Stimulating factors on women entrepreneurial intention

Khalid Ismail*, Abdul Rahman Ahmad*, Kamisan Gadar¹ and NKY Yunus*

Abstract
This study examines factors stimulating women to choose entrepreneurship as their career. The main hypotheses are personality and cultural factors directly related intention in choosing entrepreneurship as a career. Respondents are 170 women entrepreneurs in district of Kinta, Perak. A structured 47 closed ended items questionnaires are used to collect data. This study uses quantitative method such as correlation analysis and multiple regressions to test the variables. The result shows that women’s personality correlated weakly with cultural factor. However the study strongly shows that women entrepreneurs’ career choice of entrepreneurship is significantly influenced by cultural factor rather than personality factor. This study finding can be used by various parties including private entities, department of service management, Human Resources Management Division (HRMD), Ministry of Human Resources and other government agencies.

INTRODUCTION
The prospect of a portfolio career involving periods of salaried work, self employment and unemployment is increasingly likely, in which case entrepreneurial skills will be more important. The future working environment will depend heavily on the creativity and individuality of the young (Henderson, et al., 2000). Elements of trait theory (McClelland, 1961; Rotter, 1966), the social development approach (Gibb and Ritchie, 1982) and the structure opportunity model (Curran, 1996) are essential in understanding the factors influencing entrepreneurial careers. McClelland (1961) and Rotter (1966) suggest a high need for achievement, self belief, propensity to take risks and independence as the major factors motivate individual to start an entrepreneurial career.

Gibb and Ritchie (1982) suggest family influence, education and training, and perceived job opportunities are factors influencing the decision to become an entrepreneur. Gibb (1994) develops a more extensive model regarding the dynamics of entrepreneurial careers which combines four elements of career choice factors that are socialization, progression, psychological components, and economic features. While Curran (1996) supports those social factors include family, neighborhood, school, peer group and general work situation can influence career choice.

Salami and Samuel O (2007) argues that culture and gender determine career selection. Their findings supported by Malach-Pine, et al. (2008) that saying gender and culture do influence the career selection of women entrepreneurs in Israel, USA, UK, Cyprus, Hungary and India. The results show that culture significantly influences the career choice while gender difference has a little influence on their career. Further, de Plilis and Reardon (2007) studied the influence of personal characteristics and mass media against potential entrepreneurs among US and Ireland. They also suggest that positive personality and the role of media will encourage entrepreneurial intentions especially US.

Motivated by partly from empirical evidence in the conceptualization of personality and cultural dimensions that influencing the tendency of the individual to engage a career in entrepreneurship. However one would anticipate that many other factors would prove influential. The personality factors that would be incorporated include attitudes to achievement motivation, ambiguity tolerance, self-efficacy, while cultural factors include predictors such as perceived consistency, perceived appropriateness and perceived effectiveness. Some educate from parents who train or coach their children from childhood the values of hardworking, independence, honesty that shaping the entrepreneurship characteristics (Neider,1987 and Lee-Gosselin & Grise, 1990). Neider (1987) found that 54% women entrepreneurs came from parent’s business background. Lee-Gosselin & Grise (1990) also argue that women entrepreneurs inherited from their family businesses.

Key words: career choice, entrepreneurship, entrepreneurial intention, personal factors, cultural factors

Available online www.bmdynamics.com
ISSN: 2047-7031

©Society for Business and Management Dynamics
This paper raises issues for women’s entrepreneurial career and draws on questionnaire surveys among women entrepreneurs in district of Kinta in Perak where the whole districts of Perak consists Batang Padang, Hilir Perak, Perak Tengah, Manjung, Kinta, Kuala Kangsar, Larut/Matang/selama, Kerian and Hulu Perak. The business they are participate include agriculture, food, saloon & spa, beverages & confectionery, books/media and printing products, computer and software, tailor and fashion, furniture, gifts/crafts and home décor, home appliance and care products, jewelry, medical and healthcare, clinic, mobile phones, office appliance and stationary, consultancy, textile & fabric, travel and tours, hotel, vehicle and transportation. The results are compared with theories of entrepreneurial intention as expounded by Driver (1984) and Phaulus and Van Selst (1990) and cultural factors using ACE model by Reardon (1991). Of these 70 were considere as successful business women in various fields.

PROBLEM STATEMENT
The number of women entrepreneurs in Malaysia in 2003 was 1,122,000, or 36.8 percent of the total employment in SMEs. A proxy for women entrepreneurs obtained from Population Census in 2000 indicates that 30.0 percent of them are working proprietors and active business partners (Normah, 2006). In Hamisah’s (2002) report, she indicated that 44 percent of Malaysian women surveyed professed desire for self-employment. She also opined that this figure is likely to grow over time. It is not surprising that the number of women entrepreneurs in Malaysia has increased in the past three decades due to the emphasis on industrialization, and growing interests in privatization, self-employment and business oriented employment (Teoh, et al., 2007a). Department of Statistics Malaysia reports that as at December 2010, approximately 400,000 women in Malaysia still unemployed. This phenomenon could persuade entrepreneurial intentions especially women to make significant relevant to develop their self and country.

For the purposes of this study, three types of persuasion or cultural predictors (Reardon, 1989, Reardon, 1991) were adopted. First, self-consistence (what fits with the women’s self-schema of entrepreneurial intention), second, appropriateness (approve of entrepreneurship career) and finally, effectiveness (what likely to bring desired outcomes among the women).

Beside the culture dimension, personality is also important to the career choice. Birdthistle (2008) studied Ireland women’s intention to start a new business. She found that 82 % women who interested in entrepreneurial career have the entrepreneurship characteristics. These characteristics are extrovert, high vision, emotional stability, flexibility and conscientiousness.

In this study, we test the predictive of three personality traits frequently associated with entrepreneurs and entrepreneurship: achievement motivation, tolerance for ambiguity, and personal efficacy. According to Babb and Babb (1992), achievement motivation is most common characteristic among people choosing to become entrepreneurs. Shaver and Scott, (1991) found a positive relationship between achievement and entrepreneurial behavior, while Bonnett and Furnham, (1991) found no connection between the two. Although, they found tolerance ambiguity provides a better predictor than risk taking behavior. Compared to risk taking behavior, the previous literatures do support consistently that tolerance ambiguity is a characteristic of entrepreneurs. Inversely, it has been argued that risk taking behavior trait suffers a lack of consistency in the previous research as predictor of entrepreneurship (Corman et, al., 1988; Shaver and Scott, 1991). Personal efficacy has been also associated with entrepreneurial traits in term of internal and external locus of control (Gateword et al., 1995; Rotter, 1966; Paulhus and Van Selst, 1990; Shaver and Scott, 1991). If the individuals believe that their entrepreneurial successes are the result of their own action, these refer to internal locus of control (Gateword et al., 1995). Some believe that his/her life is determined by luck or external phenomena, this measuring external locus of control (Rotter, 1966; Paulhus and Van Selst, 1990). Shaver and Scott, (1991) however, argue that this measure does not measure various aspects of life because the scale is one dimensional.

RESEARCH OBJECTIVES
The objectives of this research are:
1. To determine the main factor influencing entrepreneurial career among women.
2. To evaluate the influence of cultural factors and personality traits on entrepreneurial intentions.
3. To examine the relationship between cultural and personal factors and intention to start business (within five years or less) among women.

RESEARCH HYPOTHESES
In this study we hypothesize those women entrepreneurs as follows:

**Personality variables**

*H1a.* Achievement motivation will be significantly and positively related to entrepreneurial intention.

*H1b.* Ambiguity tolerance will be significantly and positively related to entrepreneurial intention.

*H1c.* Personal efficacy will be significantly and positively related to entrepreneurial intention.

**Cultural variables**

*H2a.* Perceived appropriateness of entrepreneurship will be significantly and positively related to entrepreneurial intention.

*H2b.* Perceived consistency of entrepreneurship will be significantly and positively related to entrepreneurial intention.

*H2c.* Perceived effectiveness of entrepreneurship will be significantly and positively related to entrepreneurial intention.

METHODOLOGY
The respondents consisted of women entrepreneurs in district of Kinta, Perak. All the 170 women entrepreneurs involved in business were required to complete a questionnaire. According to Majid (2004) 10 percent of population is appropriate for valid sample. The population of women entrepreneurs in Kinta approximated 1,500, thus 170 respondents is more than enough to test the validity and reliability of the study. The survey had two broad themes: first to gauge understanding of what the respondents perceived about personality traits of entrepreneurs; second to examine the influences cultural variables on women’s entrepreneurial intention. The dependent variable in this study is entrepreneurial intentions. Autio et al., (1997) used a one year measure of entrepreneurial intention while Krueger et al., (2000) used a five year measure. We included all three modified measures of intentions: the stated likelihood, on a scale of 1 through 5, of starting a business within five years, the stated likelihood, on a scale of 1 through 5, of starting a business eventually upon resigning a job and, of starting a business soon after retirement.

The entrepreneurial intentions model includes six independent variables as described in Figure 1. The first three independent variables are cultural variables. These are perceived appropriateness, perceived consistency, and perceived effectiveness. The first independent variable was perceived appropriateness, which was measured by asking pointedly “Business venture is part of Islamic teaching”. The second independent variable was perceived consistency. Perceived consistency was determined by asking pointedly, “female has a characteristic of business-minded wherever she lives”. The third independent variable in the model is perceived effectiveness which was measured by asking “Being an entrepreneur help me reach 90 percent of wealth objectives”.

The second three independent variables are personality variables. These are achievement motivation, ambiguity tolerance, and personal efficacy. The first independent variable was achievement motivation, which was measured by asking pointedly “I dislike working with and controlled by others”. The second independent variable was ambiguity tolerance. Ambiguity tolerance was determined by asking pointedly, “I am willing to work under uncertain situation as long as there is a possibility”. The third independent variable in the model is personal efficacy. Personal efficacy was determined by asking pointedly, “I am daring to invest money in a project that I have calculated the dividend”.

After identifying and computing variables necessary for evaluating the personal and cultural factors, we analyzed correlation between both factors and entrepreneurial intentions. Further, we tested the model regression analysis to assess the ability of the model to explain entrepreneurial intentions. As we tested the model using regression, the appropriate comparative diagnostic is the Adjusted R².
RESULTS

Bivariate correlations

In this study, we evaluated the correlation of entrepreneurial intention simultaneously among three cultural variables such as perceived appropriateness, perceived consistency and perceived effectiveness as well as personal factors such as tolerance ambiguity, achievement motivation and personal efficacy and entrepreneurial intentions. All variables are standardized to five-point scale, with five as the strongest agreement or highest value. We show correlations in Table 1.

**Personal Factors and Entrepreneurial Intention**

![Figure 1: Proposed Model: Predicting Entrepreneurial Intention](image)

### Table 1A: Correlations between Entrepreneurial Intention and Personal Factors

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneur’s Intention</th>
<th>Achievement motivation</th>
<th>Ambiguity Tolerance</th>
<th>Self Efficacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>entrepreneurial</td>
<td>1</td>
<td>.631**(*)</td>
<td>.732**(*)</td>
<td>.645**(*)</td>
</tr>
<tr>
<td>intention within 5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>years</td>
<td>170</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>170</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
</tbody>
</table>

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

### Table 1B: Correlations between Entrepreneurial Intention and Personal Factors

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneur’s Intention</th>
<th>Achievement motivation</th>
<th>Ambiguity Tolerance</th>
<th>Self Efficacy</th>
</tr>
</thead>
<tbody>
<tr>
<td>entrepreneurial</td>
<td>1</td>
<td>.748**(*)</td>
<td>.820**(*)</td>
<td>.626**(*)</td>
</tr>
<tr>
<td>intention upon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>resignation</td>
<td>170</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
<td></td>
</tr>
<tr>
<td>N</td>
<td>170</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
</tbody>
</table>

** Correlation is significant at the 0.01 level (2-tailed)
The first hypothesis was tested using correlation analysis. The strongest correlation was between achievement motivation and entrepreneurial intentions ($r = 0.748$). The second hypothesis was tested using correlation analysis. As shown in Table 1, ambiguity tolerance is positively associated with entrepreneurial intentions. Hence, hypothesis 1b is supported. Furthermore, the analysis also indicated that the strongest correlation between entrepreneurial intention and personal efficacy was ($r = 0.669$, $p = 0.01$). This result confirms the third hypothesis 1c. The correlation analysis showed that ambiguity tolerance ($r = 0.820$, $p = 0.01$) was the strongest personal variable which associated with entrepreneurial intention. Hence, we can conclude that personal factors are significantly associated with entrepreneurial intentions.

### Cultural Factors and Entrepreneurial Intention

#### Table 2A: Correlations between Entrepreneurial Intention and Cultural Factors

<table>
<thead>
<tr>
<th>Entrepreneurial Intention</th>
<th>Consistency</th>
<th>Effectiveness</th>
<th>Appropriateness</th>
</tr>
</thead>
<tbody>
<tr>
<td>entrepreneurial intention within 5 years</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.693(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
</tbody>
</table>

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

#### Table 2B: Correlations between Entrepreneurial Intention and Cultural Factors

<table>
<thead>
<tr>
<th>Entrepreneurial Intention</th>
<th>Consistency</th>
<th>Effectiveness</th>
<th>Appropriateness</th>
</tr>
</thead>
<tbody>
<tr>
<td>entrepreneurial intention upon resignation</td>
<td>Pearson Correlation</td>
<td>1</td>
<td>.727(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
</tbody>
</table>

**Correlation is significant at the 0.01 level (2-tailed).**
Table 2C: Correlations between Entrepreneurial Intention and Cultural Factors

<table>
<thead>
<tr>
<th></th>
<th>Entrepreneur’s Intention</th>
<th>Consistency</th>
<th>Effectiveness</th>
<th>Appropriateness</th>
</tr>
</thead>
<tbody>
<tr>
<td>entreprenurial intention</td>
<td>Pearson Correlation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>after retirement</td>
<td>1</td>
<td>.748(**)</td>
<td>.710(**)</td>
<td>.723(**)</td>
</tr>
<tr>
<td>Sig. (2-tailed)</td>
<td></td>
<td>.000</td>
<td>.000</td>
<td>.000</td>
</tr>
<tr>
<td>N</td>
<td>170</td>
<td>170</td>
<td>170</td>
<td>170</td>
</tr>
</tbody>
</table>

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

The fourth hypothesis was tested using correlation analysis. The strongest correlation was between perceived appropriateness and entrepreneurial intentions (r = 0.863). The fifth hypothesis was tested using correlation analysis. As shown in Table I, perceived consistency is positively associated with entrepreneurial intentions. Hence, hypothesis 2b is supported. Furthermore, the analysis also indicated that the strongest correlation between entrepreneurial intention and personal effectiveness was (r = 0.896, p = 0.01). This result confirms that the sixth hypothesis 2c. The correlation analysis showed that personal effectiveness was the strongest cultural variable which associated with entrepreneurial intention. Hence, we can conclude that cultural factors are significantly associated with entrepreneurial intentions.

**Variables Predicting Entrepreneurial Intentions**

After testing the correlation between entrepreneurial intentions and personal and cultural factors separately, we tested the model using regression analysis and used the Adjusted R². Stepwise regression results (Table 3) indicate that ambiguity tolerance alone has a direct effect on short term (one year) entrepreneurial intention while self-consistency alone predicts entrepreneurial intention. Table 3 shows that self-consistency predicts one year and five year entrepreneurial intention among women entrepreneurs and positive messages constitute a significant direct predictor of five-year entrepreneurial intention among them.

With the exception of model 3, the process entrepreneurial intention model of entreprenurships in our study shows that cultural predictor of appropriateness and self consistency is significantly influence entrepreneurship intention but not of effectiveness. However, in term of personality predictor in entrepreneurial intention, the variables of achievement motivation and self efficacy appears to be very important.

Table 3: Significant Predictors of Intention to Start a Business:

<table>
<thead>
<tr>
<th>Stepwise regression</th>
<th>Beta</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model 1</td>
<td>Own boss (achievement motivation)</td>
<td>-.474</td>
</tr>
<tr>
<td>Intention to start business within five year</td>
<td>Age</td>
<td>.305</td>
</tr>
<tr>
<td></td>
<td>Islamic teaching (appropriateness)</td>
<td>.967</td>
</tr>
<tr>
<td>Adjusted R-Squared=0.602 (p=0.000)</td>
<td>Business minded (consistency)</td>
<td>.263</td>
</tr>
<tr>
<td>Model 2</td>
<td>Age</td>
<td>.400</td>
</tr>
<tr>
<td>Intention to start business after retirement</td>
<td>Marital status</td>
<td>.221</td>
</tr>
<tr>
<td>Adjusted R-Squared=0.607 (p=0.000)</td>
<td>Islamic teaching (appropriateness)</td>
<td>.370</td>
</tr>
</tbody>
</table>
MAJOR FINDINGS
The study provides evidence regarding the entrepreneurial intentions is correlated with cultural and with personal factors. The cultural factor was significantly related to entrepreneurial intention. This study supports previous study by Hofstede, (1980), Lee, (1997), Morrison, (2000), who argue that culture has a strong impact on individual’s values and their entrepreneurial intentions. The personal factor was significantly related to entrepreneurial intention. This study also confirms previous study by Babb and Babb, (1992), McClelland, (1961), and Shaver and Scott, (1991). However, in comparison to a study by Bonnett and Furnham, (1991), our result differs from their finding that they found no connection between personal factor and entrepreneurial intention.

The correlation analysis shows that tolerance ambiguity does correlate with women entrepreneurial intentions, which is consistent with the finding by to Low and MacMilan (1988) and Segal et al., (2005) that an individual’s tolerance for risk had a significant influence on his or her intention to engage in entrepreneurial activity. There is significant similarity in term of self-efficacy as an important predictor to entrepreneurial intention where our study also using this measure. This result confirms previous studies by Shapero (1982); Azjen (1991); Bandura (1997); Chen et al., (1998); and Kruger et al., (2000). The need for self achievement was found to be important in earlier research by McClelland, 1961; and Rotter, 1966, where they found to be the same in this research. McClelland (1961) and Rotter (1966) argue that a high need for achievement, self belief, propensity to take risks and independence are the factors motivating individual to start an entrepreneurial career. We also found that the achievement motivation is an important factor encouraging women entrepreneurship.

The regression analysis shows that R² for our model was 0.602 and 0.0607; such strong explanatory power explaining entrepreneurial intention is quite similar to Segal et al., (2005) which is 0.528. However, previous studies (Kruger et al., 2000, Shapero, 1982) found weak explanatory in explaining entrepreneurial behavior. Kruger et al., (2000) found R² of 0.350, and Shapero, (1982) of 0.408. The result also shows that both personal and cultural factors explain the variation of entrepreneurial intentions of women entrepreneurs of 60 percent.

Further, the regression analysis shows a mixed result. In general, cultural factors do influence entrepreneurial intention stronger than personal factors. Its beta coefficient for cultural factor in our model 1 and model 2 was 0.967, and 0.260 and 0.370; while personal factor’ beta was 0.474. However, model 3 shows that personal factor has a stronger influence than cultural factor. The beta value for personal variable in that model was 0.878 and 0.362 compared to cultural variable was 0.251 and 0.588. Interestingly, we found that demographic variables such as age and marital do influence entrepreneurial intention among our respondents.

CONCLUSIONS
In summary, the study provides evidence regarding the entrepreneurial intentions is correlated with cultural and with personal factors. The cultural factor was significantly related to entrepreneurial intention. However, in term of personality predictor in entrepreneurial intention, the variables of achievement motivation and self efficacy appears to be very important.

The regression analysis shows a mixed result. In general, cultural factors do influence entrepreneurial intention stronger than personal factors. The process entrepreneurial intention model of entrepreneurship shows that cultural predictor are fairly consistent with previous works such as by
previous studies by Azjen (1991), Bandura (1997), Chen et al., (1998) Kruger et al., (2000) and Shapero (1982). We also found that personality traits are also important factors influencing graduate entrepreneurship. This result is also consistent with previous study by Babb and Babb, (1992); Low and MacMilan (1988); McClelland, 1961; Pereira, 2001; Rotter, 1966; Segal et al., (2005), and Shaver and Scott, (1991).

There are also many differences between the findings of earlier research and the findings of this research. The regression analysis shows that $R^2$ for our model is quite similar to Segal et al., (2005). However, previous studies (Kruger et al., 2000, Shapero, 1982) found weak explanatory in explaining entrepreneurial behavior. Interestingly, we found that demographic variables such as age and marital do influence entrepreneurial intention among our respondents.

REFERENCES


