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# Impact of Personal Traits of Management Undergraduates in Becoming Future Entrepreneurs: A Study of In Undergraduates of University of Peradeniya.

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## ABSTRACT

The intention of individuals to get involved in the field of entrepreneurship is determined by number of facts such as education, culture, family, psychological factors etc. A large number of researchers have found that education and Personality traits are important factors in developing encouraging atmosphere for entrepreneurial orientation in individuals. The Major objective of this study is to assess the impact of personal traits of Management undergraduates of University of Peradeniya in becoming future entrepreneurs. This is a descriptive research. This study used primary data and adopted multiple regression Technique and correlation analyses in data analysis. The primary data were collected from a Cluster sample of 100 management undergraduates using a questionnaire. The Big Five personality factors central to current personality theory are used to measure the personality traits of the undergraduates. Results reveals that, all the personal traits in big five model, are positively influence undergraduates to become future entrepreneurs. This behavior was observed from both male and female undergraduates. **Agreeableness** was identified as the most important factor while **Openness** to experience was less important. Impact of Male undergraduates' personality traits was higher than female undergraduates' personality traits. **Openness to experience** and **Extraversion** were the most influential personal traits of males and females respectively. **Conscientiousness** was the less effective trait of males while agreeableness was the less effective personal trait of females. Therefore, both government and non-government institutions need to pay attention to develop a proper mechanism in order to develop undergraduates as future entrepreneurs. Accordingly financial assistance, technical support, access to valuable information, well-established career guidance programs and social awareness are to be improved while giving more opportunities for innovations

**KEYWORDS:** *Big Five Model, Entrepreneurship and Personality Traits*

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# 1 Introduction

Entrepreneurship plays a vital role in economic growth in any country and it has become a key element in the national agendas as well. Especially developing countries pay high attention towards entrepreneurship since it creates a balanced economic growth, equitable regional distribution, job creation, productivity increase and so forth. Accordingly entrepreneurs become agents of this task. A wide range of factors such as age, gender, knowledge, experience, personality, support from the family, culture and many factor contribute developing entrepreneurs. However, personality is a main factor which determines the degree of entrepreneurial orientation of individuals who are willing to start their own business. To be an entrepreneur, an individual need to have a specific set of traits and personality characteristics such as self motivation, risk taking, creativity, positive attitudes, competitiveness.

Further entrepreneurial education at tertiary level is also very important for a country because future entrepreneurs can arise among from management of universities and other educational institutions. Undoubtedly business management undergraduates do possess a special knowledge on businesses and their activities compared to other undergraduates in other disciplines. However, an undergraduate with sound knowledge in business management may not make any attempt to be an entrepreneur due to lack of intention. Currently most of business management undergraduates in Sri Lanka select their career with entry level positions rather than giving much preference towards self employment as their future career. Hence, this research identifies the impact of personal traits on Management undergraduates to become future entrepreneurs by looking at how extraversion, conscientiousness, agreeableness, openness to experience and neuroticism influence on business management undergraduates' intention towards self-employment. This paper investigates the relationship between entrepreneurial orientation of business management undergraduates and their personality types using the 'Big Five' personality model.

This, study attempted to identify whether there is a relationship between entrepreneurial orientation among business management undergraduates and their personality types.

The Major objective of this study is to determine impact of personal traits of Management undergraduates to becoming future entrepreneurs. Because it is required to recognize how different personality types make attempts to be future entrepreneurs backed by their entrepreneurial intention. The sub objectives are (1) to determine the mostly affect personal trait to get an intention to becoming a future entrepreneur among Management undergraduates in University of Peradeniya. (2) To determine how does the personal traits between gender differences effect on to get an intention to becoming a future entrepreneur.

## 1.1 Literature Review

The global market needs graduates, who are dynamic, innovative, risk taking, modern and employable. Making graduates more employable is a comprehensive task and universities around the world are focusing heavily on entrepreneurial aspect. Entrepreneurship is a process of establishing a business organization, which provides goods and services, creates jobs, and contributes to the national income and the overall economic development (Sethi, 2008). Due to the complexity of the market there is an increased national and international interest in the field of entrepreneurship (Hisrich, 2005).

(Kureger et al ,2000) delineate entrepreneurial intention as it is a decision to form a new business venture that is planed rather than being conditioned which has proven to be a primary predictor of future entrepreneurial behavior. Therefore, entrepreneurial orientation means individual's purpose to create a new business organization or a new value addition to the existing organization.

Entrepreneurship can grow, can endeavor with new ideas and empower others need when there is a healthy environment for individuals. However, a large number of researches (Ivana et al, 2011: Mohdnoor et al, 2009: Mark et al, 2009) have found that education is one of the most important factors in developing encouraging atmosphere for entrepreneurial orientation in individuals. The intention of individuals to get involved in the field of entrepreneurship is determined by number of facts such as education, culture, family background, personality, psychological factors, demographical factors and limited job opportunities. (Yosuf et al, 2007) have identified a positive relationship between entrepreneurship intentions and personality traits.

And also (Shaver and Scott ,1991) highlights that, personality traits have direct impact on many entrepreneurial activities including intention to launch a new business, success in business and enhance entrepreneurial set up. In that case, the Big Five personality factors central to current personality theory are explained. The big five model of personality is one of the most comprehensive and parsimonious personality categorization (Costa and McCrae, 1992) which consists with are extraversion, openness to experience, agreeableness, conscientiousness and emotional stability . These factors provide a general

framework for exploration of personality traits on the tendency of becoming entrepreneurs of management undergraduates.

Extraversion is an aspect of personality that includes characteristics such as sociability, talkativeness, assertiveness, and ambition (Barrick and Mount, 1991). It can be defined as a propensity to act vigorously within the environment which contains characteristics like sociability, activity, assertiveness and positive emotionality. According to (Shane, 2003) extroversion is a valuable trait for entrepreneurship because they need to spend a lot of time interacting with investors, employees and customers and have to sell all of them on the value of the business. Many researchers have found (Costa et al, 1984; McCrae, 1992) that extraversion is positively related to interest in enterprising occupations since it directly involves with external and internal constituents.

The Big-Five factor agreeableness pictures a prosocial and communal tendency in direction of other people and contains qualities like altruism, tender-mindedness, trust and modesty (John and Srivastava 1999). It contains cooperativeness, trusting, forgiving, tolerant, courteous and soft-hearted of an individual. According to (Ekehammar et al, 2007) the propensity for leaders with a low agreeableness to have prejudices against customers, employees or financiers might counteract entrepreneurial endeavors to raise funds or making profitable sales and thus decrease survival prospects. Additionally (Wille et al, 2010) highlights a higher propensity to change occupations related to a low agreeableness might be an important impetus for entrepreneurs to stop managing an owned venture comparably premature.

Conscientiousness indicates an individual's degree of organization, hard working, self motivation towards the predetermined goals and persistence. Many researchers have found that (Barrick and Mount 1991, Salgado 1997, Judge et al. 1999) Conscientiousness was found to be a strong predictor of occupational success over different professions and different success measures. A person's openness covers the broadness, deepness, genuineness, and complexity of her mental and experiential life (John and Srivastava 1999). According to (Barrick et al 1991) the correlation between occupational success and the degree of openness is insignificantly low which provides reason to assume no relation between this factor and entrepreneurial success. (Zhao et al, 2006) highlight that openness is important for entrepreneurs because they need to explore new ideas and take innovative approaches to the development of products and the organization of businesses.

The genetic effect on the tendency to be an entrepreneur may also be partly mediated by emotional stability. People who are emotionally stable are more likely to start their own businesses than people who are neurotic because entrepreneurs need a high tolerance to stress to cope with the hard work, significant risks, social isolation, pressure, insecurity, and personal financial difficulties that come from starting their own businesses (Rauch and Freese, 2007).

### *1.1.1 Methodology*

This is a descriptive research which utilized a quantitative approach. This study used primary data and adopts a multiple regression technique and correlation to analyze data. The primary data were collected from 100 management undergraduates who are engaging in different management fields namely business management, human resource management, marketing management, financial management and operations management. A structured questionnaire was the main data collection method for this study. Cluster sampling method was used to select the sample. The Big Five personality factors central to current personality theory are used to measure the personality traits of the undergraduates.

## **2 Results and Discussion**

Results revealed that 75% of the Management undergraduates are with the intention of becoming entrepreneurs. Out of them 67% and 33% were males and females respectively. Table no 01 highlights the management undergraduate's response of having intention of becoming future entrepreneurs.

Table 01- Management Undergraduate respond of having intention to become future Entrepreneurs

	Having Intention	Not Having intention	Total
Male	50	13	63
Female	25	12	37
Total	75	25	100

From the total male respondents 79.36% willing to become an entrepreneurship in future. From total female respondents 67.5% are willing to become an entrepreneurship in future. Male Management undergraduates preferred more than female Management Undergraduates to becoming future entrepreneurs in University of Peradeniya. Undergraduates those who are not having the intention of becoming future entrepreneurs would like to be an employee in well reputed companies. Among them 36% would like to be professionals in Management such as Accountants, Marketers in future. The descriptive statistics of having idea of becoming future entrepreneurs between male and female undergraduates is highlighted in Table 02.

Table 02- Descriptive Statistics of having intention to become future Entrepreneurs

	Mean	Standard deviation
Male	4.75	0.40
Female	3.3	0.47

Female undergraduates have more deviation than the male undergraduates to become future entrepreneurs. It highlights that the Male undergraduates have more biasness to become future entrepreneurs than the female undergraduates. Table no 03 highlights the descriptive statistics of the respondents about the Personal traits according to the big five model.

Table 03 highlights the descriptive statistics of the respondents about the Personal traits

		Openness to Experience	Extraversion	Agreeableness	Conscientiousness	Neuroticism
Male	Mean Value	3.5	4.06	4.29	4.1	3.76
	SD	.062	0.48	0.48	0.47	0.57
Female	Mean Value	3.3	3.6	3.8	3.9	3.4
	SD	0.98	0.84	0.92	0.84	0.94

Analysis data reveal that Male undergraduates have positive biasness to the personal trait of Open to Experience than the female undergraduates because deviation of male undergraduates is less than that of the female undergraduates. The Trait of Extraversion also getting more biasness among the male undergraduates than female undergraduate with the 0.36 difference between the deviations. The trait agreeableness is getting more biasness among male undergraduates than the female undergraduates with the 0.44 difference in deviations. Traits considered as Conscientiousness and Neuroticism are also getting more biasness among the male undergraduates with the difference in deviations of 0.37 and 0.37 respectively. Therefore the trait Openness to experiences is recorded as the highest deviation personal trait with 0.918 differences in variation between males and females among management undergraduates in University of Peradeniya. The lowest difference variance trait between males and females is recorded as Neuroticism among personal traits. Table 04 highlights that the descriptive statistics of overall respond rate of the undergraduates about their personal traits.

Table 04 - Descriptive Statistics of overall respond rate of the undergraduates about their personal traits.

	Openness to Experience	Extraversion	Agreeableness	Conscientiousness	Neuroticism
Mean	3.3	3.8	4.0	4.0	3.5
Standard deviation	0.94	0.75	0.95	0.72	0.84

According to the table 04 personal trait, Agreeableness has the highest variance between total respondents. The personal trait Conscientiousness has minimum variance among the personal traits based on big five model.

The relationship between the personal traits and the intention of the management undergraduates becoming future entrepreneurs is tested by using the Multiple Regression model. In order to achieve that task Male undergraduates and female undergraduates are analyzed separately. Table 05 highlights the analysis values for Multiple Regression model for male undergraduates.

Table 05 Multiple Regression model for male undergraduates

	Coefficients	Standard Error	P-value
Intercept	0.593069	0.25977	0.026176
X Variable 1	0.210596	0.085897	0.017305
X Variable 2	0.21861	0.098026	0.029694
X Variable 3	0.192951	0.089728	0.035779
X Variable 4	0.061835	0.111454	0.021198
X Variable 5	0.128799	0.09509	0.018092

Where

x variable 01 – Openness to Experience  
 x variable 02 Extraversion  
 x variable 03 Agreeableness

x variable 04 Conscientiousness  
 x variable 05 Neuroticism

The general multiple regression model for the relationship between personal traits based on big five model and the intention of becoming future entrepreneurs can be shown in following Equation 01.

$$Y = \beta_0 + \beta_{X1} + \beta_{X2} + \beta_{X3} + \beta_{X4} + \beta_{X5} \quad (01).$$

The Multiple relationship between the personal traits based on big five model and intention of becoming future entrepreneurs regarding to a male undergraduates can be built as follows in Equation 02.

$$Y = 0.593 + 0.211x_1 + 0.219 x_2 + 0.193 x_3 + 0.062 x_4 + 0.129 x_5 \quad (02)$$

ANOVA table and the Regression statistics data relevant to the equation 02 are following as Table 06 and Table 07 respectively.

Table 06- ANOVA Table

ANOVA				
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>
Regression	5	25.74438	5.1488763	30.89345
Residual	57	9.499942	0.16666564	
Total	62	35.24432		

Table 07- Regression Statistics

Regression Statistics	
Multiple R	0.854666
R Square	0.730455
Adjusted R Square	0.70681
Standard Error	0.408247
Observations	63

ANOVA Table reveals that the model is significant at the table t value  $T_{57}^5$  2.37 at  $\alpha = 5\%$  level and the coefficient of Regression (Adjusted R Square = 0.70) in Regression Statistics table highlights that the model is fit for the variables. Table no 08 highlights the correlation coefficients of above considered variables.

Table no 08 Correlation coefficients the regression variables

	Openness to Experience	Extraversion	Agreeableness	Conscientiousness	Neuroticism
Intention of becoming future entrepreneurs	0.75011745	0.731910069	0.744985549	0.730638	0.734614

The table 08 highlights that the highest correlation trait variable between these considered independence variables and dependable variable is reordered as the trait of Openness to Experience among male undergraduates. The least correlation trait is Reordered as Conscientiousness.

Table no 09 highlights the analysis values for Multiple Regression model for female undergraduates.

	<i>Coefficients</i>	<i>Standard Error</i>	<i>P-value</i>
Intercept	-0.2462101	0.643835	0.0330476
X Variable 1	0.14128948	0.110966	0.0212388
X Variable 2	0.58387892	0.149414	0.0004717
X Variable 3	0.04653775	0.142734	0.0346581
X Variable 4	0.10593065	0.173481	0.0345904
X Variable 5	0.14465013	0.126115	0.0260170

x variable 01 – Openness to Experience  
 x variable 02 Extraversion  
 x variable 03 Agreeableness

x variable 04 Conscientiousness  
 x variable 05 Neuroticism

The Multiple relationship between the personal traits based on big five model and intention of becoming future entrepreneurs regarding to a female undergraduates can be built as follows in Equation 03

$$Y = -0.246 + 0.141x_1 + 0.584x_2 + 0.047x_3 + 0.106x_4 + 0.145x_5 \quad (03).$$

ANOVA table and the Regression statistics data relevant to the equation 02 are following as Table no 10 and Table no 11 respectively

Table 10- ANOVA Table

ANOVA				
	<i>Df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>
Regression	5	5.707606	1.141521	9.874682
Residual	31	3.583625	0.115601	
Total	36	9.291231		

Table 11- Regression Statistics

Regression Statistics	
Multiple R	0.783773
R Square	0.6143
Adjusted R Square	0.552091
Standard Error	0.340001
Observations	37

ANOVA Table reveals that

the model is significant at the table value  $2.53 T_{57}^5$  at the  $\alpha = 5\%$  level and the coefficient of Regression (Adjusted R Square = 0.55) in Regression Statistics table highlights that the model is fit for the variables. Table no 08 highlights the correlation coefficients of above considered variables. Table no 12 highlights the correlation coefficients of above considered variables.

Table 12 Correlation coefficients the regression variables

	Openness to Experience	Extraversion	Agreeableness	Conscientiousness	Neuroticism
Intention of becoming future entrepreneurs	0.398462	0.710639	0.376414	0.594639	0.43012

The Table 12 highlights that the highest correlation trait variable between these considered independence variables and dependable variable is reordered as the trait of Extraversion among male undergraduates. The least correlation trait is reordered as Agreeableness. Table 13 highlights the analysis values for Multiple Regression model for Overall management undergraduates which were selected for sample.

Table 13 - Multiple Regression model for all management undergraduates

	Coefficients	Standard Error	t Stat	P-value
Intercept	0.366196	0.21652	1.691282	0.024096
X Variable 1	0.102678	0.062424	1.644847	0.010342
X Variable 2	0.140345	0.079795	1.758819	0.041863
X Variable 3	0.235601	0.068448	3.442067	0.000863
X Variable 4	0.160743	0.089065	1.804779	0.034311
X Variable 5	0.224569	0.072175	3.111427	0.002466

x variable 01 – Openness to Experience  
 x variable 02 Extraversion  
 x variable 03 Agreeableness

x variable 04 Conscientiousness  
 x variable 05 Neuroticism

The Multiple relationship between the personal traits based on big five model and intention of becoming future entrepreneurs regarding to all Management undergraduates considered for sample can be built as follows in Equation 04

$$Y = 0.366 + 0.103x_1 + 0.140x_2 + 0.236x_3 + 0.167x_4 + 0.225x_5 \quad (04).$$

ANOVA table and the Regression statistics data relevant to the equation 04 are following as Table no 14 and Table no 15 respectively

Table 14- ANOVA Table

ANOVA				
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>
Regression	5	39.44148	7.888297	58.30424
Residual	94	12.71777	0.135295	
Total	99	52.15926		

Table 15- Regression Statistics

<i>Regression Statistics</i>	
Multiple R	0.869583
R Square	0.756174
Adjusted R Square	0.743205
Standard Error	0.367825
Observations	100

ANOVA Table reveals that the model is significant at the table ta value  $xxxxT_{57}^5$  and the coefficient of Regression (Adjusted R Square = 0.74) in Regression Statistics table highlights that the model is fit for the variables. Table no 16 highlights the correlation coefficients of above considered variables.

Table 16 Correlation coefficients the regression variables

	<b>Openness to Experience</b>	<b>Extraversion</b>	<b>Agreeableness</b>	<b>Conscientiousness</b>	<b>Neuroticism</b>
Intention of becoming future entrepreneurs	0.671952	0.724489	0.792556	0.760605	0.762819

The table no 08 highlights that the highest correlation trait variable between these considered independence variables and dependable variable is reordered as the trait of Agreeableness among Management undergraduates. The least correlation trait is reordered as Openness to Experience.

### 3 Conclusion and Recommendations

It is revealed that 75% of undergraduates on willing to develop themselves as entrepreneurs in the future. However there is a considerable gap between male undergraduates and female undergraduates where male undergraduate's personality traits effect more than females personal traits to becoming a future entrepreneurs.

The overall results reveals that, all the personal traits in big five model, are positively effects on to get an intention to becoming a future entrepreneur. **Agreeableness** is the mostly affected personal trait among undergraduates to get an intention of future entrepreneur. Accordingly the personality characteristics like cooperativeness, trusting, forgiving, tolerant, courteous and soft-hearted of an individual have more impact on the entrepreneurial intention. However **Openness to experience** is the personal trait that effect in low level. So that an effective procedure should be introduce in order to develop undergraduates as more enthusiastic with innovations. **Openness to experience** and **Extraversion** are the most effected full personal trait among males and females respectively.

As current management undergraduates in University of Peradeniya have grate intention to become future entrepreneurs, the respective university and the education system of Sri Lanka should draw attention towards the proper mechanism in order to realize their intention in the future. Both government and non-government institutions need to pay attention for facilitating adequate advice, guidance and support to encourage more undergraduates towards entrepreneurial opportunities. Accordingly financial assistance, technical support and access to valuable information will add more value in this process. Further a national level, well-established career guidance programs needs to be introduced and social awareness needs to be improved through professional debates. Because, still the society and culture do not give much appreciation and value towards entrepreneurial intentions of youth. Especially personality development programmes and consultancy services need to be developed to introduce future entrepreneur to the wellbeing of the community.



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