

Impact of Personality Traits and Attitudes on Entrepreneurial Intention among Youths and Middle-aged People in Malaysia

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Abstract

This study was focused on the impact of personality traits and attitude (psychological factors) on entrepreneurial intention among youth and middle-aged adults since individuality and creativity of youth and middle-aged adults were being highly dependable in future environment. The study had used achievement motivation theory in supported accuracy of personality traits and theory of planned behavior on predicted entrepreneurial intention among youth and middle-aged adults. Meanwhile, total of 257 respondents had involved in this study. The data collection was analyzed used SPSS program. The independent sample t-test was conducted to determine whether there was difference on entrepreneurial intention between youth and middle-aged adults. Besides, Pearson correlation and multiple regression analysis were performed in forecasting the relationship between personality traits and attitude towards entrepreneurial intention among youth and middle-aged adults. The result found the personality traits (need for achievement, risk taking propensity and locus of control) and attitudes (attitude towards entrepreneurship, attitude towards money and attitude towards change) were found to have significantly relationship with entrepreneurial intention among youth and middle-aged adults.

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1. Introduction

Based on the statistic from the Department of Statistic Malaysia, GDP growth rates for January 2016 have achieved 4.5% which is the lowest rate since year 2004. According to the research program of Global Entrepreneurship Monitor (GEM) which assesses the entrepreneurship activity, the government has placed a considerable effort on the effect of entrepreneurship towards economy state of Malaysia. This allows entrepreneurship to be a strong instrument in boosting economic growth and development in a nation [1]. It is especially useful for the current downfall economic trend encountered in Malaysia.

An increased national and international interest can be viewed in the field of entrepreneurship which may be due to its impact on economic benefit [2]. Therefore, it is

important to highlight the crucial role of an entrepreneur. Age has been verified as an important factor in determining entrepreneurial intention [3]. Environmental influence, role models, education program may lead to a change in personality and attitude of entrepreneur across time. In fact, a study done by Yusof, Sandhu, and Jain (2007) has determined the association between the success of entrepreneurial venture and the young generation. The Entrepreneurship program was organized by Ministry of Higher Education, which has exposed the concept of entrepreneurship among the youth [5]. Unfortunately, Malaysian youths have not picked up the spirit of entrepreneurship [5]. At the same time, most of the researchers have tended to focus on the spirit of middle-aged adult entrepreneur [6].

Development of entrepreneurship studies can be viewed from different perspectives such as economics, sociology, psychology and strategic management.

Previous research has been examined the reason on people choose to be self-employment, it has predominantly relied on psychological perspective [7]. Therefore, it is reasonably noted that psychological factors have a significant impact on entrepreneurship intention. The personality characteristics of individual acts as part of psychological approach tend to influence entrepreneurial intention [8]. Career choice also has been viewed as a cognitive process driven by attitude, experience and beliefs [9]. Thus, personality traits and attitudes are used to analyze the relationship with entrepreneurial intention in this study since its importance in the field of entrepreneurship.

On the other hand, individual's attitudes seemed to have significant impact on behaviour though intention based on the theory of planned behaviour [10]. Attitudes have been shown to explain the uncertainty in intention with approximately 50% [11]. Generally, attitudes can be classified into general attitudes and domain attitudes. However, the impact of general attitudes on entrepreneurial intention is tested in this study since researchers have provide significant insights on the role of general attitudes towards self-employment. For instance, general attitudes towards change, money and entrepreneurship are reported to have significant influence on entrepreneurial intention [11]. The personality traits act as factors leading to entrepreneurial intention through attitude towards entrepreneurship [12]. This correlation between attitude, personality and entrepreneurial intention has made this study to be highly researchable.

Future environment are highly dependable on individuality and creativity among youth and adults, including middle-aged adults [13]. Therefore, this study will focus on the impact of personality traits, attitudes towards entrepreneurial intention among youth and middle-aged adults in Malaysia context. The study aimed to determine impact of personality traits and attitude (psychological factors) on entrepreneurial intention among youth and middle-aged adults since individuality and creativity of youth and middle-aged adults were being highly dependable in future environment.

2. Methodology

This study was used quantitative approach to seek empirical support for hypotheses which were developed from previous literature. In this study, hypothesis testing method was conducted to determine the relationship and difference between independent variables and dependent variables. . Independent variables in this study were personality traits which comprised need of achievement, risk taking propensity and locus of control, and attitudes which involved attitude toward entrepreneurship, attitude towards money and attitude towards change, while dependent variable was entrepreneurial intention.

The target population were youth and middle-aged adults in Klang Valley, Malaysia. The youth were individuals aged between 18 years old and 34 years old

and middle-aged adults were individuals aged between 35 years old and 59 years old. The samples were selected with purposive sampling and convenience sampling which non-probability sampling. The sample sizes were 385 respondents which the target sample among population of youth and middle-aged adults.

The study was conducted in several universities and companies located in Klang Valley, Malaysia. The respondents who under aged between 18 years and 34 years old such as university student, working students which fulfill the youth age criteria. However, the respondents who under aged between 35 years old and 59 years old included working and non-working middle-aged adult who fulfilled age criteria middle-aged adults who had intention of self-employment.

In this study, the self-administrated questionnaire had used and distributed to target respondents by used internet-mediated or personal delivery and collection by hand to the respondents. In this study, the statistical analysis was conducted by SPSS program to analyze the data collected. besides, Cronbach's alpha reliability analysis was reliability coefficient to test for the degree of which consistency and stability of questions in measured constructs. Furthermore, an independent sample t-test also used to determine there were any significant differences in means for two groups which were youths and middle-aged adults.

3. Result and Discussion

3.1 Result

In Table 1, a total set of items with scale was developed to measure the impact of personality traits and attitudes on entrepreneurial intention among youth and middle-aged adult. A test sample of youths and middle-aged adults were asked to evaluate those impacts on the five-point Likert scales. A total of 24 items were used as the instrument to measure the agreeableness of respondents towards entrepreneurial intention and its impact. The entrepreneurial intention in this study was found to be highly reliable (6 items, $\alpha=0.949$). Furthermore, the personality traits subscales consisted of 9 items ($\alpha=0.851$), and the attitudes subscales consisted of 9 items ($\alpha=0.829$).

Table 1: Cronbach's alpha value of variables

Variables	Number of Items	α
Entrepreneurial		
Intention	6	0.949
Personality Traits	9	0.851
Attitudes	9	0.829

The relationship between entrepreneurial intention and its various related factors were investigated using Pearson product-moment correlation coefficients. As depicted in Table 2, personality traits ($M=32.32$, $SD=5.513$) and entrepreneurial intention ($M=18.98$, $SD=5.53$) were significantly correlated ($r(154)=0.577$,

$p < 0.05$) among youth generation. Similarly, the result analyzed in Table 3 showed a significant correlation ($r(103)=0.811$, $p < 0.05$) between personality traits ($M=32.74$, $SD=7.257$) and entrepreneurial intention ($M=20.08$, $SD=7.096$) among middle-aged adults. In these cases, the values of Pearson correlation range from -1 to +1 with positive numbers of +0.577 and +0.811 which represent a positive correlation between personality traits and entrepreneurial intention among youth and middle-aged adult. The positive correlation coefficients of 0.577 and 0.811 have signified that the variables involved (personality traits and entrepreneurial intention) tend to increase proportionally. Meanwhile, the strength of relationship is moderate ($0.4 < r < 0.7$) among youth generation according to Guildford Rule of Thumb. In contrast, a high strength of relationship has been found among middle-aged adult ($0.7 < r < 0.9$).

Meanwhile, the relationship between attitude ($M=31.16$, $SD=5.448$) and entrepreneurial intention ($M=18.98$, $SD=5.53$) among youth generation, a significant relationship was indicated ($r(154)=0.564$, $p < 0.05$) in Table 2. A consensus result is reported among middle-aged adult in which the relationship between attitude ($M=32.02$, $SD=6.618$) and entrepreneurial intention ($M=20.08$, $SD=7.096$) was correlated ($r(103)=0.829$, $p < 0.05$) as indicated in Table 14. The strength of relationship reported is positive ($r=+0.564$) and moderate ($0.4 < r < 0.7$) among youth generation. Nevertheless, there is a high degree of relationship ($r=+0.829$) between attitude and entrepreneurial intention among middle-aged adult compared to youth. In these circumstances, the positive correlation coefficients revealed has suggested an increase of attitude in various aspects will lead to an increase of entrepreneurial intention.

At the same time, an experimental investigation was conducted to explore the correlation between gender and entrepreneurial intention among youth generation and middle-aged adult. Referring to Table 2, the result revealed that the relationship between gender ($M=0.66$, $SD=0.477$) and entrepreneurial intention ($M=18.98$, $SD=5.53$) was significantly correlated ($r(154)= -0.288$, $p < 0.05$) among youth. Furthermore, result from Table 2 indicated that gender ($M=0.55$, $SD=0.5$) tends to be negatively and significantly correlated ($r(103)= -0.363$, $p < 0.05$) with entrepreneurial intention ($M=20.08$, $SD=7.096$) among middle-aged adult.

Table 2: Correlation analysis results among youth in Klang Valley, Malaysia

	Gender	Personality Traits	Attitudes	Entrepreneurial Intention
Gender	-			
Personality Traits	-	-		
Attitudes	0.179*	0.580**	-	
Entrepreneurial Intention	-0.087	0.577**	0.564*	-

Gender -0.288* *

** Correlation is significant at the 0.01 level (2-tailed)
* Correlation is significant at the 0.05 level (2-tailed)

Table 3: Correlation analysis results among middle-aged adult in Klang Valley, Malaysia

	Gender	Personality Traits	Attitudes	Entrepreneurial Intention
Gender	-			
Personality Traits	-	-		
Attitudes	0.295**	0.786**	-	
Entrepreneurial Intention	0.410**	0.811**	0.829**	-

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

A multiple regression analysis was conducted to predict the impact of personality traits and attitude towards entrepreneurial intention among youth and middle aged adult. The findings of regression in Table 4 indicated that personality traits and attitudes account for 41.2% of the variance ($R^2=0.412$, $F(2151)=52.866$, $p < 0.01$) in entrepreneurial intention among youth. It was highlighted that personality traits significantly predicted entrepreneurial intention among youth ($\beta = 0.376$, $p < 0.01$) and so did attitudes ($\beta = 0.346$, $p < 0.01$). Thus, the results of the analysis showed that there is a significant positive relationship between personality traits and entrepreneurial intention among youth ($\beta = 0.376$, $\text{Sig.} = 0.000$, $p < 0.01$), and there is also significant positive relationship between attitudes and entrepreneurial intention among youth ($\beta = 0.346$, $\text{Sig.} = 0.000$, $p < 0.01$). Besides that, the beta coefficient of personality traits was positive 0.376, every unit increased in the personality traits, the entrepreneurial intention will increase by 0.376 units. In term of attitudes, the beta coefficient was positive 0.346, every unit increased in the attitudes, the entrepreneurial intention will increase by 0.346 units.

In Table 5, both independent variables (personality traits and attitudes) explained 75.4% of variance ($R^2=0.754$, $F(2100)=153.547$, $p < 0.01$) in entrepreneurial intention for middle-aged adult Klang Valley, Malaysia. The result also revealed that personality traits and attitudes significantly identified entrepreneurial intention among middle-aged adult ($\beta = 0.417$, $p < 0.01$; $\beta = 0.501$, $p < 0.01$). Hence, significant and positive relationship between personality traits and entrepreneurial intention ($\beta = 0.417$, $\text{sig.} = 0.000$, $p < 0.01$) as well as attitudes and entrepreneurial intention ($\beta = 0.501$, $\text{sig.} = 0.000$, $p < 0.01$) among middle-aged adult were also shown in the result of regression. Additionally, the entrepreneurial intention will be increased 0.417 units for every unit of personality traits increased among middle-aged adult, and the same rationale was also applied on the attitudes and entrepreneurial intention.

Table 4: Multiple regression analysis for entrepreneurial intention of youth in Klang Valley Malaysia

Variables	Standardized Beta Coefficients (β)	Sig.
Personality Traits	0.376	0.000
Attitudes	0.346	0.000
R square	0.412	
Adjusted R Square	0.404	
F-Value	52.866	

Note: $p < 0.01$

Table 5: Multiple regression for entrepreneurial intention of middle-aged adult in Klang Valley Malaysia

Variables	Standardized Beta Coefficients (β)	Sig.
Personality Traits	0.417	0.000
Attitudes	0.501	0.000
R square	0.754	
Adjusted R Square	0.749	
F-Value	153.747	

Note: $p < 0.01$

3.2 Discussion

The present study finding showed that there was no difference on entrepreneurial intention among youth and middle-aged adult in Klang Valley, Malaysia. Thus, the difference age structure among youth and middle-aged adult was not be one of the factors to identify their entrepreneurial initiatives. Besides that, self-employment intention of youth and middle-aged adult may point towards the reason of high unemployment rate in Malaysia. High level of unemployment reduced the intention for finding paid employment as merits of entrepreneurial activity becomes more interesting, therefore pushing youth and middle-aged adult toward self-employment. The set of reasons had pointed toward the recent growth of entrepreneurial intention among youth and middle-aged adult.

A study has shown that there was a significant difference among age and entrepreneurial personality particularly in the aspect of risk taking propensity and locus of control. In contrast, a non-significant difference in the relationship between personality traits and entrepreneurial intention among youth and middle-aged adults has been indicated in present finding. Meanwhile, this contradicted result as presented in current research finding was accounted for high strength need for achievement and risk taking propensity among youth and middle-aged adults rather than a negligible relationship on locus of control.

From the investigation conducted, a significant and positive relationship between personality traits and entrepreneurial intention among middle-aged adult was

examined. A consistent entrepreneurial intention resulted from a stable personality trend could signify a correlated relationship (high in personality traits will lead to high entrepreneurial intention). The present finding conducted has also been supported by previous study. The high strength of relationship shown may provide an implication of high aspiration in need for achievement, risk taking propensity and being confidence with the abilities on controlling one's events among middle-aged adults. Older workers tend to find a new challenging from not getting boring with the job. This may create a reason why the people are always changing job as they reach middle-age. Following this trend, middle-aged adults could experience a high internal locus of control by adopting their experiences, credibility, time and financial resources on new venture creation. This has evidenced that chance of meeting required opportunity in starting a new venture is important apart from self-experience, time rich and financial rich. Therefore, a moderate appeal towards internal locus of control is indicated among middle-aged adult. In brief, high need for achievement, risk taking propensity tend to affect more on entrepreneurial intention compare to a moderate effect of locus of control among middle-aged adults.

On the other hand, the finding emerged from the data comparison of present study was there was positive and significant relationship between attitudes and entrepreneurial intention among youth in Klang Valley, Malaysia. In fact, the current result achieved is affected by its component (attitude towards entrepreneurship, attitude towards money, and attitude towards change). Thus, perception of a person also can be influenced by their context or interaction with others especially youth. The reasonable assumption is instability of psychological maturation during the early age of developmental life cycle. So, cultural, social, and financial support in the society nowadays toward entrepreneurship may possibly to influence the perception of you that the same time promoting their attitude towards entrepreneurship, and then leads to the high entrepreneurial intention among them. In brief, moderate and positive relationship between attitude towards entrepreneurship (ATE) and entrepreneurial intention among youth achieved through the analysis [14]. The ATM was not be the one of the sub-variables that heavily influences the entrepreneurial intention among youth. Meanwhile, attitude towards change (ATC) had moderate and positive correlation with entrepreneurial intention among youth based on the result of current study. More the openness to change in the mindset of youth may significantly shape the attitude towards change, therefore promoting the intention of youth to engage in self-employment career choice [16]. In other words, if youth possess more openness to change or low resistance to change to deal with high uncertainty of entrepreneurial activities then they have more intention to involve in entrepreneurship. In summary, effects of attitude towards entrepreneurship and attitude towards change are highly affecting the entrepreneurial intention

with the exclusion of attitude towards money in present study.

The result of current study had reported that a significant and positive correlation between attitudes and entrepreneurial intention among middle-aged adult in Klang Valley, Malaysia. The current finding is related to three components of attitudes (ATE, ATM and ATC), and brought positive relationship result with regard to middle-aged adult. In different view of point, middle-aged adult's workplace experiences and their social network influences their attitude towards entrepreneurship, thus positively impacting their intention to create own business. Moreover, former working environment or career choice may tend to influence their attitude towards change in order to pursue more flexibility in self-employed working environment and go beyond the constant state on their current career [17]. On the other hand, psychological distinctness (job satisfaction, control localization, level of self-reliance, and others) and level of income have been identified as contributors to the formation of attitude towards money [18]. These are influenced by slow economic growth in Malaysia nowadays due unable to achieve desired income from their job by being employed in the firms, thus also affected the psychological distinctness of each hired workers. Hence, attitude towards money of middle-aged adult slightly affect the entrepreneurial intention. In short, strong effect of attitude towards entrepreneurship, moderate effect of attitude towards change, and low effect of attitude towards money, are significantly and positively impact on entrepreneurial intention among middle-aged adult.

4. Conclusion

In conclusions, this study conducted had provided a general support to the relationship between psychological characteristics (personality traits and attitudes) and entrepreneurial intention. The personality traits (need for achievement, risk taking propensity and locus of control) and attitudes (attitude towards entrepreneurship, attitude towards money and attitude towards change) were found to have significantly relationship with entrepreneurial intention among youth and middle-aged adults. On the other hand, the interest on entrepreneurship was found to be similar among youth and middle-aged which indicates no difference existed between two groups of target samples. In comparison, male tend to be appealed in the area of entrepreneurship compared to female among youth and middle-aged adults.

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