1980), entrepreneur is an innovator who introduces something new into the economy while Hull et al, (1980) defined entrepreneur as a person who organized and manages a business undertaking assuming the risk for the sake of profit. Mescon and Montanari (1981) defined entrepreneur as a founder of new business. McMullan and Long (1990) defined an entrepreneur as a self-employed person who has face uncertainty, and never be tied down to the traditional way of making deals. Meanwhile, Moore (1990) defined entrepreneur as one who takes an active role in the decision making and the risk of a business in which he or she has majority ownership.

Furthermore, Bygrave (1998) defined entrepreneur as people who show initiative, imagination, creativity and flexibility. They are willing to think conceptually and to see change as an opportunity. Thompson (1999) defined entrepreneur as an individual who has a vision with a new opportunity that will respond on it and starts something. Fayolle (2007) viewed that the entrepreneur has a particular and indispensible role to play in the evolution of liberal economic systems. They also create companies and jobs as well as participate in the renewal of the economic fabric.

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Therefore, as suggested by Gartner (1989), each research study should specifically define the entrepreneur that is the focus for that particular study. Consequently, relevant to this study, entrepreneur can be defined as a major owner or manager of business venture not employed elsewhere (Brockhaus, 1980) who show initiative, imagination, creativity, flexibility, able to see change as an opportunity (Bygrave, 1998) and someone who perceives an opportunity and creates an organization to pursue it (Bygrave, 1994) by introducing something new into the economy (Setty, 1980) as well as organized and manages a business undertaking assuming the risk for the sake of profit (Hull et al, 1980).

2.2   Entrepreneurship

The theory of entrepreneurship comes in many guises. Management scholars and economists have made the entrepreneur an innovator, a leader, a creator, discover, an equilibrator, and more. In only a few of these theories, however, is entrepreneurship linked to asset ownership (Nimalathasan, 2008; Foss, Langlois and Cosgel, 1993).

Chell (2001) stated that an entrepreneurship in its narrowest sense involves capturing ideas, converting them into products and, or services and then building a venture to take the product to market. A noticeable trend in the study of entrepreneurship in recent years has been away from the subject of a business towards the concept of entrepreneurship. The present study reflects this trend by emphasizing the concept of entrepreneurship itself, rather than the personality or psychology of business entrepreneurs.

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Referring to Miller (1983), entrepreneurship represents organizational behaviour. The key elements of entrepreneurship include risk taking, proactively, and innovation. However, some researchers argued that the three elements are not sufficient to ensure organizational success. They maintained that a successful firm not only engages in entrepreneurial managerial behaviour, but also has the appropriate culture and organizational structure to support such behaviour.

According to Cole (1969) mentioned that entrepreneurship refers to the activities which are able to give benefit to the business development based on profit. While McClelland (1961) defined entrepreneurship is a risk taking which is responsible for end results in the form of profit or loss according to her/him. Higgins (1991) stated entrepreneurship meant the function of seeing investment and production opportunity, organizing an enterprise to undertake a new production process, raising capital, hiring labour, arranging for the supply of new materials and selecting top managers for the day-to-day operation of the enterprise.

Drucker (1970) acknowledged that entrepreneurship is neither a science nor an art, it is a practice, it has a knowledge base, and knowledge in entrepreneurship is a means to an end. Indeed, what constitute knowledge in practice is largely defined by the ends, that is, by the practice.

2.3 The characteristics or traits of an entrepreneur

The characteristics of an entrepreneur that contribute to success are the result of his achievement motivation the characteristics of achievement motivated person as identified by McClelland (1961). Successful entrepreneur must be a person with technical competence, initiative, good judgement, intelligent, leadership qualities, self-confidence, energy, attitude, creativeness, fairness, honesty and emotional stability.

According to Casson (1982), the characteristics typical of successful entrepreneur are the ability to take risks, innovativeness, knowledge of how the market functions, manufacturing know-how, marketing skills, business management skills and the ability to cooperate. While Caird (1988) mentioned a good nose for business, the desire to take risks, the ability to identify business opportunities, the ability to correct errors effectively and the ability to grasp profitable opportunities as a characteristics of an entrepreneur.

The study done by Timmons (1994), he analysed more than 50 studies found a consensus around six general traits of entrepreneurs: (1) commitment and determinations; (2) leadership; (3) opportunity obsession; (4) tolerance of risks, ambiguity and uncertainty; (5) creativity and ability to adapt; (6) motivation to excel. A related stream of research examines how individual demographic and cultural backgrounds affect the chances that a person will become an entrepreneur and be successful at the task.

Previous studies indicated that three factors influence entrepreneurial behaviour. These are individual, social and environment factors. The Social Factors model examines the personal background, family background, stage of career (Gurol and Atsan, 2006; Robinson et al., 1991, Alstete, 2002), early life experiences and growth environment (Gibb, 1993), and while the environmental factors model looks at the contextual factors such as value of wealth, tax reduction and indirect benefits, timing of opportunities in the career process, the impact of market conditions (Alstete, 2002), social upheaval, supportive social and economic culture (Green et al., 1996).

On the other hand, individual factors, widely known as a trait model, focus on personality characteristics of entrepreneurs (Koh, 1996). This model rests on the assumption that entrepreneurs have certain unique characteristics, attitudes and values that impetus for them and distinguish them from others (Thomas and Mueller, 2002). In previous studies that employ the trait model, questions as to whom the entrepreneurs are, why they become entrepreneurs and the characteristics of successful and unsuccessful enterprises are investigated (Littunen, 2000; Bygrave and Hofer, 1991).

Various research studies have analyzed certain traits of personality as the characteristics of entrepreneur. For instance, in the study by Entrialgo et al., (2000) locus of control, need for achievement and tolerance for ambiguity are regarded as the determinants of the tendency for entrepreneurship. In this study five personality characteristics are used to define the entrepreneurial profile of entrepreneurs. These are need for achievement, locus

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of control, tolerance for ambiguity, risk taking propensity and self-confidence. These characteristics were chosen since they are frequently cited in different studies in the entrepreneurship literature.

2.3.1 Need for achievement

The need for achievement theory of McClelland (1961) is one of the most applied theories on entrepreneurship. According to its traditional definition, the need for achievement is the impetus that forces the person to struggle for success and perfection (Sagie and Elizur, 1999). Individuals who have a strong need for achieve are among those who want to solve problems themselves, set targets and strive for these target through their own effort, demonstrate a higher performance in challenging tasks and are innovative in the sense of looking for new and better ways to improve performance (Littunen, 2000; Utsch and Rauch, 2000).

Murray (1938) identified the need for achievement as a basic need that influences behaviour, McClelland first established the construct in the entrepreneurship literature by positing that a high need for achievement predisposes a young person to seek out an entrepreneurial position to attain more achievement satisfaction that could be derived from other types of positions (Entrialgo et al., 2000; Stewart et al., 2003). With numerous comparative studies conducted among entrepreneurs and non-entrepreneurs, it appears

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that the need for achievement has a more significant relation with entrepreneurship than other characteristics mentioned in the literature (Littunen, 2000).

2.3.2 Locus of control

Another extensively researched trait is locus of control. It is a personality variable that is related to the generalized expectations of a person on whether he or she will be able to control the events in life (Leone and Burns, 2000). Occasional studies have endorsed Rotter's hypothesis that a high need for achievement is closely linked to internal locus of control (Daylan, 1992; Perry et al., 1986). According to Rotter (1996) individuals vary in term of how much personal responsibility they perceived and accept for their behaviour and consequences. Individuals with an external locus of control believe circumstances beyond their immediate control such as luck, fate and other people affect their performance across a range of activities. While individuals with an internal locus of control believe they personally control events and consequences in their lives (Koh, 1996).

The research carried out by Perry (1986) revealed that successful entrepreneurs had a high internal locus of control and high achievement motivations. However, there is little evidence to suggest that this instrument can be used to distinguish between entrepreneurs and non-entrepreneurs. Mueller and Thomas (2000) indicated that individuals with internal locus of control are always searching for new opportunities and taking an

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innovative attitude are also expected to have capability to control the events in their lives. A study done by Gilad (1982) was able to use locus of control to distinguish successful and unsuccessful small business owners (Engle et al., 1992).

2.3.3   Tolerance for ambiguity

The tolerance for ambiguity is the ability to respond positively to ambiguous situations. If an individual consent to inadequate data and trusts his decision taken under uncertainty, his tolerance is considered high (Teoh and Foo, 1997). On the other hand, people with low level of tolerance for ambiguity tend to find uncertain and unstructured situations more comfortable. Thus, they tried to avoid such ambiguous situation (Gurol and Atsan, 2006).

Tolerance for ambiguity can be effectively conceptualized as an individual's orientation towards taking chances in decision making. Entrepreneurial managers are generally believed to tolerate ambiguity better than do conservative managers because the entrepreneurial ones face a less structured, more uncertain set of possibilities and actually bear the ultimate responsibility for decision (Entrialgo et al., 2000). According to Cromie, (2000), risk and uncertainty are elements of the entrepreneurial behaviour since entrepreneur's decisions result in actions that are innovative and original. This lack of clarity creates ambiguity, and Koh (1996) cite numerous studies suggesting that entrepreneurs have significantly greater capacity tolerate ambiguity.

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2.3.4 Risk taking propensity

Risk taking propensity refers to the propensity of an individual to exhibit risk taking or risk avoidance when confronted with risky situations. Entrepreneurship is historically associated with risk taking (Gurol and Atsan, 2006). According to Thomas and Mueller (2000), the main factor differentiating the entrepreneurs from employed workers was the uncertainty and risk taken by the former. Particularly what is emphasized in differentiating the entrepreneurs and professional managers in business activities is that the entrepreneur personally takes the risk for profit and loss. However, being an uncertain environment, entrepreneurship also includes the risks related to financial well-being, career opportunities, family relations, emotional state and psychic well-being (Littunen, 2000). Referring to Cromie and Mueller (2000), entrepreneurs are generally characterized as having a greater propensity to take risks than other group.

2.4 Knowledge of entrepreneur

Knowledge is an important asset for business firms in the time of global competition. However, many entrepreneurs do not pay enough attention on the importance of knowledge. This source can be determined an important determinant of success of firms and undoubtedly one of the sources of sustainable competitive advantage. Organizations are becoming more knowledge intensive and they are hiring minds more than hands (Omerzel and Antoncic, 2008).

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Research dealing with the study of the importance of knowledge, has lately often been carried out in entrepreneurial environment. In the process dealing with knowledge enterprises have to face the varying conditions of organization culture and they need a strong support from top management. Previous studies that deal with the concept of human capital of entrepreneurs most often focus on the effects of entrepreneurs' education, their past experience and family and professional background of entrepreneurs (Cooper et al., 1994).

Carneiro (2000) acknowledge that knowledge is the factor with which entrepreneurs can distinguish themselves from their competitors and the means with which the poorly organized business environment can become well organized. Entrepreneurs with more knowledge will be less uncertain regarding their effectiveness and they will be able to learn and notice changes on the market faster. In-depth research on different dimensions of the knowledge of entrepreneurs in companies and analyses of the influence of individual dimensions on business success of companies is difficult to find.

According to Barker and Mueller (2002), they mentioned that company success is frequently conditional on the knowledge of entrepreneurs which mainly depends on their education and past experience. Drucker (1999) defined knowledge as an importance source for the company. Nonaka and Takeuchi (1995), in their theory on knowledge-based organizations, further emphasized the importance of knowledge. Their thesis is that

knowledge represents one of the sources of sustainable competitive advantages and that knowledge is the basic foundation for firm performance.

In developed economies, the competitive position of an enterprise depends on the ability of the enterprise to create knowledge-based added value (Kubr, 2002). The entrepreneurs should understand company culture and values; they should keep what is good and change all that does not lead towards knowledge creation. This can be reached if the entrepreneur is willing to observe, to talk with the employees, and recognizes obstacles, problems and success. It is characteristic for entrepreneurs that they need different knowledge in different growth periods and thus continuously develop their need for knowledge (Drucker, 1999).

Drucker (1999) also stated that a typical entrepreneur is usually well-educated, but lacks specific skills and knowledge about the market, marketing, finance and human resources management. Knowledge limitations on one side and the belief about the ability to solve all problems often represent the main obstacle on the path to success. While Rowley (2000) proposed the concept of the knowledge entrepreneur as an organization that is a knowledge entrepreneur recognizes the multifaceted nature of knowledge and the implication that this have for organization learning. But the scope of utilized knowledge and the ability to create value by means of available knowledge always depend on the knowledge of individual entrepreneurs. There are no universal ways of measuring entrepreneur knowledge in companies.

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According to Honig (2001), entrepreneur knowledge is derived mostly from their education and past experience. It is their formal education, exposure to and experience in other organizations that determines the unique set of skills or knowledge base that they bring to the organization. Lussier and Pfeifer (2001) stated a consistent finding in research is a positive relationship between the level of education of entrepreneur and their performance. Thus, in this study, the researcher wishes to expose entrepreneur's knowledge as a main factor for the success of their business. A multidimensional model of entrepreneur knowledge will be connected with all three dimensions, namely education level, working experience and skill construct with company business success.

Table 2.1: Entrepreneurial characteristics – personal and managerial which can lead to failure.

Personal Skills Leading to failure	Managerial Skills Leading to Failure
Exhibits exaggerated opinion of business competency based on knowledge of some skills.	Cannot identity target market or target customers.
Limited formal education.	Cannot delineate trading areas.
Inflexible to change and not innovative.	Cannot delegate or motivate.
Uses own personal taste and opinion as standard as follow.	Believes advertising is an expense not an investment.
Decision making based on intuition,	Only rudimentary knowledge of pricing

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emotion and non-objective factors.	policy and strategy.
Oriented to past, ignored future.	Immature understanding of distribution channels.
Does little reading in literature associated with business.	Does not plan.
Resists advice from qualified sources but paradoxically, accepts it from the least qualified.	Believes problems not his making and loan would solve everything.

(Source: Larson & Clute, 1979)

2.5   Owners-Managers Characteristics and Business Performance.

The most important psychological factors judged by entrepreneurs to be related to success were the energetic participation in the endeavour, self-confidence, desire for being one's boss, achievement need, linking of work commonsense and tenacity (Hornaday and Bunker, 1970). Whilst several studies have focused upon the personality and traits of entrepreneurs, the performance of entrepreneurs has received limited research attention. Given the heterogeneous nature of entrepreneurship in term of motivational diversity, different types of entrepreneurs and organizational forms, measuring entrepreneurial performance is inevitably a challenging task (Davidson, 1995).

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Figure 2.1: Framework for Research Linking the Characteristics
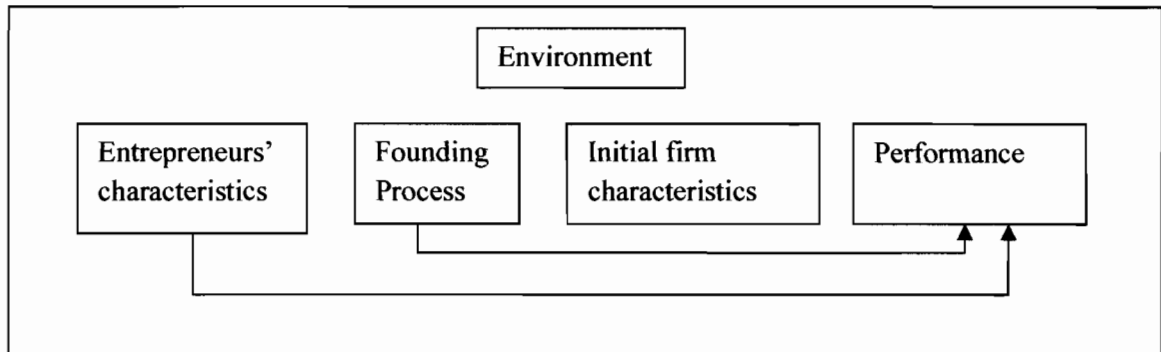
Source: Cooper, A.C. (1998), "Findings on predictors of performance from a Large-Scale Research Program", Small Enterprise Research, The Journal of SEAANZ, 247.

Figure 2.1 shows that there is a relationship between the entrepreneur's characteristics and performance. Cooper (1998) suggested that the degree to which entrepreneur was satisfied may influence future investment decisions in the business and Watson (2001) argued that, as many of the reasons given for entering a business are non-financial (Stanworth and Curran, 1976; Cooper, 1993). Non-financial performance indicators such as owner satisfaction should be included in any assessment of SME performance (Watson, 2001).

Heunks (1998) pointed out that individual characteristics of entrepreneurs plays an important role in the success of small and medium-sized enterprises such as values, posture and education level may influence a company's innovation and originality. According to Freeman (1996) emphasizes that, as a result, successful entrepreneurs are

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especially skilled at using their time to develop relationship with people, who are crucial to the success of their new venture.

2.6   Measures of success affecting performance

The measures of performance can be examined both objectively and subjectively. Objective examination usually includes comparing performance with hard financial measures, whereas subjective examination can be related to more personnel. Furthermore, success is examined from the perspective of small business owner. Thus, it may include both financial such as performance of growth and non-financial such as job satisfaction and product quality issues (Haber and Reichel, 2005).

Some researchers argue that success should examined from the subjective perspective, and the starting point for so doing should be the business owner him or herself (Sternberg, 2004; Simpson et al., 2004). Traditional, financial measures of success can be appropriate, misleading and meaningless for business owners, each of whom has their own perception of success (Simpson et al., 2004). Consequently, they may value themselves as successful, although viewed from outside the business may have attained different level of success. Subjective criteria for success may include measures such as personal satisfaction and achievement, pride in the job and flexible lifestyle (Walker and Brown, 2004)

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According to Cooper and Artz (1995), satisfaction is regarded as a fundamental subjective measure of success. It could be argues that it is not the achievement of goals, but the satisfaction it creates that brings feelings of success. Satisfaction is determined partly by the gap between business owner's personal standard of comparison for example, what he or she wants and actual experiences.

2.7   Conclusion

This chapter has covered a review of relevant literature regarding to the concept and definition of entrepreneur, entrepreneurship, entrepreneurial traits and knowledge and measurement of entrepreneurial performance. Furthermore, the discussion of previous research or literature review is important to the model constitution or theoretical design in any research. Based on the discussion of previous research, the researcher will acknowledge about the problem area. This study will follow up with the theoretical framework and research methodology.

CHAPTER 3

METHODOLOGY

3.0 Introduction

This chapter discusses the methodology and theoretical framework of this study. It will elaborate the research design, theoretical framework, measurement of variables as well as data collection procedure. It will ends with the discussion of the statistical techniques used to analyze the data.

3.1 Research Design

In research design, the researcher should determine first the independent variable and dependent variable to build a precise theoretical framework. In this study, the dependent variable is entrepreneur's performance. Then, the independent variable is personality traits and knowledge of entrepreneurs which influences the dependent variables either in positive way or negative way.

The method chosen in this study was self administered questionnaires. According to Sekaran (2000), the questionnaires are the most useful as a data collection method when large numbers of people are to be reached in different geographical regions. Furthermore,

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questionnaires are a popular method of collecting data because researchers can obtain data fairly easily, and the questionnaire responses are easily coded. Self-administered questionnaires are cheaper and quicker rather than others. Moreover, self-administered questionnaires can be distributed all together and it is very affective. The respondents can complete the questionnaires, when they are convenient and can check record if necessary. Data collecting is time consuming where it took for 1 month from middle of September to October 2009.

3.2 Theoretical framework

Through the explanation of research design, the following theoretical framework was created.

Figure 3.1: Theoretical Framework
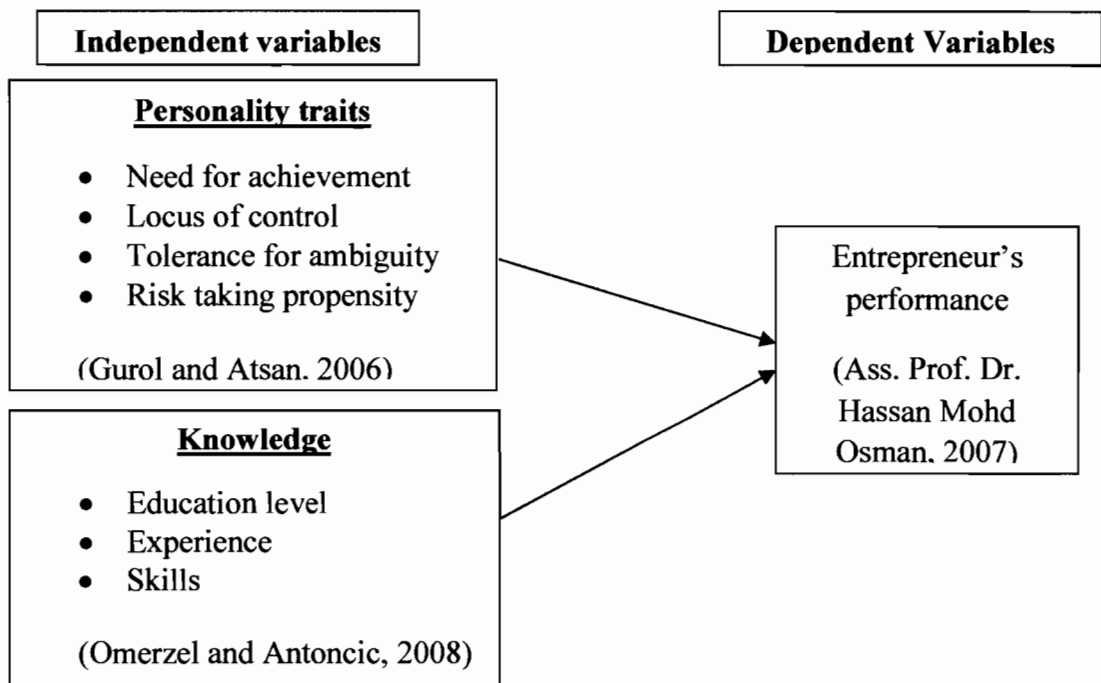
3.3 Hypothesis of the Study

Based on the discussion in the previous literature review and theoretical framework, there are three hypothesis generated in this study. This study will attempt to test the following hypothesis:

Hypothesis One

H_o 1: There is no relationship between need for achievement of owners and his/her performance.

H_a 1: There is a relationship between need for achievement of owners and his/her performance.

Hypothesis Two

H_o 2: There is no relationship between locus of control of owners and his/her performance.

H_a 2: There is a relationship between locus of control of owners and his/her performance.

Hypothesis Three

H_o 3: There is no relationship between tolerance for ambiguity of owners and his/her performance.

H_a 3: There is a relationship between tolerance for ambiguity of owners and his/her performance.

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Hypothesis Four

H_o 4: There is no relationship between risk-taking propensity of owners and his/her performance.

H_a 4: There is a relationship between risk-taking propensity of owners and his/her performance.

Hypothesis Five

H_o 5: There is no relationship between education level of owners and his/her performance.

H_a 5: There is a relationship between education level of owners and his/her performance.

Hypothesis Six

H_o 6: There is no relationship between work experience of owners and his/her performance.

H_a 6: There is a relationship between work experience of owners and his/her performance.

Hypothesis Seven

H_o 7: There is no relationship between skills of owners and his/her performance.

H_a 7: There is a relationship between skills of owners and his/her performance.

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3.4   Instrument of Measurement

A questionnaire allows researcher to progress from gathering the ideas and suggestions of a few people at qualitative stage to conforming whether the ideas and suggestions are widely held throughout the target population (Sekaran, 2003). Researcher must have a working knowledge of the common research process. In the research environment, where litigation is becoming more common, researcher who uses a questionnaire without a reasonable professional knowledge of questionnaire design and analysis is running a grave risk. Researcher must also be aware of the weakness of the resultant data from questionnaire.

Personally administered (self administered) questionnaires were used in collecting the information. It is a questionnaire that is filled in by the respondent rather than by an interviewer (Zikmund, 2003). According to Sekaran (2003), he indicated that personally administering the questionnaire is a good way to collect data when the survey is confined to a local area and the organization is willing and able to respond to the questionnaire. Wang (1999) proposed that personally administered questionnaires are: (1) inexpensive and less time consuming than interviewing, reaching a large sample size for a given budget, (2) minimizes the interviewer bias, and (3) do not require field worker training.

Zikmund (2003) revealed that the questionnaire are usually printed on paper, is using standardized questions. Referring to Sekaran (2003), he revealed that researchers can

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collect responses within a short period of time and they have the opportunity to introduce the research topic and motivate the respondents to give their honest answers. But, in certain cases, entrepreneurs are not able to give responses on the spot. The questionnaire may be filled out when the respondent has time.

In this study, the data will be collected by structured questionnaire. A set of complete questionnaire with the total of 50-items were used to gather the information. A questionnaire consisting of 50 items were divided into four parts which are part A, part B, part C and part D. The first part which consists of 13-items is to capture demographic information among respondents such as respondent's age, gender, marital status, education background, and their participation on business activities. Then, part B consists of 19 items which measure the personality traits factors. Part C consist 10 items that related to entrepreneur knowledge. Meanwhile, Part D consists of 8 items that related to measure the entrepreneurs performance.

3.4.1 Part A: Measurement of demographic factors and business information.

This part consists of 13-items to measure the demographic factors and the respondent's involvement in business activities. . The first question is based on entrepreneurs personal characteristics which includes 7 items (age, gender, marital status, educational background, earliest job, working experience, spouse employment) and the second question is based on entrepreneurs business information which includes 6 items (type of

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business, business sector, year of business start up, capital to start up a business, income salary and number of employees). Nominal scale will be used to those items.

3.4.2   Part B: Measurement of personality traits

The personality trait that was developed by from Gurol and Atsan (2006) consists of four components which are need for achievement, locus of control, tolerance for ambiguity and risk-taking propensity. The instrument used to measure the component of personality traits was obtained from modified version of Entrepreneurial Characteristics Questionnaires used by Gurol and Atsan, (2006). .

In personality traits, there were 6-items were used to measure the components of need of achievement, 7-items measure the component of locus of control. On the other hand, 3-items measure the component of tolerance for ambiguity and the remaining 3-items measure the component of risk taking propensity.

The Entrepreneurial Characteristics which developed by Gurol and Atsan (2006) used seven-point likert scale to measure the level of agreement or disagreement regarding to the component of personality traits. However, in this study, the measurement of personality traits used five-point likert scale to determine the extent of the agreement or disagreement with the statement regarding to the personality traits in order to improve the reliability of the ratings. According to Elmore and Beggs (1975) in Cavana et al., (2001),

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five-point scale is as good as any, and that an increase from five to seven or nine points on a rating scale does not improve the reliability of the ratings.

Rating scale were from "strongly disagree" with a value of 1 to "strongly disagree" with a value of 5. The value of 1 refers to "strongly disagree", 2 for "disagree", 3 for "not sure", 4 for "agree" and 5 for "strongly agree". A respondent which indicates the score of 1 or strongly disagree represents a very low level of need for achievement, locus of control, tolerance for ambiguity and risk-taking propensity. Table 3.1 indicates the 19-items of personality traits according to the elements it belongs to while Table 3.2 summarizes the rating scale used.

Table 3.1: 19-items of Personality Traits

Personality traits elements	Questions	Item Number
Need for achievement	I will work hard to get what I want	14
	It is important for me to be the best compare to other entrepreneur	15
	I am successful because I like my job	16
	I always set a target or my own way and put my effort to achieve my dreams	17
	I can be a good problem-solver without any helps from others.	18
	I try to grow up my business	19
Locus of control	My life is getting better because of my fate or destiny	20
	I can pretty much determine what will happen in my life	21
	I cannot improve my business	22
	My life is totally depend on my own effort	23

	When I make a plan, I am almost certain to make sure them work	24
	I cannot change my destiny	25
	I'm not able to control my business situation	26
Tolerance for ambiguity	I believe this field is suitable for me	27
	The change of my life because of my own effort	28
	I feel comfortable with my new life	29
Risk-taking propensity	I am willing to face whatever risk coming in the future	30
	I am brave enough to create something new and adventurous	31
	If my business failed, I do not fear	32

Table 3.2: Rating Scale and Measurement

Level of personality traits	Description
1.00	Very Low
2.00	Low
3.00	Moderate
4.00	High
5.00	Very High

3.4.3   Part C: Measurement of knowledge

This section (Part C) of the questionnaires was the modification from Omerzel and Antoncic (2007) in the journal of "Critical entrepreneur knowledge dimensions for the SME performance". It consists of three components which are education level, working experience and skills.

In knowledge, there were 3-items were used to measure the components of education level, 3-items measure the component of work experience. On the other hand, 4-items measure the component of skills. The respondents are required to rate their responses on a five-point likert scale whereby the scale measurement option included; 1 = "Strongly Disagree, 2 = "Disagree", 3 = "Not sure", 4 = "Agree", 5 = "Strongly Agree". Table 3.3 indicates the 16-items of knowledge arrange according to the dimension it belongs to while Table 3.4 summarizes the rating scale used.

Table 3.3: 10-items of knowledge

Knowledge elements	Questions	Item Number
Education level	My knowledge is important to help me arrange the business	1
	My highest education will define victory in my business	2
	I must get the highest education to arrange my business to be effective	3

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Working experience	I get inspiration to do business from previous experience	4
	Experience more helping me to manage my business	5
	Through experience, I can sort out my business problem	6
Skills	I am able to present in front audience	7
	I am able to settle a big problem in creative way	8
	It is harder for me to build an idea and plan in business	9
	I am capable to arrange the business operation and strategy	10

Table 3.4: Rating Scale and Measurement

Level of knowledge	Description
1.00	Very Low
2.00	Low
3.00	Moderate
4.00	High
5.00	Very High

3.4.4 Part D: Measurement of performance

Performance can be evaluated in term of outcomes and inputs and may be measured on an absolute or relative scale. Performance also means whether the organization has efficiency and effectiveness (Ting and Cheng, 2007; Ruckert et al., 1985). This section (Part D) of the questionnaires consists of 8 items. It was the adaptation from Mohd Hassan, (2007). The measures of performance usually use objective indicators of finance, including sales and outcomes, but these data are difficult to be obtained. Because of the difficulty, this study use a subjective manner to measure performance by being cognitively self-evaluated by entrepreneurs itself and satisfaction of operation status.

There were 8-items were used to measure the components of entrepreneurs performance. The respondents are also required to rate their responses on a five-point likert scale. Table 3.5 indicates the 6-items to measure the entrepreneurs performance according to the elements it belongs to while Table 3.6 summarizes the rating scale used.

Table 3.5: 8-items of Entrepreneurs Performance

Variable	Questions	Item Number
Entrepreneurs Performance	I am really satisfied with the profit that I get	1
	The business always growth from time to time	2
	I always create a new product	3
	My product or services get agreeable from customer	4

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I will make sure my customer will satisfied with my product	5
I have a good relationship with my customer	6
I have a good relationship with my supplier	7
I have a good relationship with my competitor	8

Table 3.6: Rating Scale and Measurement

Level of performance	Description
1.00	Very Low
2.00	Low
3.00	Moderate
4.00	High
5.00	Very High

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Table 3.7: Summary of the questionnaire

Variables	No of Items	Items
Section A: demographic		
Age	1	Section A, Item 1
Gender	1	Section A, Item 2
Marital status	1	Section A, Item 3
Level of education	1	Section A, Item 4
Previous Occupation	1	Section A, Item 5
Spouse occupation	1	Section A, Item 6
Working experience	1	Section A, Item 7
Type of business	1	Section A, Item 8
Business sector	1	Section A, Item 9
Year of business start up	1	Section A, Item 10
Capital start up in business	1	Section A, Item 11
Monthly income	2	Section A, Item 12(a)(b)
Number of workers	1	Section A, Item 13
Section B:		
Need for achievement	5	Section B, Item 14-19

Locus of control	8	Section B, Item 20-26
Tolerance for ambiguity	7	Sections B, Item 27-29
Risk-taking propensity	5	Section B, Item 30-32

Section C:

Education level	3	Section C, Item 33-35
Experience	3	Section C, Item 36-38
Skills	5	Section C, Item 39-42

Section D:

Entrepreneur's performance	8	Section D, 42-50

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Table 3.8: The List of SMEs/Entrepreneur in Kelantan, 2009.

	District	In hundred
1.	Kota Bharu	113
2.	Bachok	27
3.	Tanah Merah	33
4.	Tumpat	32
5.	Gua Musang	7
6.	Jeli	13
7.	Machang	30
8.	Kuala Krai	30
9.	Pasir Mas	33
10.	Bachok	27
11.	Pasir Puteh	29
12.	Ketereh	7
	Total	**381**

Sources: SMIDEC and MITI (Branch), Kota Bharu, Kelantan.

3.5   Reliability of the instruments

Reliability is the degree to which measures are free from error and therefore yield consistent results (Zikmund, 2003). According to Sekaran (2000), the reliability of a measure indicates the extent to which the measure is without bias and hence offers consistent measurement across time and across the various items in the instrument. Besides that, Cavana et al. (2001) pointed that, the reliability of a measure indicates the stability and consistency with which the instrument measures the concept and helps to access the 'goodness' of a measure. (Cavana et al., 2001).

The reliability test is done to improve level of reliability of instrument survey. Coefficient alpha is calculated to measure reliability of survey based on internal consistency. If alpha coefficient is low, it indicates that the test is done too shortly or the items are very little in common. Result of reliability test confers with pilot test and to be found significant with coefficient reliability of cronbach's alpha. In order to predict scale reliability for each factor, cronbach's alpha coefficient must be counted for each indicated factor.

Hair et al. (2007) mentioned that, the alpha coefficient that below 0.6 represent that the strength of association among the instrument used is poor. Alpha coefficient range from 0.6 to 0.7 represents moderate strength of association while alpha coefficient range from 0.7 to 0.8 represents a good strength of association. Furthermore, the alpha coefficient range from 0.8 to 0.9 indicates a very good strength of association among the instruments

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and the alpha coefficient that reaches more than 0.9 shows an excellent strength of association among instruments. Table 3.9 explains the level of acceptability of the instrument used.

Table 3.9: Criterion for Acceptability

Alpha Coefficient Range	Strength of Association
< 0.6	Poor
0.6 to < 0.7	Moderate
0.7 to < 0.8	Good
0.8 to < 0.9	Very Good
≥ 0.9	Excellent

According to Cavana et al. (2001), if possible, a questionnaire should be piloted with the reasonable sample of respondents who come from the target population or who closely resemble the target population. Therefore, pilot test has been done before conducting the research in order to determine the reliability of the instruments. The pilot test incorporated the instruments which are developed by Linan et al. (2007) and Wong and Law (2002) which is appropriate with the objective of this study. According to Sekaran (2003), any reliability coefficient less than 0.6 is considered poor, range of 0.7 is considered acceptable and above 0.8 is considered good.

3.6   Pilot test

Table 3.10 indicates the reliability values for the measurement of the elements of personality traits. According to the result gathered, need for achievement and tolerance for ambiguity falls under the range of 0.6 to 0.7 which indicate that the strength of association of the items is moderate and considered acceptable. Furthermore, risk taking propensity and locus of control falls under the range of 0.7 to 0.8 which indicate that the strength of association of the items is good and reliable to be used.

Table 3.10: Reliability Values on pilot test for the elements of personality traits

Measurement of the personality traits elements	Reliability Values
Need for achievement	0.65
Locus of control	0.71
Tolerance for ambiguity	0.67
Risk taking propensity	0.73

The pilot test was facilitated to 17 respondents who involve in business activities and involve in SMEs activities in Kelantan. Result of the pilot test on four elements of personality traits indicates that the alpha coefficient for need for achievement and tolerance for ambiguity reach up to 0.82 and 0.80 respectively while the alpha coefficient for risk taking propensity and locus of control reach up to 0.62 and 0.77 respectively.

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Meanwhile, the result of pilot test for knowledge indicates that, the alpha coefficient for educational level and work experience are the same values which are 0.84 respectively. However, the reliability test for skills shows the alpha coefficient of 0.83.

Table 3.11: Reliability Values on pilot test for Knowledge

Measurement of Knowledge	Reliability Values
Educational level	0.84
Work experience	0.84
Skills	0.83

Table 3.11 indicates the reliability values for the measurement of knowledge. According to the table, the dimension for skills, work experience and skills falls under the range of 0.8 to 0.9 which indicate that the strength of association of the items is good and consider good to be used.

Table 3.12: Reliability Value on pilot test for Entrepreneur's Performance

Measurement of Entrepreneur's performance	Reliability Values
Entrepreneur's performance	0.89

Table 3.12 illustrated the reliability value for entrepreneur's performance. Result on the pilot test indicate that the alpha coefficient for performance reach up to 0.89. Thus it falls under good strength of association and reliable for the intended study.

3.7 Data collection and research procedures

Population refers to the entire group of people, events, or things of interest that can be a focus for the researcher to investigate (Cavana, 2001). The target population under investigation in this study is entrepreneurs who are registered under Small & Medium Industries Development Corporation (SMIDEC) and Ministry of International Trade (MITI) branches in Kota Bharu. The ethnicities of entrepreneurs who are registered are Malay. According to Sekaran (2003), sample is a subset of the population. It comprises some members selected from it. Based on Cavana et al. (2001) sample size decision table, the author has stated that for the 300 population, the best sample size that needs to be chosen is 169 respondents.

Pillis and Reardon (2007) used a sample of 208 students drawn from undergraduate and MBA programs in Ireland and the US to examine the influence of personality traits and persuasive massage on entrepreneurial intention. Krueger et al. (2000) used the sample comprised 97 senior university students in order to assess the relative ability of Ajzen's theory of planned Behaviour and Shapero's model of the entrepreneurial event in explaining entrepreneurial intention among them.

Scholten et al. (2004) used 211 scientists in the life sciences in the Netherlands in order to examine the factors that influence the scientist to become an entrepreneur. Furthermore, there were 300 respondents participated in the study of the role model influences on entrepreneurial intention which conducted by Auken et al. (2005).

The total sample used by Littunen (2000) in the study on the entrepreneurship and the characteristics of the entrepreneurial personality comprised of 156 entrepreneurs in two countries which is Norway and Finland. Fitzsimmons and Douglas (2006) used 90 students as sample in their research on the impact of overconfidence on entrepreneurial intention.

Reijonan (2008) used a total of 189 owners of business in Finland as sample to assess the understanding the small business owner. Furthermore, Koh (1998) used a sample of 54 MBA students in Hong Kong to examine the entrepreneurial characteristics among MBA students in that country. Krueger (1993) used a total of 126 business students in order to examine the impact of prior entrepreneurship exposure on perception of new business start up.

Consequently, based on the above discussion, prior researchers have been used among 54 to 300 respondents in conducting research pertaining to the entrepreneurship field. Hence, researcher decided to use a total of 285 entrepreneurs as a sample size in this study and the questionnaires will be handed over them.

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3.7.1 Research procedures

Survey method through questionnaire design will be primary data collection in this study. However, before the actual data collection period, a pilot study was conducted to assess the validity of the research instrument. A total of 17 respondents were involved in the pilot study chosen at various district around Kota Bharu, Kelantan. During the actual study, data were collected by distributing 285 sets of questionnaire to the entrepreneurs. The questionnaire was divided into four sections. Section A is to capture demographic information among respondents while section B to capture how strongly agree or disagree with the statement regarding to the personality traits, section C to capture how strongly agree or disagree with the statement regarding to the knowledge and section D to measure the performance. The questionnaire was designed bilingually, English and Malay, because some respondents may not conversant either English or Malay language.

Furthermore, after considering different locations to collect the data, researcher decided that the most strategic place to distribute the questionnaires for students. Researcher brought the questionnaires and directly gave to the respondents and sometimes the researcher had to wait until the respondents finished completing the questionnaire. The time consuming for answering the questionnaire completely is about 5-10 minutes. Respondents also were told that all their answers would be strictly confidential. Any doubts that the respondents might have regarding to the question was clarified on the spot. The advantages in personally distributing the questionnaires was, that it was assured

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all questionnaire administered would be collected back. Besides that, there is an opportunity to motivate the respondents to give their honest answers. As a result, a total of 169 questionnaires were returned to the researcher.

3.8   Data analysis

To analyse the data, a total of six variables were taken into consideration namely need for achievement, locus of control, and tolerance for ambiguity, risk taking propensity, work experience and skills. Data in this study will be analyzed by using descriptive and inferential methods. Descriptive methods will be used to interpret data in general while inferential methods will be used for the purpose of hypothesis testing. All the premier data in this study will be processes by using the Statistical Packages for Social Science (SPSS) program.

3.8.1   Descriptive statistics

Descriptive statistics were used to achieve the objective one in this study. In order to realize the objective one in this study, descriptive statistics was used to describe the characteristics of the respondents participate in this study. Descriptive statistics are provided by frequencies, percentage values as well as the measures of central tendency and dispersion such as mean and standard deviation. The frequencies or percentage were used to describe the demographic factors of the respondent such as their age, gender,

living areas, educational background, family background as well as their information regarding to their involvement in business activities.

3.8.2 Inferential statistics

Inferential statistics is used to infer from the data through analysis. The inferential statistics were used in order to achieve the objective two, three and four in this study. Therefore, for the purpose of this study, inferential statistics is used through the analysis of multiple regressions and Pearson correlation. Moreover, researcher used multiple regressions analysis in order to test the hypothesis.

3.8.3 Pearson Correlation

Correlation coefficient was computed to investigate the strength of association among the variables. Pearson's product-moment correlation analysis was conducted to examine the strength of the associate between variables measuring the need for achievement, locus of control, tolerance for ambiguity, risk taking propensity, work experience and skills and as potential predictor for the dependent variable that is entrepreneur's performance. The level of significance was set at 0.05 or less.

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3.8.4 Multiple Regressions

Multiple regressions represent the best prediction of a dependant variable from several independents variables. Thus, multiple regressions were used to establish the influence of the group of independent variables which is the need for achievement, locus of control, tolerance for ambiguity, risk taking propensity, work experience and skills and as potential predictor for the dependent variable that is entrepreneur's performance.

Figure 3.2: Formula for Multiple Regressions

$$Y1 = a + b1x1 + b2x2 + b3x3 + b4x4 + b5x5 + b6x6 + b7x7$$

Where a	= intercepts
Y1	= Entrepreneurs performance
b1x1	= Need for achievement
b2x2	= Locus of control
b3x3	= Tolerance for Ambiguity
b4x4	= Risk Taking Propensity
b5x5	= Education level
b6x6	= Work experience
b7x7	= Skills

For the multiple regression analysis, the R square (R^2) obtained in the multiple a regression indicates the percentage of variance in the dependent variable that can be explained by the independent variables. Since these variables are measures in different

units which are nominal, ration and interval scale, Beta coefficient will be used to eliminate the problem of dealing with different units of measurement and they reflect the relative impact on the criterion variable of a change in 1 standard deviation in either variable. Through beta coefficient, the analysis will have common unit measurement and the coefficients tell which variable is most influential. Table 3.13 illustrated the general description of the data analysis in this study.

Table 3.13: General Description of the Data analysis

Area of investigation	Hypothesis	Analysis
To determine the respondents involvement in business activities based on their demographic factor	-	Descriptive (Frequencies and percentage)
To investigate the effect of entrepreneurs personality traits and knowledge on their performance	Hypothesis One Hypothesis Two Hypothesis Three Hypothesis Four Hypothesis Five Hypothesis Six	Pearson correlation and MultipleRegression
To analyze the influence between personality traits and knowledge on entrepreneurs performance	Hypothesis One Hypothesis Two Hypothesis Three Hypothesis Four Hypothesis Five Hypothesis Six	

3.9   Confidence Interval

For the inferential statistic used in this study, the researcher also has decided on the desired significance level of the method as alpha (α) =0.05 which is means 95 percent of confidence interval. Decision about hypothesis is according to the significant level where if $p < 0.05$, the null hypothesis (Ho) is rejected and alternate hypothesis (Ha) is accepted. This would indicate that the sample mean is statistically significant different from the hypothesized population mean. If $p > 0.05$, the null hypothesis (Ho) is accepted and alternate hypothesis (Ha) is rejected.

3.10   Conclusion

As conclusion, this chapter has discussed on research design, theoretical framework and hypothesis, data collection and sampling technique, research instrument and measurement, reliability test, as well as the data analysis with its assumption. Both descriptive and inferential analyses were used to analyze the data. Descriptive analyses were used to describe the demographic information of respondents as well as to achieve the first objective in this study. Meanwhile, inferential analyses such as multiple regressions were used for the hypothesis testing as well as to achieve the whole objective in this study.

CHAPTER 4

FINDINGS

4.0   Introduction

This chapter discusses the results from the analysis of data collected. The process of analyzing the data is done by using descriptive and inferential analysis. Thus, the obtained results are branched into two sections below:

1) Results on descriptive statistic analysis

2) Results on inferential analysis

The results gathered from the descriptive statistic analysis in this study included those relating to demographic characteristics of respondents, business information on respondents and level of each element of personality traits and knowledge as well as performance among respondents. While the results for inferential analysis present hypotheses testing using multiple regressions analysis.

4.1   Descriptive Statistics of Data Collection

The discussion in this section elaborates more on personal background of the respondents. As shown in table 4.1, personal background of respondents covers the

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aspect of age, gender, status, educational background, work experience and monthly income.

Table 4.1: Personal background of respondents

		Entrepreneur personal background	
		N	%
Age	25 years and below	20	11.8
	26 to 35 years old	61	36.1
	36 to 45 years old	40	23.7
	46 years and above	48	28.4
Gender	Male	89	52.7
	Female	80	47.3
Status	Single	39	23.1
	Widower	10	5.9
	Married	91	53.8
	Widow	29	17.2
Level of Education	Primary	20	11.8
	Secondary	90	53.3
	Diploma	40	23.7
	Degree	19	11.2
Work experience	7 years and below	69	40.8
	8 years and above	59	34.9
	No experience	41	24.3
Monthly Income i) Before become an entrepreneur	RM0-RM499	30	23.7
	RM500-RM1999	119	70.3
	RM2000-RM7999	20	11.8
	RM8000-RM9999	-	-

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ii) After become an entrepreneur	RM10000 and above	-	-
	RM500-RM1999	-	-
	RM2000-RM7999	154	91.1
	RM8000-RM9999	15	8.9
	RM10000 and above	-	-
	Total	169	100

From the survey, the age of respondents participated in this study range from 23 to 47 years old. Results for respondents indicate that 61 of them were at the age of 26 to 35 years old with 36.1 percent followed by 48 of them were at the age of 46 years and above. About 40 respondents or 23 percent of them are at the age 36 to 45 years old and the remaining respondents are at the age of 25 years and below.

Results for the overall respondents in terms of gender revealed that male respondents accounted for 52.7 percent which is greater than female respondents. While 47.3 percent are female respondents. This implies that, most of male students prefer to operate business rather than female students.

From the collected data, results for status indicate that most of respondents are marriages with 23.1 percent followed by 23.1 percent are single. On the other hand, 17.2 percent and 5.9 percent of respondents are widow and widower. The results also imply that the marriages respondents are high tendency to operate the business.

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Results on educational level reveals that majority of them comes from secondary qualification. For those students who achieved Diploma qualification, results indicate that 23.7 percent. Meanwhile, Primary and Bachelor degree qualification reported 11.8 and 11.2 percent respectively.

Furthermore, the results for respondent working experience shows that 40.8 percent 75.7 percent of the total respondents have working experience and 24.3 percent do not have working experience. In term of previous working period, the minimum period of working possess by respondents is 7 years and below and the maximum period is 8 years and above. From the result, the percentage of respondent who have experience 7 years and below is 40.8 percent while 34.9 percent for respondents who have eight years and above.

Moreover, the result for monthly income are divided into two categories which are monthly income before be an entrepreneur and monthly income after be an entrepreneur. Result for income before be an entrepreneur found that most of the respondents' income is below than RM1999.00 per month with total 70.4 percent. On the other hand, 23.7 percent had income of between RM0 to RM3999.00 monthly. Furthermore, 11.8 had income between RM2000.00 to RM7999.00. However, after be an entrepreneur the monthly income was increase. Most of respondents' income reached between RM2000 to RM7999 with 91.1 percent while 8.9 percent between RM8000.00 to RM9999.00. It can be conclude that most of respondents are getting a good income when they operate the business.

Table 4.2: Types of business and business sector

		Frequency	Percentage (%)
Types of business	**Sole-proprietary**	62	36.7
	Partnership	49	29
	Corporation	59	34.3
Business sector	**Retailers/Trade**	52	30.8
	Manufacturing	68	40.2
	Services	49	29
Total		**169**	**100**

This section elaborates the results on the business information of the respondents. The information discussed related to their business activities as well as their types of business and business sector. As shown in table 4.2, respondents who operate sole-proprietary constitute a highest percentage which is accounted for 36.7 percent followed by 34.3 percent of them possess business in Corporation and 29 percent possess business in Partnerships.

Moreover, as illustrated in Table 4.2, a large proportion of the respondents involved in manufacturing such as which accounted for 30.8 percent. For services such as cyber cafe, restaurant, salon, tailor and computer repair accounted for 29 percent. Meanwhile, retailers or trade such as general groceries, accessory, fruits, and handcraft and dairy products accounted for 30.8 percent therefore placed it at the second highest percentage among overall types of business.

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For this study, researcher categorized types of business into three sectors as follows:

i. Retailers/Trade

ii. Manufacturing

iii. Services

4.2   Multiple regression analysis

This analysis attempt to achieve the second and third objective in this study which is to examines and analyzes the influences between personality traits and knowledge on entrepreneur's performance. As mentioned earlier in previous discussion, the independent in this study consist of seven dimensions namely need for achievement, locus of control, tolerance for ambiguity, risk-taking propensity, education level, work experiences and skills.

In order to determine the relative influences between independent and dependant variables, multiple regressions analysis is used to test the hypothesized relationships between need for achievement, locus of control, tolerance for ambiguity, risk taking propensity, work experience and skills and as potential predictor for the dependent variable that is entrepreneur's performance. Multiple regressions analysis also used to determine the best predictors that influence the performance. Therefore, multiple regressions analysis is used to test Thus, multiple regression and Pearson correlation was used to test the entire hypothesis.

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As discussed in previous chapter, preliminary analyses were performed in order to ensure there is no violation of the assumptions of outliers, multicollinearity, linearity, normality as well as homoscedasticity. It is found that all the assumptions are not violated in this study. Hence, multiple regressions can be used to examine the influences between independent variables on independent variable in this study. Table 4.3 illustrated the results gathered from the multiple regression analysis. It shows that analysis of variance from the ANOVA table indicated that F statistic produced (F=904.39) is found to be significant (p=0.000) at the level 0.05 level. It can be concluded that this regression model reaches statistically significant as the p value is less than 0.05.

The R^2 obtained indicate the percentage of variance in the dependent variables that can be explained by the independent variables. The R square of the regression model is 0.975. By converting this figure to percentage, the R^2 for this model is 97.5 percent. Thus it showed that 97.5 percent of the variance in entrepreneur performance has been explained by the all independent variables which are need for achievement, locus of control, tolerance for ambiguity, risk-taking propensity and education level. Therefore, null hypothesis (Ho1, Ho2, Ho3, Ho4 and Ho5) that claimed there is no relationship between need for achievement, locus of control, tolerance for ambiguity, risk-taking propensity and education level dimensions in entrepreneur performance is rejected.

Moreover, study from the output showed that variables working experience and skills are statistically significant to predict the entrepreneur performance at the interval level of

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0.05. The highest beta score is working experience with the beta of 1.10 followed by skills with the beta of 0.34. It can be concluded that working experience is most influential independent variables on entrepreneur performance. The result explained that on the increase of 100 percent in working experience, it will lead to an increase 0.81 unit of entrepreneur performance. Likewise, if there is an increase of one unit in skills, it will increase 0.30 of entrepreneur performance.

Table 4.3: Multiple regression analysis for variables predicting entrepreneur performance

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.324	.161		8.242	.000
Need_achievement	.008	.030	.004	.252	.802
Locus_control	.011	.032	.005	.331	.741
Tolerance_ambiguity	-.041	.020	-.028	-2.082	.039
Risk_taking	-.240	.126	-.080	-1.905	.059
Education_level	-.142	.077	-.136	-1.844	.067
Work_experience	.805	.193	1.059	4.170	.000
Skills	.297	.104	.339	2.855	.005

R =0.988   F Value   = 904.39

R^2 =0.975   Significant level = 0.000

4.3 Pearson Correlation analysis

Hypotheses 1:

H_o 1: There is no relationship between need for achievement of owners and his/her performance.

H_a 1: There is a relationship between need for achievement of owners and his/her performance.

Since both variables are interval, Pearson Correlation test was conducted and the results are shown in Table 4.4. There is a negative significant correlation between need for achievement and entrepreneur performance with a significant value of 0.471. Hence we reject the hypothesis H_a 1. In other words need for achievement dimension and entrepreneur performance are unrelated with a negative relationship (r = -0.056).

Table 4.4: Correlations between need for achievement dimension and entrepreneur performance

	Pearson Correlation (r)	Significant
Need for achievement	-0.056	0.471

** Correlation is significant at the 0.01 level (2-tailed)

Hypotheses 2:

$H_o 2$: There is no relationship between locus of control of owners and his/her performance.

$H_a 2$: There is a relationship between locus of control of owners and his/her performance.

Since both variables are interval, Pearson Correlation test was conducted and the results are shown in Table 4.5. There is a negative significant correlation between locus of control dimension and entrepreneur performance with a significant value of 0.301. Hence we reject the hypothesis $H_a 2$. In other words locus of control and entrepreneur performance are unrelated with a negative relationship ($r = -0.080$).

Table 4.5: Correlations between locus of control dimension and entrepreneur performance

	Pearson Correlation (r)	Significant
Locus of control	-0.08	0.301

** Correlation is significant at the 0.01 level (2-tailed)

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Hypotheses 3:

H$_o$ 3: There is no relationship between tolerance for ambiguity of owners and his/her performance.

H$_a$ 3: There is a relationship between tolerance for ambiguity of owners and his/her performance.

Since both variables are interval, Pearson Correlation test was conducted, the results of which are shown in Table 4.6. There is no significant correlation between tolerance for ambiguity dimension and entrepreneur performance with significant value of 0.742. Hence we reject the hypothesis Ha $_3$. In other words tolerance for ambiguity dimension and entrepreneur performance are no related with (r = 0.674).

Table 4.6: Correlations between tolerance for ambiguity dimension and entrepreneur performance

	Pearson Correlation (r)	Significant
Tolerance for ambiguity	0.026	0.742

** Correlation is significant at the 0.01 level (2-tailed)

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Hypotheses 4:

H$_o$ 4:   There is no relationship between risk-taking propensity of owners and his/her performance.

H$_a$ 4:   There is a relationship between risk-taking propensity of owners and his/her performance.

Since both variable are interval, Pearson Correlation test was conducted, the result of which are shown in Table 4.7. There is significant positive correlation between risk-taking propensity dimension and entrepreneur performance with a significant value of 0.000. Hence we reject the hypothesis H$_o$ 4. In other words risk-taking propensity dimension and entrepreneur performance are related with a high relationship (r= 0.961**).

Table 4.7: Correlations between risk-taking propensity dimension and entrepreneurs performance

	Pearson Correlation (r)	Significant
Risk-taking propensity	0.961**	0.000

** Correlation is significant at the 0.01 level (2-tailed)

Hypotheses 5:

H$_o$ 5: There is no relationship between education level of owners and his/her performance.

H$_a$ 5: There is a relationship between education level of owners and his/her performance.

Since both variable are interval, Pearson Correlation test was conducted, the result of which are shown in Table 4.8. There is significant positive correlation between education level of owners and entrepreneur performance a significant value of 0.000. Hence we reject the hypothesis H$_o$ 5. In other words education level dimension and entrepreneur performance are related with a high relationship ($r = 0.981**$).

Table 4.8: Correlations between education level dimension and entrepreneurs performance

	Pearson Correlation (r)	Significant
Education level	0.981**	0.000

**Correlation is significant at the 0.001 level (2-tailed)

Hypotheses 6:

H_o 6: There is no relationship between work experience of owners and his/her performance.

H_a 6: There is a relationship between work experience of owners and his/her performance.

Since both variable are interval, Pearson Correlation test was conducted, the result of which are shown in Table 4.9. There is significant positive correlation between work experience dimension and entrepreneur performance with a significant value of 0.000. Hence we reject the hypothesis Ho 6. In other words work experience dimension and entrepreneur performance are related with a high relationship ($r = 0.981**$).

Table 4.9: Correlations between work experience dimension and entrepreneurs performance

	Pearson Correlation (r)	Significant
Work experience	0.981**	0.000

**Correlation is significant at the 0.001 level (2-tailed)

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Hypothesis Seven

H_o 7:   There is no relationship between skills of owners and his/her performance.

H_a 7:   There is a relationship between skills of owners and his/her performance.

Since both variable are interval, Pearson Correlation test was conducted, the result of which are shown in Table 4.10. There is significant positive correlation between skills dimension and entrepreneur performance with a significant value of 0.000. Hence we reject the hypothesis H_o 7. In other words skills dimension and entrepreneur performance are related with a high relationship ($r = 0.983**$).

Table 4.10: Correlations between skills dimension and entrepreneurs performance

	Pearson Correlation (r)	Significant
Skills	0.983**	0.000

**Correlation is significant at the 0.001 level (2-tailed)

4.4 Conclusion

This chapter has discussed on the findings gathered from analysis of data. Descriptive and inferential analysis were used to analyze the data in order to achieve the objectives of this study as stated in chapter one. Furthermore, this chapter also has discussed the findings of the study based on hypothesis that has been formulated.

Results from the descriptive analysis describe the demographic information of the respondents such as their personal background, working experience, family background as well as their business information for respondents who possess business in Kota Bharu, Kelantan.

Generally results of Pearson correlation shows that are four significant positive relationship between dimension and entrepreneur performance namely risk-taking propensity, education level, working experience and skills while two dimension which are need for achievement and locus of control indicate that there are significant negative relation between dependent variable. Moreover, the remaining dimension shows that the H_a 3 is rejected. Furthermore, results of multiple regression shows that that the seven (7) independent variables namely need for achievement, locus of control, tolerance for ambiguity, risk taking, education level, working experience and skills dimension were important in determining the factors influencing the entrepreneur performance in Kota Bharu, Kelantan.

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CHAPTER 5

DISCUSSIONS AND RECOMMENDATIONS

5.0   Introduction

This chapter presents discussion on research finding as presented in previous chapter. All items that had been analyzed in research finding will be presented in this chapter to highlight the impact of need for achievement, locus of control, tolerance for ambiguity, risk taking, education level, working experience and skills on entrepreneur performance. This chapter also will give a brief overview of the introduction, review of related literature, methodology and findings of the study. Furthermore, the inferences from the findings will be discussed in this chapter and finally recommendation for future research had also been suggested.

5.1   Discussions

The main objective of this study is to assess the impact of personality traits and knowledge on entrepreneur performance entrepreneurial. In attempt to achieve this objective, three specific objectives of the study were formulated as follows:

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i. To determine the entrepreneurs characteristics who involve in business activities based on their demographic factor.

ii. To investigate the effect of entrepreneurs personality traits and knowledge on entrepreneur performance.

iii. To analyze the influences between personality traits and knowledge toward entrepreneur performance.

This study conducted based on several attributes listed by researcher such as Gurol and Atsan (2006), Omerzel and Antoncic (2008), and Hassan Mohd Osman (2007). For the purpose of this study, researcher used instruments by Omerzel and Antoncic (2007) and Hassan Mohd Osman (2002) as the main references in developing the questionnaires. The data collected in this study were analyzed by using SPSS Version 12.

Researcher categorized the demographic data according to the personal background and business information. Personal background consists of age, gender, status, level of education, working experience and monthly income whereas data on. Moreover, the data on business information is discussed according to their types of business and business sector.

Based on findings discussed in previous chapter, researcher find out those criteria in personal background such as age, gender, status, level of education, working experience and monthly incomes does affect entrepreneurial activities in Kota Bharu, Kelantan.

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Furthermore, it is found that, criteria such as age and gender do influences entrepreneurs involvement in entrepreneurial activities. Analysis on the age of respondents revealed that the age of entrepreneurs range from 26 to 35 years old, accounting 36.1 percent. This was followed by 45 and above age groups with 28.4 percent.

In terms of gender the entrepreneurial activities is being monopolized by the male entrepreneurs. It is notable that, most of the male entrepreneurs possess in business compared to female entrepreneurs. These findings were consistent with research done by Gurol (2006) where they found that majority of male entrepreneur in Turkey operated their own business and according to the them, female entrepreneurs were less entrepreneurial minded. Furthermore, Mazzarol et al. (1999) found that females were generally less likely to be founders of new business than males. . Likewise, Scherer et al. (1990) and also agree Shantahkumar (1992) that male have a higher preference for entrepreneurship than females.

Based on results gathered, working experiences do affect entrepreneurs' involvement in business activities. Studies by Scott and Twomey (1988) and McMullan (1990) revealed that working experience exhibits a greater inclination towards entrepreneurship. Hence, it can be concluded that working experience influences entrepreneurs to be involved in business.

With regards to the business information, result indicates most of them operated sole-proprietary. Hence, it can be concluded that most of entrepreneurs prefer to operated sole-proprietary because they are refused to confront with bureaucratic procedures needed in operating business in the designated by the government. Besides that, sole-proprietary seems like unrestricted because they are freely to operate their business in any time depends on the availability.

Moreover, types of business run by them can be categorized into retailers or trade, manufacturing and services. Most of them are involve in operated sole-proprietary which comprised in manufacturing such as Sauce, soft drinks, dairy products and general groceries.

In the correlations results, need for achievement dimension is negatively and poor (correlation coefficient = -0.056) correlated towards entrepreneurs performance. This means that this dimension is not forces respondents to struggle for success and perfection which is suggested by Sagie and Elizur (1999). According to the Littunen (2000), individuals who have a strong need to achieve are among those who want to solve problems themselves, set targets and strive for these target through their own effort, demonstrate a higher performance in challenging task and innovative in the sense of looking for a new and better ways to improve their performance. With numerous comparative studies conducted among entrepreneurs, it appears that the need for

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achievement has a more significant relation with entrepreneurship than other characteristics. Others have found no connection (Bonnet and Furnham, 1991).

Furthermore, locus of control dimension is found to be negatively and poorly related towards entrepreneurs' performance. The correlation coefficient is -0.080. This indicates that the respondents are not generalized expected that they will be able to control the events in life. According to Rotters (1996), individuals vary in term of how much responsibility they perceive and accept for their behaviour and its consequences. Individuals with an external locus of control believe circumstances beyond their immediate control such as fate, luck and other people affect their performance across range of activities. To this extent, we can consider locus of control as the degree to which respondents represents the ordinary available choices it has.

Nevertheless, tolerance for ambiguity dimension are also found to be negatively and poor relationship (correlation coefficient = 0.026) towards entrepreneurs performance. According to Teoh and Foo (1997), the tolerance for ambiguity is the ability to respond positively to ambiguous situations. If an individual consents to inadequate data and trust his decision taken under uncertainty, his tolerance for such states considered high. However, people with low level of tolerance for ambiguity tend to find uncertain and unstructured situations more uncomfortable.

On the other hand, risk taking found to be positively and highly correlated (correlation coefficient = 0.961) towards entrepreneur performance. This shows that entrepreneurs are generally characterized as having a greater propensity to take risks than other groups (Cromie, 2000). Referring to Low and MacMillan (1988), in founding a new venture, the entrepreneur risks financial failure and possible embarrassment. If the venture succeeds, the entrepreneur stands to gain wealth, independence and sense of accomplishment. Given the extent of risk involved, it is reasonable to assume that tolerance for risk is more common among people choosing to become entrepreneurs.

The result of this research also indicate that education level dimension is also found to have positive and high relationship (correlation coefficient = 0.981) towards entrepreneur performance. Honig (2001) stated that the owner or manager knowledge is derived mostly from their education and past experience. It is their formal education, exposure to and experience in other organisations that determines the unique set of skills or knowledge base that they bring to organization. Lussier and Pfeifer (2001) acknowledge that a consistent finding in research is a positive relationship between the level of education of managers or owners and the performance.

Moreover, working experience dimension is also found to have positive and high relationship (correlation coefficient = 0.981) towards entrepreneur performance. In recent years, the numbers of studies that have shown a positive correlation between the type of previous experience and the management behaviour of smaller business has increased

substantially (Daylan, 1992). This was supported by numerous other research findings, (Cross, 1981). Cooper and Dulkelburg (1986), in an examination of the different routes taken by the entrepreneurs to starting a small business, recognised that the previous organisational experience can be a major factor influencing start-up. Furthermore, an examination by Steiner and Solem (1988) of the criteria for success in small manufacturing firm found that, in addition to elements such as access to adequate financial resources and well-developed business strategies, factors relating to the owner managers previous occupational background, such as experience in the business, specialised knowledge of manufacturing processes or product knowledge of and previous managerial experience were important indicators of successful business.

Skills dimension is also found to have positive and high relationship (correlation coefficient = 0.983) towards entrepreneurs performance. Earlier research has revealed the importance of previous skills and experiences in the possible success of any new venture (Daylan, 1992). In fact, Stoner (1987) suggested that the most common area of distinctive competence within a small firm is the particular skill of the owner, especially as it is usually reflected in the final product or service of the company. Dicker (1988) stated that the entrepreneurial skills are related to pre-start up, whilst other two skills can directly affect the management of the business. In addition, it is generally recognised that the skills required for start-up are not those required later as the company either consolidates or grows. However, as many researchers have noted, a high degree of management

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competence within the owner-entrepreneur is directly related to the successful growth of small company (Daylan, 1992).

5.2   Practical Implication

Findings of this study also has implications for researchers and practitioners looking to gain a better understanding of personality traits dimensions such as need for achievement, tolerance for ambiguity, locus of control and risk taking propensity. Thus, results from this study offered a better understanding of the factors that can affect the entrepreneurs' performance. All the components of personality traits reveal that they are appeared to be significant antecedent to predict entrepreneurs' performance.

In this sense, this study made a contribution by developing a model of the entrepreneur (owner/manager) knowledge. This study has also important implications for practioners and researchers. An important issue for researchers is the selection of an appropriate conceptual and measurement model. By modelling entrepreneurial knowledge by using multiple dimensions, first, a more complete and accurate approximation of the actual knowledge structure can be achieved and empirically tested. Second, the assessment of the relationship between knowledge and entrepreneur performance can be characterized by a higher level of accuracy and predictability and third, from the measurement point of view the relationships between the model elements are better accounted for in a structural equation model than in a separate regression models.

In entrepreneurial practice, dimension of personality traits (need for achievement, tolerance for ambiguity, locus of control and risk taking propensity) and knowledge (education level, work experience and skills) can have beneficial effect on the entrepreneurs' performance. Business performance and entrepreneur that nurtures his or her own knowledge and skills are more likely to have a higher growth and profitability than organizations in which entrepreneurs are lacking such characteristics. We must acknowledge that SMEs and entrepreneurs are those that are particularly critical for economic development in Malaysia.

5.3   Recommendations for future research

Results of this study constitute only an early step in understanding how personality traits and knowledge influence entrepreneur performance, but it is an important step. It is not difficult to accept that a firm is represented by a series of different resources. If entrepreneur traits and knowledge represents one of the resources, we can agree that both of those resources are an important element for the business performance. However, to what extent the personality traits and knowledge can be achieving the good performance over time? It is suggested that by ensuring the stability of those resources in time to time will strengthen entrepreneurs' perceptions to sustain their performance in the future. Thus, it is recommended that future research should shed more light on the temporal stability of entrepreneurial field. Temporal stability associated with significant improvements in consistency between performance and behaviour. Moreover, it is

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suggested that research should be conducted to investigate the influence of personality traits and knowledge towards temporal stability of entrepreneurs' performance.

Furthermore, other recommendation is that if entrepreneur wish to retain and sustain their business, they should have an analytical thinking and committed to their job, must resolve conflicts in a manner that will eliminate unimportant loss and inconvenience to their business and the important thing is develop loyal customer. In addition, the growing number of SMEs in this country led to the increase in the competition in this sector. Therefore, entrepreneur must be well aware of the want and needs of the customers. Customers nowadays are demanding more not only based on the product but they demand the way they are treated. Once they are satisfied with the services that were provided by the firms, they will communicate about the firms or product to the other customers'. At the same time it will attract new customers for the firm and may even increase their sales, revenue and profit. Loyal customers' can also serve as useful sources of new product or service ideas.

Moreover, results of this study cannot be generalized to some extent because of the researcher just focusing on one ethnicity. For future research, it is recommended to examine the variety of ethnicity between entrepreneurs who involve in business as compared with general personal abilities. It would be interesting to compare the personality traits and knowledge abilities from a variety of ethnicity because we can predict which ethnicity have a big impact in entrepreneurial field.

5.4 Conclusion

From the findings generated by this study, it could be concluded that the entire objective in this study was achieved at all. It indicates that age, gender, educational background, previous job and working experiences do influences entrepreneurs involvement in entrepreneurial activities in Kota Bharu, Kelantan.

From the findings generated by this study, the researcher would like to highlight again the final results obtained from the analysis. The objectives of the research are to understand the concept of personality traits and knowledge such as need for achievement, locus of control, tolerance for ambiguity, risk-taking propensity, education level, working experience and skills towards entrepreneurs' performance. Demographic factor such as gender, age, highest educational qualification, previous occupation and average monthly income are found to have any effect on the entrepreneurs' performance. Regarding the

Pearson Correlation analysis, it can be clearly seen that the seven (7) relationship of personality traits and knowledge dimensions namely need for achievement, locus of control, tolerance for ambiguity, risk-taking propensity, education level, working experience and skills are found to have positive and negative related to entrepreneurs performance. While the regression analysis also shown that 97.5 percent entrepreneur performance are explained by the independent variables; need for achievement, locus of

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control, tolerance for ambiguity, risk-taking propensity, education level, working experience and skills.

Overall, the examination of personal characteristics and knowledge of the entrepreneur reveals broadly similar findings to other previous studies, especially with regard to the personal satisfactions gained from entrepreneurship and the motivations to retain and sustain a small firm.

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APPENDICES

- **APPENDIX A**
(Questionnaires)

- **APPENDIX B**
(Reliability test)

- **APPENDIX C**
(Descriptive test)

- **APPENDIX D**
(Correlation test)

- **APPENDIX E**
(Regression test)

APPENDIX A

(Questionnaires)

UNIVERSITI UTARA MALAYSIA

COLLEGE OF BUSINESS

Dear Participant,

I am a postgraduate student at College of Business, Universiti Utara Malaysia. I am very pleased to inform that you have been selected to participate in this research designed to examine the impact of personality traits and knowledge on entrepreneurs' performance. This questionnaire is partial requirement in completing a project paper for Master of Science (Management).

Your cooperation to answer this questionnaire honestly is highly needed in order to produce a reliable research report. All information given will be treated as **STRICTLY CONFIDENTIAL** and used for academic purpose only.

Thank you very much for your time and cooperation

Wan Farha binti Wan Zulkiffli
Master of Science (Management)
College of Business
Universiti Utara Malaysia.

Bahagian A

Sila jawab sepenuhnya soalan dibawah dengan menandakan (/) pada kotak yang disediakan dan memberikan jawapan yang sewajarnya pada soalan yang diberi. Informasi ini adalah sulit. Identiti responden dirahsiakan.

(Please complete the following questions by mark (/) at the box given and gives appropriate answers for the questions below. This information is confidential. Individuals identities will not be revealed.)

1. Umur/Age:

　　☐　20 dan kebawah/and below　　☐　21-30

　　☐　31-40　　　　　　　　　　　☐　41 dan ke atas/and above

2. Jantina/Gender:

　　☐　Lelaki/male　　　　☐　Perempuan/female

3. Status Perkahwinan/Marital status:

　　☐　Bujang/single　　　　　☐　Duda/widower
　　☐　Berkahwin/married　　　☐　Janda/widow

4. Tahap akademik tertinggi/Highest education:

　　☐　Rendah/primary　　☐　Menengah/secondary　　☐　Diploma

　　☐　Ijazah/Degree　　☐　Lain-lain/others

5. Pekerjaan sebelum menceburi bidang perniagaan/Previous job:

Bekerja sendiri/self-employment　　☐　　Tidak bekerja/unemployed　　☐

Sektor swasta/private sector　　☐　　Sektor Awam/government sector　　☐

6. Pekerjaan Suami/Isteri/Spouse employment

Berniaga/business ☐   Bekerja sendiri/self-employment ☐

Sektor awam/government sector ☐   Tidak bekerja/unemployment ☐

7. Pengalaman kerja/working experience:

Sektor Kerajaan :_____tahun/years

Sektor swasta   :____ tahun/years   Tiada/none ☐

8. Jenis Perniagaan/Type of business:

☐ Milikan tunggal/sole-propietary   ☐ Perkongsian/partnership

☐ Syarikat Perbadanan/corporation   ☐ Lain-lain/others

9. Sila tandakan (/) bagi sektor perniagaan anda dan bulatkan nombor aktiviti perniagaan anda.

Please (/) for your business sector and circle your business activity.

SEKTOR AKTIVITI/ACTIVITY PERNIAGAAN/BUSINESS SECTOR	
☐ Peruncit/ /Retailers	i. Runcit kering/ Basah/ Buah-buahan/ ii. Pakaian/ Aksesori iii. Kraftangan/ Penjual perabot iv.Peruncit pertanian/ Bunga/ Benih tanaman v. Alat tulis/ Suratkhabar/ Buku vi. Lain-lain
☐ Pembuatan/manufacturing	i. Makanan/ Sos/ Kicap/ Jus ii.Pembuatanpakaian/Batik/ Songket iii. Tukang kayu/ Perabot/ Batu-bata iv. Batu-bata v. Lain-lain

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□	Perkhidmatan/services	i. Restoran/ Kedai makanan dan minuman
		ii. Tukang jahit/ Kedai gunting/ Salon
		iii. Internet Cafe
		iv. Pembaikan komputer/ Jam
		v. Lain-lain

10. Tempoh perniagaan dijalankan/Period run a business

□ 3 tahun kebawah   4-9 tahun □

□ 10 tahun keatas

11. Modal Memulakan Perniagaan/Capital to start up a business

□ RM0 – RM2, 000   RM2001 – RM3999 □

□ RM4000 – RM5999   RM6000 keatas □

12. Pendapatan bulanan/Montly income:

a. Sebelum menjadi usahawan/before be an entrepreneur:

□ RM0- RM499   □ RM500– RM1999   RM2000 – RM7999 □

□ RM8000-RM9999   □ RM10, 000 keatas

b. Selepas menjadi usahawan/after be an entrepreneur:

□ RM0- RM499   □ RM500– RM1999   RM2000 – RM7999 □

□ RM8000-RM9999   □ RM10, 000 keatas

13. Bilangan pekerja/number of employees:

10 atau kurang/or less

11 – 20

21 – 30

31 dan ke atas/and above

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Bagi setiap item nilaikan keupayaan anda untuk mempamerkan kebolehan yang dinyatakan dibawah. Sebelum menjawab, cuba bayangkan keadaan dimana anda mengunakan kebolehan tersebut dan sila tandakan pada nombor yang paling sesuai yang mengambarkan diri anda.

(For each item, rate how well you are able to display the ability described in the statement above.Before responding, try to think of actual situation in which you have been called on to use the ability and please mark the number that most closely corresponds to how the statements best describe you).

Sangat Tidak Setuju/Strongly Disagree	Tidak Bersetuju/ Disagree	Tidak Pasti/Not sure	Setuju /Agree	Sangat Bersetuju Strongly agree				
1	**2**	**3**	**4**	**5**				

1.	Saya akan bekerja keras untuk mencapai sesuatu yang saya inginkan. *(I will work hard to get what I want)*	1	2	3	4	5
2.	Penting bagi saya untuk melakukan yang terbaik dari usahawan yang lain. *(It is important for me to be the best compare to other entrepreneur)*	1	2	3	4	5
3.	Saya berjaya kerana saya suka dengan kerja saya. *(I am successful because I like my job)*	1	2	3	4	5
4.	Saya sentiasa menetapkan sasaran atau hala tuju untuk diri saya dan berusaha sedaya upaya bagi mencapai cita-cita. *(I always set a target or my own way and put my effort to achieve my dreams)*	1	2	3	4	5
5.	Saya mampu menyelesaikan masalah saya tanpa bantuan orang lain. *(I can be a good problem-solver without any helps from others)*	1	2	3	4	5
6.	Saya cuba untuk meningkatkan pertumbuhan perniagaan. *(I tried to grow up my business)*	1	2	3	4	5
7.	Kehidupan saya menjadi lebih baik adalah kerana nasib atau takdir. *(My life is getting better because of my fate or destiny)*	1	2	3	4	5

8.	Saya percaya apa yang saya impikan akan menjadi kenyataan. *(I can pretty much determine what will happen in my life)*	1	2	3	4	5
9.	Saya tidak mampu untuk memajukan perniagaan saya. *(I cannot improve my business)*	1	2	3	4	5
10.	Kehidupan saya bergantung kepada usaha saya sendiri. *(My life is totally depend on my own effort)*	1	2	3	4	5
11.	Apabila membuat sesuatu perancangan, saya akan pastikan ia berjalan dengan lancar. *(When I make a plan, I am almost certain to make sure them work)*	1	2	3	4	5
12.	Saya tidak mampu untuk mengubah nasib saya. *(I cannot change my destiny)*	1	2	3	4	5
13.	Saya berkeupayaan untuk mengawal situasi bisnes dengan baik. *(I am not able to control my business situation)*	1	2	3	4	5
14.	Saya yakin bidang ini sesuai untuk saya ceburi. *(I believe this field is suitable for me)*	1	2	3	4	5
15.	Perubahan dalam hidup saya adalah atas usaha saya sendiri. *(The change of my life because of my own effort)*	1	2	3	4	5
16.	Saya sangat selesa dengan kehidupan saya sekarang. *(I feel comfortable with my new life)*	1	2	3	4	5
17.	Saya sanggup berhadapan dengan apa sahaja risiko pada masa hadapan. *(I am willing to face whatever risk coming in the future)*	1	2	3	4	5
18.	Saya berani mencuba sesuatu yang baru dan mencabar. *(I am brave enough to try something new and adventurous)*	1	2	3	4	5
19.	Saya tidak takut sekiranya perniagaan saya tidak berjaya. *(If my business failed, I do not fear)*	1	2	3	4	5

Bahagian C

1.	Ilmu pengetahuan sangat penting bagi memastikan saya boleh menguruskan perniagaan. *(My knowledge is important tohelp me arrange the business)*	1	2	3	4	5
2.	Tahap pendidikan akan menentukan kejayaan dalam bidang yang saya ceburi. *(My highest education will define victory in my business)*	1	2	3	4	5
3.	Saya perlu ada pendidikan yang tinggi untuk uruskan perniagaan dengan berkesan. *(I must get the highest education to arrange my business to be effective)*	1	2	3	4	5
4.	Saya mendapat ilham untuk berniaga berdasarkan pengalaman yang lepas. *(I get inspiration to do business from previous experience)*	1	2	3	4	5
5.	Pengalaman banyak membantu saya untuk mengurus perniagaan dengan baik. *(Experience more helping me to manage my business)*	1	2	3	4	5
6.	Melalui pengalaman, saya mampu menyelesaikan masalah yang saya hadapi. *(Through experience, I can sort out my business proble)*	1	2	3	4	5
7.	Saya berkemahiran untuk membuat perbentangan dihadapan orang-ramai. *(I am able to present in front audience)*	1	2	3	4	5
8.	Saya boleh menyelesaikan masalah besar secara kreatif. *(I am able to settle a big problem in creative way)*	1	2	3	4	5
9.	Amat sukar untuk saya membangunkan idea-idea dan perancangan dalam perniagaan. *(It is harder for me to build an idea and plan in business)*	1	2	3	4	5
10.	Saya mempunyai kebolehan untuk mengatur strategi dan operasi syarikat. *(I am capable to arrange the business operation and strategy)*	1	2	3	4	5

Bahagian D

Bahagian ini bertujuan untuk mengetahui pencapaian anda bagi perniagaan yang diceburi.
Sila tandakan jawapan anda.
(This section wants to know your performance in business, please (/) your answer).

Sangat Tidak Setuju/Strongly Disagree	Tidak Bersetuju/ Disagree	Tidak Pasti/Not sure	Setuju /Agree	Sangat Bersetuju Strongly agree		
1	**2**	**3**	**4**	**5**		

1.	Saya sangat berpuas hati dengan keuntungan yang diperolehi. *(I am really satisfied with the profit that I get)*	1	2	3	4	5
2.	Pertumbuhan syarikat saya semakin bertambah dari masa ke masa. *(The business always growth from time to time)*	1	2	3	4	5
3.	Saya sentiasa menghasilkan sesuatu produk yang baru. *(I always create a new product)*	1	2	3	4	5
4.	Perkhidmatan/produk saya sentiasa mendapat sambutan dari pelanggan. *(My product or services get agreeable from customer)*	1	2	3	4	5
5.	Saya akan memastikan pelanggan berpuas hati dengan produk saya. *(I will make sure my customer will satisfied with my product)*	1	2	3	4	5
6.	Saya mempunyai hubungan yang baik dengan pelanggan saya. *(I have a good relationship with my customer)*	1	2	3	4	5
7.	Saya mempunyai hubungan yang baik dengan pembekal. *(I have a good relationship with my supplier)*	1	2	3	4	5
8.	Saya mempunyai hubungan yang baik dengan pesaing. *(I have a good relationship with my competitor)*	1	2	3	4	5

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APPENDIX B

(Reliability test)

Reliability Test

Entrepreneurs Performance

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.887	8

Item Statistics

	Mean	Std. Deviation	N
Performance_1	3.9763	1.04627	169
Performance_2	3.9586	.63952	169
Performance_3	4.0059	.68571	169
Performance_4	4.1243	.47803	169
Performance_5	3.5444	.96953	169
Performance_6	3.9112	1.01086	169
Performance_7	3.9527	.64375	169
Performance_8	4.0710	.52976	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Performance_1	27.5680	14.056	.837	.997	.854
Performance_2	27.5858	17.208	.772	.990	.865
Performance_3	27.5385	18.857	.401	.419	.895
Performance_4	27.4201	19.745	.410	.923	.893
Performance_5	28.0000	14.476	.854	.932	.851
Performance_6	27.6331	14.043	.878	.998	.848
Performance_7	27.5917	17.338	.739	.985	.868
Performance_8	27.4734	19.417	.432	.530	.892

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Reliability Test

Need for Achievement

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.647	6

Item Statistics

	Mean	Std. Deviation	N
Need_achievement_1	4.5266	.50077	169
Need_achievement_2	4.7160	.45229	169
Need_achievement_3	4.3373	.47419	169
Need_achievement_4	4.4911	.50141	169
Need_achievement_5	2.3018	.46039	169
Need_achievement_6	4.7219	.44940	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Need_achievement_1	20.5680	1.854	.597	.625	.512
Need_achievement_2	20.3787	2.082	.485	.401	.565
Need_achievement_3	20.7574	2.232	.326	.652	.623
Need_achievement_4	20.6036	2.157	.347	.255	.616
Need_achievement_5	22.7929	2.320	.276	.486	.639
Need_achievement_6	20.3728	2.378	.245	.299	.649

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Reliability Test

Locus of control

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.705	7

Item Statistics

	Mean	Std. Deviation	N
Locus_1	1.5266	.50077	169
Locus_2	4.2840	.47789	169
Locus_3	1.5266	.50077	169
Locus_4	4.3136	.47796	169
Locus_5	4.4497	.49894	169
Locus_6	1.5266	.50077	169
Locus_7	4.4615	.50000	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Locus_1	20.5621	2.914	.675	.	.600
Locus_2	17.8047	4.051	.021	.	.762
Locus_3	20.5621	2.914	.675	.	.600
Locus_4	17.7751	3.699	.213	.	.720
Locus_5	17.6391	3.411	.358	.	.687
Locus_6	20.5621	2.914	.675	.	.600
Locus_7	17.6272	3.402	.362	.	.686

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Reliability Test

Tolerance for ambiguity

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.665	3

Item Statistics

	Mean	Std. Deviation	N
Ambiguity_1	4.4675	.50042	169
Ambiguity_2	4.3787	.52192	169
Ambiguity_3	4.4260	.53075	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Ambiguity_1	8.8047	1.027	.158	.042	.921
Ambiguity_2	8.8935	.631	.643	.731	.315
Ambiguity_3	8.8462	.583	.706	.737	.207

Reliability test

Risk-taking propensity

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.731	3

Item Statistics

	Mean	Std. Deviation	N
Risk_1	3.5503	.96924	169
Risk_2	3.9704	.98456	169
Risk_3	4.1243	.47803	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Risk_1	8.0947	1.455	.760	.591	.354
Risk_2	7.6746	1.518	.694	.558	.462
Risk_3	7.5207	3.334	.348	.143	.855

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Reliability Test

Education level

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.842	3

Item Statistics

	Mean	Std. Deviation	N
Education_1	3.9467	.53741	169
Education_2	3.9704	.98456	169
Education_3	3.9586	.63952	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Education_1	7.9290	2.054	.389	.213	.658
Education_2	7.9053	1.015	.483	.289	.625
Education_3	7.9172	1.541	.626	.397	.367

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Reliability Test

Work Experience

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.842	3

Item Statistics

	Mean	Std. Deviation	N
Experience_1	3.5503	.96924	169
Experience_2	3.9704	.98456	169
Experience_3	3.9586	.63952	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Experience_1	7.9290	2.054	.825	.683	.658
Experience_2	7.5089	2.216	.717	.558	.783
Experience_3	7.5207	3.334	.661	.490	.855

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Reliability Test

Skills

Case Processing Summary

		N	%
Cases	Valid	169	100.0
	Excluded (a)	0	.0
	Total	169	100.0

a Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.834	4

Item Statistics

	Mean	Std. Deviation	N
Locus_1	1.5266	.50077	169
Locus_2	4.2840	.47789	169
Locus_3	1.5266	.50077	169
Locus_4	4.3136	.47796	169
Locus_5	4.4497	.49894	169
Locus_6	1.5266	.50077	169
Locus_7	4.4615	.50000	169

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Locus_1	20.5621	2.914	.675	.	.600
Locus_2	17.8047	4.051	.021	.	.762
Locus_3	20.5621	2.914	.675	.	.600
Locus_4	17.7751	3.699	.213	.	.720
Locus_5	17.6391	3.411	.358	.	.687
Locus_6	20.5621	2.914	.675	.	.600
Locus_7	17.6272	3.402	.362	.	.686

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APPENDIX C

(Descriptive test)

Descriptive Test

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
jantina	169	1.00	2.00	1.4734	.50077
status	169	1.00	4.00	2.6509	1.01888
pengalaman	169	1.00	3.00	1.9763	.84482
t_akademik	169	1.00	4.00	2.3432	.83129
Valid N (listwise)	169				

Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
jantina * umur	169	100.0%	0	.0%	169	100.0%
t_akademik * umur	169	100.0%	0	.0%	169	100.0%
pekerj_spouse * umur	169	100.0%	0	.0%	169	100.0%
pengalaman * umur	169	100.0%	0	.0%	169	100.0%
jenis_per * umur	169	100.0%	0	.0%	169	100.0%
sektor * umur	169	100.0%	0	.0%	169	100.0%
tempoh_masa * umur	169	100.0%	0	.0%	169	100.0%
modal * umur	169	100.0%	0	.0%	169	100.0%
pendptn_1 * umur	169	100.0%	0	.0%	169	100.0%
pendptn_2 * umur	169	100.0%	0	.0%	169	100.0%

Descriptives

			Statistic	Std. Error
umur	Mean		2.6864	.07792
	95% Confidence Interval for Mean	Lower Bound	2.5326	
		Upper Bound	2.8402	
	5% Trimmed Mean		2.7071	
	Median		3.0000	
	Variance		1.026	
	Std. Deviation		1.01295	

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		Minimum	1.00	
		Maximum	4.00	
		Range	3.00	
		Interquartile Range	2.00	
		Skewness	-.033	.187
		Kurtosis	-1.187	.371
jantina	Mean		1.4734	.03852
	95% Confidence Interval for Mean	Lower Bound	1.3973	
		Upper Bound	1.5494	
	5% Trimmed Mean		1.4704	
	Median		1.0000	
	Variance		.251	
	Std. Deviation		.50077	
	Minimum		1.00	
	Maximum		2.00	
	Range		1.00	
	Interquartile Range		1.00	
	Skewness		.108	.187
	Kurtosis		-2.012	.371
status	Mean		2.6509	.07838
	95% Confidence Interval for Mean	Lower Bound	2.4962	
		Upper Bound	2.8056	
	5% Trimmed Mean		2.6677	
	Median		3.0000	
	Variance		1.038	
	Std. Deviation		1.01888	
	Minimum		1.00	
	Maximum		4.00	
	Range		3.00	
	Interquartile Range		1.00	
	Skewness		-.587	.187
	Kurtosis		-.828	.371
t_akademik	Mean		2.3432	.06395
	95% Confidence Interval for Mean	Lower Bound	2.2170	
		Upper Bound	2.4694	
	5% Trimmed Mean		2.3258	
	Median		2.0000	
	Variance		.691	
	Std. Deviation		.83129	
	Minimum		1.00	
	Maximum		4.00	
	Range		3.00	
	Interquartile Range		1.00	
	Skewness		.479	.187

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	Kurtosis		-.252	.371
pengalaman	Mean		1.8343	.06092
	95% Confidence Interval for Mean	Lower Bound	1.7141	
		Upper Bound	1.9546	
	5% Trimmed Mean		1.8159	
	Median		2.0000	
	Variance		.627	
	Std. Deviation		.79193	
	Minimum		1.00	
	Maximum		3.00	
	Range		2.00	
	Interquartile Range		1.00	
	Skewness		.305	.187
	Kurtosis		-1.342	.371
pendptn	Mean		1.7633	.03279
	95% Confidence Interval for Mean	Lower Bound	1.6986	
		Upper Bound	1.8281	
	5% Trimmed Mean		1.7926	
	Median		2.0000	
	Variance		.182	
	Std. Deviation		.42631	
	Minimum		1.00	
	Maximum		2.00	
	Range		1.00	
	Interquartile Range		.00	
	Skewness		-1.250	.187
	Kurtosis		-.443	.371

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	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
jenis_bis	169	100.0%	0	.0%	169	100.0%
sektor	169	100.0%	0	.0%	169	100.0%

Case Processing Summary

Descriptives

			Statistic	Std. Error
jenis_bis	Mean		1.9763	.06499
	95% Confidence Interval for Mean	Lower Bound	1.8480	
		Upper Bound	2.1046	
	5% Trimmed Mean		1.9737	
	Median		2.0000	
	Variance		.714	
	Std. Deviation		.84482	
	Minimum		1.00	
	Maximum		3.00	
	Range		2.00	
	Interquartile Range		2.00	
	Skewness		.045	.187
	Kurtosis		-1.601	.371
sektor	Mean		1.9822	.05963
	95% Confidence Interval for Mean	Lower Bound	1.8645	
		Upper Bound	2.1000	
	5% Trimmed Mean		1.9803	
	Median		2.0000	
	Variance		.601	
	Std. Deviation		.77516	
	Minimum		1.00	
	Maximum		3.00	
	Range		2.00	
	Interquartile Range		2.00	
	Skewness		.031	.187
	Kurtosis		-1.329	.371

APPENDIX D

(Correlation test)

Correlations

		Need_achievement	Locus control	Tolerance_ambiguity	Risk_taking	education_level	working_experience	skills	entrepreneur_performance
Need_achievement	Pearson Correlation	1	-.033	.179*	-.070	-.069	-.069	-.019	-.056
	Sig. (2-tailed)		.674	.020	.363	.371	.371	.802	.471
	N	169	169	169	169	169	169	169	169
Locus_control	Pearson Correlation	-.033	1	.236**	-.075	-.082	-.082	-.040	-.080
	Sig. (2-tailed)	.674		.002	.331	.287	.287	.603	.301
	N	169	169	169	169	169	169	169	169
Tolerance_ambiguity	Pearson Correlation	.179*	.236**	1	.052	.056	.056	.051	.026
	Sig. (2-tailed)	.020	.002		.503	.469	.469	.509	.742
	N	169	169	169	169	169	169	169	169
Risk_taking	Pearson Correlation	-.070	-.075	.052	1	.992**	.992**	.959**	.961**
	Sig. (2-tailed)	.363	.331	.503		.000	.000	.000	.000
	N	169	169	169	169	169	169	169	169
education_level	Pearson Correlation	-.069	-.082	.056	.992**	1	1.000**	.982**	.981**
	Sig. (2-tailed)	.371	.287	.469	.000		.000	.000	.000
	N	169	169	169	169	169	169	169	169
working_experience	Pearson Correlation	-.069	-.082	.056	.992**	1.000**	1	.982**	.981**
	Sig. (2-tailed)	.371	.287	.469	.000	.000		.000	.000
	N	169	169	169	169	169	169	169	169
skills	Pearson Correlation	-.019	-.040	.051	.959**	.982**	.982**	1	.983**
	Sig. (2-tailed)	.802	.603	.509	.000	.000	.000		.000
	N	169	169	169	169	169	169	169	169
entrepreneur_performance	Pearson Correlation	-.056	-.080	.026	.961**	.981**	.981**	.983**	1
	Sig. (2-tailed)	.471	.301	.742	.000	.000	.000	.000	
	N	169	169	169	169	169	169	169	169

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

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APPENDIX E

(Regression test)

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Regression Test

Variables Entered/Removed(b)

Model	Variables Entered	Variables Removed	Method
1	skills, Need_achievement, Locus_control, Tolerance_ambiguity, education_level, Risk_taking, working_experience(a)	.	Enter

a All requested variables entered.
b Dependent Variable: entrepreneur_performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.988(a)	.975	.974	.09370

a Predictors: (Constant), skills, Need_achievement, Locus_control, Tolerance_ambiguity, education_level, Risk_taking, working_experience

ANOVA(b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	55.585	7	7.941	904.394	.000(a)
	Residual	1.414	161	.009		
	Total	56.999	168			

a Predictors: (Constant), skills, Need_achievement, Locus_control, Tolerance_ambiguity, education_level, Risk_taking, working_experience
b Dependent Variable: entrepreneur_performance

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Coefficients[a]

Mode		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	1.324	.161		8.242	.000	1.007	1.641
	Need_achievem	.008	.030	.004	.252	.802	-.052	.068
	Locus_control	.011	.032	.005	.331	.741	-.053	.074
	Tolerance_amb	-.041	.020	-.028	-2.082	.039	-.080	-.002
	Risk_taking	-.240	.126	-.280	-1.905	.059	-.488	.009
	education_level	-.142	.077	-.136	-1.844	.067	-.294	.010
	working_experie	.805	.193	1.059	4.170	.000	.424	1.186
	skills	.297	.104	.339	2.855	.005	.092	.502

a. Dependent Variable: entrepreneur_performance

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