PERSONALITY CHARACTERISTICS DIFFERENCES AND ENTREPRENEURIAL INTENTION AMONG SABAH BUMIPUTERA AND CHINESE ENTREPRENEURS IN TAWAU, SABAH

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ABSTRACT

This study was carried out to understand the relationship between personality characteristics differences and entrepreneurial intention among Sabah Bumiputera and Chinese entrepreneurs in Tawau, Sabah. In Malaysia, especially the Chinese is known to be very successful in business. They are well-known for their business skills which brought success to most of them and for sustaining their business endeavour. Thus, a study about the factors of personality characteristics such as locus of control, need for achievement, and risk-taking propensity influencing entrepreneurial intention was undertaken. Quantitative method was used in this study. A survey was conducted by distributing questionnaire to 375 Sabah Bumiputera and Chinese entrepreneurs within the town of Tawau. The data collected were analyzed using correlation and t-test analysis. The subsequent results showed that there was high entrepreneurial intention among Sabah Bumiputera and Chinese entrepreneurs in Tawau. In addition, there were personality characteristics differences such as locus of control, need for achievement and risk-taking propensity on entrepreneurial intention among Sabah Bumiputera and Chinese entrepreneurs in Tawau.

Keywords: personality traits, internal locus of control, need for achievement, entrepreneurial intention, Sabah Bumiputera, Chinese

INTRODUCTION

Entrepreneurship does not occur unexpectedly but it is influenced by a variety of social factors as well as personality traits and characteristics (Chong, 2009). Krueger, Reily and Carsrud (2000) supported that most of the entrepreneurship discussion models focused mainly on the entrepreneurial intention especially attitudes, beliefs, intentions and

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behaviours. However, Caliendo, Kritikos and Fossen (2011) revealed that the influence of personality characteristics on entrepreneurial decision making encompassed choice of career or thinking of choosing a way of life in an entrepreneurship field.

In Malaysia, most of the businesses are dominated by the Chinese compared to Bumiputera (Nik Maheran & Filzah, 2009). Abolkasim, JatiKasuma, Kanyan and Lai (2015) reported that the Chinese is known to be very successful in business. In fact, most of the Chinese in Malaysia have been involved in entrepreneurship since a long time ago for many generations. Wan Norhasniah (2013) mentioned that most of large businesses are being owned by the Chinese community rather than the Malays because they have their own personality traits that contribute to their success in business. In sum, the most common personality traits that have been studied included a high need for achievement, internal locus of control and risk taking propensity (Brice, 2006).

This study addresses the question on whether Sabah Bumiputera and Chinese entrepreneurs’ personality differences in Tawau have a relationship with their entrepreneurial intention. This study is important to some of the entrepreneurs’ association members in Sabah especially in Tawau to identify the personality characteristics among members who choose to undertake the entrepreneurship field as their choice of career and to ultimately become successful entrepreneurs.

LITERATURE REVIEW

The following discussion would focus on the different review of the variables studied in this research. The two main variables are entrepreneurial intention and personality.

Entrepreneurial Intention

This study refers entrepreneurial intention as the intention of a person who chooses to become an entrepreneur as his/her career. Adopting the definition given by Karabulut (2016), entrepreneurial intention also refers to people who have entrepreneurial intentions plan to establish their own ventures through entrepreneurial endeavour. Entrepreneurial intention does not only refer to the intention of non-entrepreneurs such as students about their willingness in achieving an act to become entrepreneur but entrepreneurial intentions are also based on visions, dreams and feelings of entrepreneurs in those people who have established their own businesses. It was supported by many previous literatures which refer entrepreneurial intention as the choices made by entrepreneurs when faced with entrepreneurial opportunities. Furthermore, personality characteristics were increasingly being studied along with entrepreneurial intention. For example, Nishantha
(2009) explored the differences in individual characteristics interacting with individual situation in influencing the probability of becoming an entrepreneur. Conversely, Pilis and Reardon (2001) studied personality characteristics as predictors of many kinds of “entrepreneurial” behaviour from intention to starting and all the way towards being successful in operating a business.

Personality Traits

In the context of entrepreneurial traits, this study focuses on the most important personality models in entrepreneurship in order to explain the salient features of personality. The study on trying to determine similar personality traits shared by individuals that cause differences in the performance of their business have been the purpose of many previous studies (Wagner & Ziltener, 2008). Mueller and Thomas (2000) also stated that McClelland’s (1961, 1965) theory of personality traits is instrumental in an entrepreneurial intention study that offers a similar set of defining traits to explain entrepreneurial behaviour. The definitions of these traits: need for achievement, risk-taking propensity and locus of control therefore have been identified for the purpose of this study and are being explained below.

Locus of Control

Karabulut (2016) explained that locus of control is the “degree of control by the person over his/her life”. According to Mueller and Thomas (2000), locus of control can be separated into two types which are internal and external locus of control. Internals believe in determining their own future and do not depend on luck, fate or chance, while externals believe that their future is out of their control and depend mostly on luck, fate or chance. It is expected that entrepreneurs who tend to be higher risk takers will be internals as compared to non-entrepreneurs who tend to be externals. Karabulut (2016) also reported that many previous researchers such as Brockhaus (1980), Hansemark (1998), Mueller and Thomas (2000) and Gürol and Atsan (2006) have revealed that internals can decide their profession paths, hold high entrepreneurial intentions and eventually open their own business. In addition, locus of control also tends to determine entrepreneurs survivability of their business for more than three years. Abolkasim et al., (2015) reported that personal characteristics such as ethic is also a factor that can influence the success of an entrepreneur business. In the context of ethnic difference, this study hypothesizes that personality traits of locus of control is significantly different between Sabah bumiputera and Chinese entrepreneurs.
Need for Achievement

Need for achievement is one of the personality characteristics that possibly influences someone to become an entrepreneur and startup a business. Need for achievement is the drive of a person to succeed. Syahira (2009) explained the need for achievement will determine an individual’s hope of doing most things better than others. According to McClelland (1965), need of achievement is a drive that energizes and directs behaviour in virtually all situations. It is thought the individuals who have high scores on this variable tend to also have a higher need for success, and more probable to act entrepreneurially (Wagner & Ziltener, 2008; Othman, Ghazali & Cheng, 2005). The personality traits of need for achievement also can be different in a group of different people as Pilis and Reardon (2001) found in their research that achievement motivations predicted intention to become entrepreneur was significantly different among samples from Mainland U.S. and the Irish. They found that Americans held entrepreneurship in higher esteem than the Irish, and applying their desire of intention when starting any business. Therefore, this study proposes the hypothesis that there are differences in the need for achievement in Sabah Bumiputra and Chinese entrepreneurs in Tawau.

Risk-taking Propensity

Risk-taking propensity is the amount of risk a person takes related to the probability of eventual success and rewards received as an outcome (Dalansu, 2004). Abolkasim et al. (2015) elaborated that entrepreneurship is not a playground but a midst of war where the entrepreneurs need to take it seriously and they need to be mentally and physically prepared. Chinese particularly in Malaysia have been very successful in business for many centuries. In business, their work ethics are very much influenced by their cultural values which help to generate positive attribute such as risk-taking. Lee and Anderson (2007) suggested that for others to be successful in business, entrepreneurs must have altitudes to be successful in a tough competition or risky situation. Risk-taking characteristic in them will enable them to handle any challenges in business and strive for success. The Chinese operate their business differently from other ethnics in Malaysia, that they have the internal strength of entrepreneurship.

METHODOLOGY

This study has adopted the quantitative research where the purpose of this study is to explore the differences in personality characteristics and its relationship with entrepreneurial intention among Sabah Bumiputra and Chinese entrepreneurs in Tawau. The personality characteristics looked at this study are locus of control, need for achievement, and risk-taking propensity. The research framework was inspired from Nishantha’s (2009).
The measure for personality adopted the questions from Dalansu (2004) with 21 item questions of locus of control, 8 items of need for achievement and 14 item questions of risk-taking propensity. The measure for entrepreneurial intention adopted the item questions from Zhao et al., (2005) with 7 item questions. All the items used in measuring all variables in the study adopted 5 Point Likert Scales.

The target respondents of this sample survey include all entrepreneurs who operate their business in Tawau. Based on the records drawn from Tawau Municipal Council (MPT), the total population of 15,000 entrepreneurs in Tawau is mainly involved in manufacturing, trading and services sectors. This convenience sampling is adopted in order to gain a representative sample who offered voluntary participation.

The sample size of 375 entrepreneurs from Tawau was based on the requirement of minimum sample size given by Krejcie and Morgan’s (1970) sample size table as cited in Chuan (2006). Questionnaires were distributed to the owner of business premises in Tawau and those who are active members of Persatuan Kontraktor Kelas F Sabah Bumiputera Tawau, as well as entrepreneurs registered with Tawau Municipal Council (MPT) and Dewan Perniagaan Bumiputera Sabah and Chinese Chamber of Commerce Tawau. A total of 375 completed questionnaires managed to be collected from these groups and the total number collected fulfilled the minimum requirement sample size suggested by Krejcie and Morgan (1970).

**DATA ANALYSIS AND FINDINGS**

Table 1 shows the demographic profiles of the respondents. The result found that the average age of the respondent is 36.31 years. A majority of the respondents is male (70.7%) and followed by female respondents (29.3%). Almost all of respondents are married (93.1%) whilst the remaining 6.9% respondents are single. In terms of ethnicity, 49.6% respondents are Sabah Bumiputera and 50.4% are Chinese. As for the type of business, 13.3% are in retail business, 28.5% in wholesale business, 26.9% manufacturing, 21.9%
construction and only 9.3% in service businesses. Only approximately 5.1% conduct their business on a part-time basis, while the remaining operate on full-time basis. The average age of business is 30 years.

### Table 1 Background characteristics of the respondents

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>n</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Age</strong></td>
<td>36.31</td>
<td>7.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Gender</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>–</td>
<td>–</td>
<td>265</td>
<td>70.7</td>
</tr>
<tr>
<td>Female</td>
<td>–</td>
<td>–</td>
<td>110</td>
<td>29.3</td>
</tr>
<tr>
<td><strong>Ethnicity</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sabah Bumiputera</td>
<td>–</td>
<td>–</td>
<td>186</td>
<td>49.6</td>
</tr>
<tr>
<td>Chinese</td>
<td>–</td>
<td>–</td>
<td>189</td>
<td>50.4</td>
</tr>
<tr>
<td><strong>Marital status</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>–</td>
<td>–</td>
<td>26</td>
<td>6.9</td>
</tr>
<tr>
<td>Married</td>
<td>–</td>
<td>–</td>
<td>349</td>
<td>93.1</td>
</tr>
<tr>
<td><strong>Type of business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail</td>
<td>–</td>
<td>–</td>
<td>50</td>
<td>13.3</td>
</tr>
<tr>
<td>Wholesale</td>
<td>–</td>
<td>–</td>
<td>107</td>
<td>28.5</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>–</td>
<td>–</td>
<td>101</td>
<td>26.9</td>
</tr>
<tr>
<td>Construction</td>
<td>–</td>
<td>–</td>
<td>82</td>
<td>21.9</td>
</tr>
<tr>
<td>Service</td>
<td>–</td>
<td>–</td>
<td>35</td>
<td>9.3</td>
</tr>
<tr>
<td><strong>Involvement of business</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Full-time</td>
<td>–</td>
<td>–</td>
<td>356</td>
<td>94.9</td>
</tr>
<tr>
<td>Part-time</td>
<td>–</td>
<td>–</td>
<td>19</td>
<td>5.1</td>
</tr>
<tr>
<td><strong>Age of business</strong></td>
<td>30.00</td>
<td>8.46</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Factor Analysis

Factor analysis was used to find out factor loadings of independent variables. KMO and Bartlett test results for independent variables were presented in Table 2.

### Table 2 KMO and Bartlett’s test

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Kaiser-Meyer-Olkin measure of sampling adequacy</td>
<td>.608</td>
</tr>
<tr>
<td>Bartlett’s test of sphericity</td>
<td></td>
</tr>
<tr>
<td>Approx. Chi-Square</td>
<td>1.319</td>
</tr>
<tr>
<td>df</td>
<td>28</td>
</tr>
<tr>
<td>Sig.</td>
<td>.000</td>
</tr>
</tbody>
</table>
The Bartelett test of sphericity is significant (Chi-Squar = 1.310, \( p < 0.01 \)). KMO measure of sampling which was 0.608, indicating sufficient inter-correlations. The Cronbach alpha values of the independent variables are then calculated and reported in the Table 3.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Cronbach α</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial intention</td>
<td>0.617</td>
</tr>
<tr>
<td>Risk-taking propensity</td>
<td>0.837</td>
</tr>
<tr>
<td>Need for achievement</td>
<td>0.679</td>
</tr>
<tr>
<td>Locus of control</td>
<td>0.914</td>
</tr>
</tbody>
</table>

Cronbach alpha test was used to ensure the reliability of the variables. The Cronbach’s alpha value for all variables was above 60%, indicating that the measures were reliable and acceptable. The Cronbach’s alpha of independent variables was acceptable for the reliability test scale. While 75.4% of variance in factor analysis was considered good for validation.

**Descriptive Analysis**

Table 4 displayed the descriptive analysis of the responses on entrepreneurial intention, locus of control, need for achievement and risk-taking propensity in the different sample groups among Sabah Bumiputera and Chinese. The result reveals the mean value of personality characteristics and entrepreneurial intention is higher for Chinese than Sabah Bumiputera.

<table>
<thead>
<tr>
<th>Item</th>
<th>Bumiputera</th>
<th>Chinese</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean ((n = 186))</td>
<td>Standard deviation ((n = 186))</td>
</tr>
<tr>
<td>Entrepreneurial intention</td>
<td>4.4780</td>
<td>0.5272</td>
</tr>
<tr>
<td>Locus of control</td>
<td>4.3783</td>
<td>0.7134</td>
</tr>
<tr>
<td>Need for achievement</td>
<td>4.3680</td>
<td>0.6023</td>
</tr>
<tr>
<td>Risk-taking propensity</td>
<td>4.3034</td>
<td>0.7624</td>
</tr>
</tbody>
</table>

**T-Test Analysis**
$T$-test analysis was conducted to get a comparison on the relationship between personality traits and entrepreneurial intention among Sabah Bumiputera and Chinese entrepreneurs in Tawau. Table 6 detailed the results of $t$-test analysis, indicating the significant difference in personality characteristics and entrepreneurial intention among Sabah Bumiputera and Chinese entrepreneurs in Tawau.

Table 6 Summary of $t$-test analysis

<table>
<thead>
<tr>
<th>Variables</th>
<th>$t$</th>
<th>df</th>
<th>Sig. (2-tailed)</th>
<th>$\Delta$Mean</th>
<th>$\Delta$SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial intention</td>
<td>1.76</td>
<td>373</td>
<td>0.079</td>
<td>0.088</td>
<td>0.050</td>
</tr>
<tr>
<td>Locus of control</td>
<td>2.90</td>
<td>373</td>
<td>0.004</td>
<td>0.197</td>
<td>0.068</td>
</tr>
<tr>
<td>Need for achievement</td>
<td>4.19</td>
<td>373</td>
<td>0.000</td>
<td>0.235</td>
<td>0.056</td>
</tr>
<tr>
<td>Risk-taking propensity</td>
<td>2.59</td>
<td>373</td>
<td>0.010</td>
<td>0.191</td>
<td>0.074</td>
</tr>
</tbody>
</table>

The $t$-value, degree of freedom (df) and two-tail significance ($p$-value) for the equal variance estimated were to determine whether ethnicity different exist. From the output, it shows $t = 1.764$ with 373 degree of freedom, $p$-value = sig (2 tailed) = 0.079, > 0.05 thereby indicating that there is no significant difference in the entrepreneurial intention between Sabah Bumiputera and Chinese entrepreneurs in Tawau. The analysis which further determined the difference in the personality traits between Sabah Bumiputera entrepreneurs and Chinese entrepreneurs in Tawau lead to the following reviews:

**H1:** There is significant difference in the locus of control among Sabah Bumiputera and Chinese entrepreneurs.

The result found that the $t$-test statistic is 2.901 at $p$-value is 0.004 ($p < 0.05$) indicates that the hypothesis is acceptable. There is an evidence to conclude that the mean population indices are not the same for Sabah Bumiputera and Chinese entrepreneurs, as the mean difference is 0.197.

**H2:** There is significant difference in the need for achievement among Sabah Bumiputera and Chinese entrepreneurs.

The $t$-test statistic is 4.19 and $p$-value is 0.000 ($p < 0.05$). Hence, this hypothesis is accepted, indicating that there is significant difference in the need for achievement of personal characteristic between Sabah Bumiputera and Chinese entrepreneurs in Tawau, with the mean difference as 0.235.
H3: There is significant difference in the risk-taking propensity among Sabah Bumiputera and Chinese entrepreneurs.

The $t$-test statistic is 2.587 and $p$-value is 0.010 ($p < 0.05$). The evidence leads to conclusion that the mean population indices are different (mean different $= 0.191$) for the two groups. Hence, this hypothesis is accepted, showing that there is significant difference in the risk-taking propensity of personal characteristic between Sabah Bumiputera and Chinese entrepreneurs in Tawau.

DISCUSSION AND CONCLUSION

From the result, it can be claimed that there is no difference in entrepreneurial intention among Sabah Bumiputera and Chinese entrepreneurs in Tawau. Both Sabah Bumiputera and Chinese showed high intention in their entrepreneurship intention. One reason for this is because the respondents selected were entrepreneurs that have operated steadily in their own businesses and hence the tested result. The respondents responded that they often think about ideas and ways in a business, they have seriously thought through in a business and chose to be entrepreneurs as their career involvement until retirement time. There is a possibility this result could be affected by the fact that majority of respondents were involved full time in their business in contrast to only 5.1% who indicated as part-time entrepreneurs.

Wan Norhasniah (2013) revealed that most of large businesses were being managed or/and owned by the Chinese community that is Chinese than the Bumiputera-Malays. Nik Maheran and Filzah (2009) further reported that Chinese entrepreneurs have higher experiential knowledge such as a better knowledge of retail business and wholesale business locally and globally than other races in Malaysia.

In addition, most of the Chinese have strong family ties and are very clannish in attitude which apparently becomes their influencing factor in business dealings and economic domination (Wan Norhasniah & Ong, 2012). All these literatures revealed that personality traits are important in entrepreneurship individual. According to Abolkasim et al. (2015), the Chinese operate their business differently from other ethnicities in Malaysia because there are critical factors that lead to Chinese success in business which are not only about business knowledge, commitment and networking but it was also their personal traits. Thus this study has explored the personality characteristics difference in entrepreneurial intention among Sabah Bumiputera and Chinese in the sample of entrepreneurs in Tawau.

This study also found that Sabah Bumiputera and Chinese entrepreneurs in Tawau have a significant difference in locus of control as the mean value for Chinese is 4.575, 0.197 higher than Sabah Bumiputera’s 4.378. Thus indicating that Chinese entrepreneurs are higher on the degree of control of a person over his/her life and they can determine their
career paths in their own businesses. The result also shows that Sabah Bumiputera and Chinese entrepreneurs in Tawau have a significant difference scores in their need for achievement with the mean value for Sabah Bumiputera at 4.368 that is less than Chinese’s at 4.603. Thus indicates that Chinese entrepreneur is higher on their need for achievement (Syahira, 2009). In the context of personality traits on risk-taking propensity, there is significant difference on risk-taking propensity among Sabah Bumiputera and Chinese entrepreneurs in Tawau whereby Chinese shows higher on risk-taking propensity than Sabah Bumiputera. Thus, this indicates that Chinese have more tendency to take risk which is an important aspect of doing business and strive their way to success (Abolkasim et al., 2015).

This result was consistent with previous studies done by Ismail, Khalid, Othman, Jusoff, Abdul Rahman, Mohammed and Shekh (2009) that entrepreneurship can be explained by a few factors, and one such factor is personality traits. However, Pilis and Reardon (2007) argued that some empirical research findings indicated that personality characteristics did fail to predict many aspects of entrepreneurship. Similarly in Germany, Bauernschuster (2009) found that entrepreneurship among East Germans and West Germans was significantly different due to many factors.

As a conclusion, this research showed significant differences in the personality of Sabah Bumiputera and Chinese entrepreneurs. This indicates that the three personality types chosen in this study, locus of control, need for achievement and risk-taking propensity which was more suited towards being a successful entrepreneur was found to be significantly higher for the Chinese than for Sabah Bumiputera entrepreneurs. This explains the success enjoyed by the Chinese as entrepreneurs. It is recommended that future research should examine the moderation effect of various demographic profiles such as religion and gender or types of business in influencing personality traits on entrepreneurial intention.

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