DO BIG-FIVE PERSONALITY IMPACT ON YOUTH ENTREPRENEURIAL’ INTENTION?

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ABSTRACT

This study aims to examine the big-five personality influences the interest of youth entrepreneurs in Tasikmalaya, West Java. The five personalities investigated are personality, work ethic, and value systems. This study involved 299 entrepreneurs where 233 male entrepreneurs and 66 female entrepreneurs. Respondents were selected using purposive sampling. A set of questionnaires is used to measure personality, work ethic, and value systems. Data were analyzed using SPSS version 22.0. The results of the study found that employers had generally low levels of education through the level of education is one of the essential factors in achieving success. Regarding work ethic, young Tasikmalaya entrepreneurs generally have a high work ethic. Likewise, with personality patterns, they have typically personality patterns that support success as entrepreneurs, while value systems show that they have traditional value system configurations. However, this does not mean an obstacle to progress, on the contrary, it becomes the primary capital to achieve progress. Based on the research, it was concluded that the failure of young Tasikmalaya entrepreneurs to develop was more due to the less supportive external factors, including facilitation from the government that was more in line with the needs of entrepreneurs.

Keywords: Big-five Personality, Young Entrepreneurs, Value Systems.

INTRODUCTION

Entrepreneurship today is an essential key in a country's economic growth and development because it provides many job opportunities and offers various types of goods and services (Liñán & Chen, 2009; Collins et al., 2004; Wibowo et al., 2018). Entrepreneurs who move economic activities and help improve national competitiveness (Zahra, 1999). Therefore Kirzner (1979), Elliot (1983) and Giersch (1984) regard employers as the principal agents of change and progress.

For the case of Indonesia, among the existing entrepreneurs, most of them are small-scale entrepreneurs and are in rural areas (Raharjana et al., 2005; Vial, 2011; Darmadji, 2016). The existence of small entrepreneurs is essential because it has helped the independence of the national economy. Small rural industries have become the saviors of the economic life of local communities. Small enterprises provide employment opportunities, especially when activities in the agricultural sector decline (Tambunan, 1999).

Small industries can survive in various conditions, even when the 1997 monetary crisis hit Indonesia. According to Dede (2006), the growth of small businesses has reached 99.4 percent of 35 million business units and absorbed 84 percent of the new workforce. This condition is inversely proportional to large industries, many of which have experienced bankruptcy, which led to massive layoffs (Setia, 2005). Most of the small-scale entrepreneurs are young entrepreneurs (17-45 years old).
Entrepreneurship is one of the exciting study areas, especially when viewed from various perspectives. In a psychological review, the study of entrepreneurship will be more focused on the actors, namely entrepreneurs. Entrepreneurs are people who have the drive to achieve something, continue the experience and perfect each task, while always hoping to free themselves from the control of others, so that they can be independent (Crane & Crane, 2007). In general, psychological analysis of entrepreneurship is directed toward internal factors and individual approaches (Hallonen & Santrock, 1999). In examining entrepreneurs, the different elements studied are behavior and personality as did Jennings (1994), Lam (1999) and DeNeve & Cooper (1998). Furthermore, Chapman (2000) examined the factors of personality, trust, values, and behavior of entrepreneurs, because these factors greatly determine the course of their business. Thomas & Mueller (2000) also examined work ethic and its contribution to the success of entrepreneurs.

The personality approach in entrepreneurship refers to the assumption that there must be a match between personality and the type of work occupied. According to Holland (1985), individuals will have a high interest in choosing a career that matches personality traits. Career satisfaction levels will be higher if there is a match between personality and work environment characteristics (Branco, 2003; Clark, 2005; Eisenberger & Shank, 1985; Enriquez, 1988; Cooper, 1998; Enriquez, 1988). Personality factors are dominant characteristics in determining the success of entrepreneurship (Shamir et al., 1993; Sexton, 2001; Smith & Smith, 2000; Honigmann, 1967; Chell et al., 1991) have proven that there is a direct relationship between personality and business success.

Research on entrepreneurship must also consider aspects of value. According to Diaz & Rodriguez (2003), Lam (1999) and Judge & Bretz (1992), value systems contribute to the success of employers because they are central to personality configurations and determine attitudes and behavior. Sutan (1977) argues that value systems are the determinant of the direction of community groups to tarnish social behavior and learn how social relations in society are organized. Value is a cultural factor that is internalized by individuals who are shared by being a member of the community. Values can direct attitudes and behavior toward change (Koentjoroningrat, 1983; Kartodirdjo, 1993). Some studies conclude that work ethics contribute to the success of entrepreneurs (Weber, 1997). Strengthening previous findings, Furnham (1987) concluded that there was a positive correlation between work ethic and entrepreneurship. Likewise with the research of Boyett & Boyett (2001), Foley (2003) and Zhao & Siebert (2006), which states that high work ethic is one of the main characteristics to the success of something entrepreneurial.

Studies related to young entrepreneurs in Indonesia found that they have the potential to be able to progress and develop, but also face many obstacles and obstacles, including from the age aspect that is still young causing them to lack experience in running their business (Van Diermen, 2004). Furthermore, the difficulty of small entrepreneurs to succeed is because of internal factors that are less supportive (Masyhuri, 2000). The study states that the quality of small-scale business human resources is still low and a weak mentality. While other studies explain that the cause of the difficulty of small entrepreneurs to develop is external factors (Sadoko, 2004), namely government policies that do not side with them.

Some previous studies concluded that there is no relationship between age and success in entrepreneurs (Barrick & Mount, 1991; Bates, 1990; Boyett & Boyett, 2001). This study seeks to explain further internal factors that contribute to the progress of young entrepreneurs, especially regarding psychological factors. More than that, this study aims to fill in the gaps that have not
been filled in previous studies, both regarding literature and the facts. This study has advantages because it finds a big-five personality that is very dominant affecting the interest in entrepreneurship of young entrepreneurs in rural areas of Indonesia, especially Tasikmalaya. The findings of this study, specifically related to the big-five personalities and the intention of young entrepreneurs, have not been widely studied by previous researchers.

LITERATURE REVIEW

The indicators of success in this study, referring to the concept of success by Lum (1999), and Krauss et al. (2005) related to commercial performance. Commercial performance is measured by the number of permanent workers, the place of output, ownership of assets (house, vehicle), annual income and value/amount of capital. Measures of success referring to the material are used in the study of Hyungrae & Jinjoo (1996), Lam (1999) and Krauss et al. (2005). Hyungrae & Jinjoo (1996) conducted research on entrepreneurs in South Korea, and measured their success through corporate achievement, return of asset indicators (ROA), return on sales (ROS), return on employees (ROE), growth rate of asset (GRAS) and growth of employee (GREP).

Work ethic is a part of a belief system that emphasizes craft and enthusiasm to produce the completion of tasks with the best results in every aspect of life. Work ethic refers to ways to prevent laziness especially in economic activities, discipline and work regularly (Weber, 1997). Work ethic according to Miller et al. (2002) has several dimensions, namely hard work, independence, using leisure time, prioritizing work, emphasizing morality or ethics, delaying satisfaction, and not wasting time.

Personality as a dimension of psychology refers to a pattern of unique characteristics of individuals (Machicado & Davis, 1987; McCrae & Costa, 1997). Personality is an individual difference in the characteristics of thoughts, feelings, and behavior. In this study, personality measurements are based on big-five characteristics developed by Costa & McCrae (1992). The dimensions of personality in big five are emotional stability, extroversion, openness, approval, and frugality. The instrument used is Mini markers constructed by Saucier (1994) which consists of 40 words to measure traits.

Value is a subjective aspect of culture which is essential to influence human actions (Mirels & Garrett, 1971; Rokeach, 1973; Miner, 1997; Sutan 1977; Castles, 1988). The value system consists of conceptions that live in the minds of most people. Its contents are things that they consider most valuable in life. Therefore, the cultural value system will function as the highest guideline for human behavior (Koentjoroningrat, 1983). As a system, values are not single, but consist of a series and in humans will form a configuration. In this study, the setting of the values used is derived from the concept developed by Sutan (1977). Component of following value configuration consisting of the value of knowledge and economic value; strong value consisting of religious values and aesthetic values; and an integrative value consisting of values of power and social value.

According to Tang & Tzeng, (1992), the majority of entrepreneurs start their business at the age of 27 to 34 years. In the study of Yueh, (2009), many people became entrepreneurs in their late teens and early 20s. About age, Yueh, (2009) states that 42% of people start a business at the age of 25. The relationship between age and success according to Hisrich (1990), Hisrich et al. (2005) is very close. Older entrepreneurs are more successful than younger entrepreneurs. The age factor is related to experience. Old entrepreneurs are generally more successful than young entrepreneurs because they have more extended experience in their business.
METHODOLOGY

This research used survey method. This type of research is the analytical review. According to Neuman (2003), research in the analytical review is often used to explain the relationship between several variables which are then used to make predictions. The study conducted in the city and district of Tasikmalaya, West Java. The choice of location based on Mas’ud’s (1998) argument that Tasikmalaya has known as the place of origin of small entrepreneurs. Many types of industries that developed include handicrafts, embroidery, and sandals. At first, Tasikmalaya consisted only of areas called Kabupaten but, in 2001 it was divided into two regions, namely Regency and City of Tasikmalaya.

The research subjects were young entrepreneurs in Tasikmalaya, aged between 17 and 45 years. The sampling technique used was purposive sampling, based on specific characteristics, namely: entrepreneurs who have their businesses, aged 17 to 45 years, live in Tasikmalaya, Sundanese ethnicity, are Muslim and produce handicrafts, such as sandals, embroidery and items jewelry. The selected entrepreneurs were 299 people or around 15 percent of 3000 people (Mantra 2004).

This study uses a set of self-reports, which consist of 5 parts. The first part of the data is about socio-demography, the second part of the success rate, the third part to measure personality, personality is measured using the Mini Markers set adapted from Saucier (1994). Furthermore, The Big-Five Factor Personality of Costa & McCrae (1992), which consists of five dimensions, emotional stability, extroversion, agreement, accuracy, and openness. Each dimension, measured by eight items, and the total number of instruments is 40 items. Twenty items will follow inverse because they are negative items. The scale form is a Likert nine option and respondents are expected to answer between scales 1-9 (1=very inappropriate and, 9=very suitable). Thus for each personality measured will get a minimum score of 9 and a maximum score of 72. Saucier (1994) reports that the level of reliability of mini markers between 0.82-0.97 and the validity of inter-scale (interscale) is r=0.58. Work ethic the profile of the Multidimensional Work Ethic (PEKM) is a measuring tool for measuring the work ethic that consists of 7 dimensions in work ethics, namely: (1) independent, (2) morality/ethics, (3) using leisure time, (4) working hard, (5) prioritizing work, (6) not wasting time, and (7) delaying satisfaction. Based on the Cronbach Alpha test, Alpha values were 0.97, while the level of validity was measured by Pearson correlation values between 0.35-0.75. Part five about the value system, adopting a measuring instrument constructed by Sutan (1977), namely: the value of science, economics, politics, social, religion and art. The value of the validity of the measuring instrument is 0.37-0.73, and the alpha value is 0.71-0.78, referring to Hair et al., (2006), where a construct should be reliable if it has a Cronbach's alpha (α) score of 0.6 and higher.

RESULTS

In general, male entrepreneurs account for more than female entrepreneurs. Based on the level of education, the majority of employers do not attend school, only a few studies at universities and academies, which is only ten people, or 10 percent of all existing samples. The types of goods are produced as handicrafts, embroidery, and sandals (Table 1).
TABLE 1
YOUTH EMPLOYEE DEMOGRAPHY PROFILE IN TASIKMALAYA

<table>
<thead>
<tr>
<th>Demographic factors</th>
<th>Total</th>
<th>Percentage</th>
</tr>
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<tbody>
<tr>
<td>1. Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Man</td>
<td>233</td>
<td>77.9</td>
</tr>
<tr>
<td>b. Woman</td>
<td>66</td>
<td>22.1</td>
</tr>
<tr>
<td>2. Educational Level</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Not in school and elementary school</td>
<td>135</td>
<td>45.15</td>
</tr>
<tr>
<td>b. Junior high school</td>
<td>66</td>
<td>22.07</td>
</tr>
<tr>
<td>c. High school</td>
<td>88</td>
<td>29.43</td>
</tr>
<tr>
<td>d. University</td>
<td>10</td>
<td>3.34</td>
</tr>
<tr>
<td>3. Type of Production</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Handicraft</td>
<td>160</td>
<td>53.5</td>
</tr>
<tr>
<td>b. Slippers</td>
<td>29</td>
<td>9.7</td>
</tr>
<tr>
<td>c. Embroidery</td>
<td>110</td>
<td>36.8</td>
</tr>
</tbody>
</table>

According to Kidd (2006), age 17-45 is the age of the beginning of a career and a period of career stability. This means that they are a group of entrepreneurs who are just starting a new business and trying to maintain the stability of their business so that it continues to run well. The results of this study found that the majority of young Tasikmalaya entrepreneurs have a high work ethic. Of the seven dimensions of work ethic, the dimension of working hard is the dimension that gets the highest average (score mean=3.50 on a 1-4 scale), then the independent dimension (mean=3.36). The lowest work ethic dimension is delaying satisfaction (mean=3.05).

This finding shows that regarding work ethic, young Tasikmalaya entrepreneurs have conditions to achieve success as entrepreneurs. A high work ethic becomes a driver of success in business. Young Tasikmalaya entrepreneurs are entrepreneurs who are actively working, do not depend on the help of others. They are very concerned about work and honest. Although there are shortcomings, in the form of free time usage that has not been maximized and cannot delay satisfaction, those who can delay gratification will be patient to build their business step by step and increase capitalization; many young Tasikmalaya entrepreneurs have not shared this trait (Table 2).

TABLE 2
SCORES OF WORK ETHOS

<table>
<thead>
<tr>
<th>Dimensions of work ethic</th>
<th>Average</th>
<th>Scale</th>
</tr>
</thead>
<tbody>
<tr>
<td>Independent</td>
<td>3.36</td>
<td>1-4</td>
</tr>
<tr>
<td>Morality</td>
<td>3.33</td>
<td>1-4</td>
</tr>
<tr>
<td>Use spare time</td>
<td>2.39</td>
<td>1-4</td>
</tr>
<tr>
<td>Hard work</td>
<td>3.50</td>
<td>1-4</td>
</tr>
<tr>
<td>Prioritizing work</td>
<td>3.33</td>
<td>1-4</td>
</tr>
<tr>
<td>Don’t waste time</td>
<td>3.19</td>
<td>1-4</td>
</tr>
<tr>
<td>Delaying satisfaction</td>
<td>3.05</td>
<td>1-4</td>
</tr>
</tbody>
</table>

Based on Table 3, we were found that the five respondents' personalities were at a moderate stage towards high. Among all dimensions of personality, accuracy has the highest average score, followed by extroversion, open to experience and approval. While emotional stability is the person that has the lowest mean score (mean score=6.02). This finding shows that the dominant personality of Tasikmalaya entrepreneurs is extroversion and thoroughness. High extroversion makes entrepreneurs like crowds, like to connect with other people and pleasure seekers. High accuracy shows a tendency to work in a focused, thorough and disciplined direction.
Actually, with this personality pattern, Tasikmalaya entrepreneurs have proper personality requirements as entrepreneurs. The disadvantage is the high level of agreement. High levels of approval will tend to be humble, easy to succumb to, indecisive and often easily fooled. The value system that underlies the social life of the community influences many ways of thinking and acting. In Table 4 it is found that the configuration of the value system of small entrepreneurs in Tasikmalaya is at a moderate stage. The three values that have the highest average score are religious values, followed by social values and economic values. The value of science and the value of power obtain the same score, and the lowest score is the value of art.

The research findings show that small entrepreneurs in Tasikmalaya have a high religious orientation. Religious activities are significant for small entrepreneurs in Tasikmalaya. Religious values encourage entrepreneurs in Tasikmalaya to diligently carry out religious activities, especially in carrying out the pillars of Islam (Table 4). Higher social values than other values indicate that they uphold the values of cooperation and religious brotherhood. More than that, the relationship of family and living one village based on family ties is the glue in living in a community. To this extent, the business activities carried out, and the modernization process did not cause social values below. Young entrepreneurs in Tasikmalaya stay alive with traditional values.

Economics and science as progressive values have not become the primary values for small entrepreneurs in Tasikmalaya. The findings of this research also explain the reasons why young entrepreneurs in Tasikmalaya find it challenging to make progress. They have not applied the principle of efficiency in the production process, have not increased competitiveness and are less concerned with capitalization.

**DISCUSSION**

Based on this study, it was found that regarding education, the majority of young Tasikmalaya entrepreneurs had a background in non-formal education and low education. Most
of them are graduates of Islamic boarding schools in the Tasikmalaya area (Mas’ud, 1998). The results of this study are in line with the findings of Sobary (1995), Wong et al. (2007) that education of entrepreneurs is generally at the low education stage and only a few are highly educated. The education stage is closely related to the ability to manage a business (Karimi et al., 2010).

Based on the analysis represented by work ethic, personality, and configuration of value systems, it is found that in general, they have the advantage of personal aspects, because they have a high work ethic, a supportive personality, and a good value system. But internal factors are not enough to make entrepreneurs young Tasikmalaya can grow and develop, according to the Tasikmalaya government there is a tendency to obey business, many orders cannot be fulfilled. Various analyzes were stating that the causes of underdevelopment of their businesses due to the low quality of human resources (Mahmud, 2000; Masyhuri, 2000) is not entirely true, except when reviews of HR quality are based on low education levels.

The results of this study indicate that the factors that most support successes include not only internal factors but also external factors. External factors contribute more to success. External factors are related to government policies in helping young entrepreneurs, for example in the form of providing business capital, helping to facilitate obtaining raw materials and opening markets (Raharjana et al., 2003). The research findings are in line with Brockhaus & Horwitz (1986) and Lyons (2002), argument that the potential for substantial natural resource wealth and good potential human resources, including a strong mentality, does not guarantee industry progress in a region, if not followed by institutional arrangements that can mobilize various factors that support progress.

The results of this study also found that internal factors as the primary determinant of success only apply in countries that have full support for entrepreneurship. While for countries that have not fully supported entrepreneurship, internal factors are not enough to determine success. Furnham (1990) states that for countries that do not support entrepreneurship, a high work ethic does not determine and does not contribute to progress. In contrast, in a country that has full entrepreneurial support, even though the community does not have a high work ethic, entrepreneurship continues to progress.

CONCLUSION

This study concludes that the factors causing the lack of progress of small entrepreneurs in Tasikmalaya are not entirely due to internal factors of young entrepreneurs, but also external factors. This conclusion is different from the results of the Tasikmalaya government analysis which states that the decline of small businesses is due to internal factors. The traditional values possessed by young Tasikmalaya entrepreneurs who are considered too socially oriented and become obstacles to progress have become a capital for business progress because it is a social capital that also helps to preserve business activities.

Some of the weaknesses of young entrepreneurs in Tasikmalaya based on this research are the low level of education. This is the cause of difficulties in advancing business. The high school will have an impact on the ability of entrepreneurs to manage businesses, skills in building social relationships, and deep insights to get various business opportunities.

While the work ethic and personality factors include high agreement because it will follow the wishes of others too and cannot act decisively, regarding the value system, the value that must be increased is the value of science and economics. If these two values are high, they will be able to drive business progress while social value should remain high because it becomes
social capital. High social values are a reflection of a collective society that is more concerned with shared goals. Likewise with religious values that should remain high, so that it will maintain a balance in achieving progress.

As previously explained, Indonesia has not put in place state development policies for small entrepreneurs but instead directed towards increasing investment and developing large companies (Sadoko, 2004; Ravrisond, 2000; Salazar, 1996). In reality, it was found that the mentality of small entrepreneurs was not as weak as the findings of Mahmud (2000) and Masyhuri (2000).

Assistance from the government to small-scale entrepreneurs is considered not yet wholehearted and is partly because it is not however an integrative aid. In countries that have not developed the main barrier to the progress of small entrepreneurs are credit markets, supply chain and product markets that are not good (Banerjee & Newman, 1993; Blanchflower & Oswald, 1998). Efforts that can make are improving banking systems, supporting insurance that reduces risk and increases the transparency of the regulatory structure.

LIMITATIONS

This study only examines the psychological aspects of entrepreneurs of a certain age, so that it cannot yet describe the overall condition of business success. Besides, the production process and technology used, as well as government policies on small entrepreneurs have to discuss in this study. Even if touched a little, it is more limited to perceptions of entrepreneurs.

FUTURE DIRECTION RESEARCH

To be able to maximize entrepreneurial potential according to Malecki (1994) and Audretstch (1998), there is a need for a composition of society that supports progress, namely an educated population, broad market potential, both customers and suppliers, knowledge, technology and research support. While according to Aydalot & Keeble (1988), Maillat (1991), Bell, (1999) and Ratti et al. (1997) important factors that support the progress of entrepreneurs are the existence of competencies and cooperatives, a network of relationships between companies and business organizations, a positive attitude than employers, the government and the culture that supports it. Furthermore, small and medium entrepreneurs can play a role in reducing poverty by creating new jobs, but they face many difficulties. The government must pay attention to these difficulties so that they grow and create jobs.

Based on research limitations so that that research can describe the whole, then further research is expected to investigate the ability of employers to maintain product quality standards. More than that, the analysis of government policies on small entrepreneurs needs to be investigated, in order to find the meeting point of perceptions of entrepreneurs with efforts made by the government to support small and medium enterprises in the region that is the object of this research.

REFERENCES


