

A Study on the Personality Traits of Retail Entrepreneurs

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Abstract

A trait is a distinguishing feature, as of a person's character. A trait underlies competency. The basic assumption of trait research is that internal dispositions influence behaviour. It is often clear from the studies that the characteristics of a person determine his/her behaviour. It is implicitly assumed that personality affects behaviour. It does not imply that traits predispose an individual to behave in the same way, irrespective of the situation. It merely holds that traits make certain behaviours more likely—and therefore more frequently observed across a multitude of situations. Knowing the personality traits of the entrepreneurs in retailing can be the basis on which new entrepreneurs in retailing can be identified. From the observations of entrepreneurial behaviour and extensive pilot survey supplemented by the review of literature the researcher selected and studied few traits. It was found from the study that potential entrepreneurs who cannot deal with complexities are likely to choose retailing. Further, dimensions of complexity were measured based on the number of elements/factors that are present in an act and the interaction/connection of these elements. Based on the study, the researcher identified four factors in which there are a considerable difference, in the intensity of complexity, between the retailers and non-retailers. Thus, the ability to deal with complexity is the personality trait that influences a potential entrepreneur to choose retailing or non-retailing during the new venture identification process.

Keywords: Retail entrepreneur, Sociocognitive approach, Psychological predisposition, Self-persuading events,

Introduction

The word 'entrepreneur' is derived from the French verb 'entreprendre', which means 'to undertake'. The word entrepreneur has been in use since the 16th century. The French men who organized and led military expeditions were referred to as 'entrepreneurs' (Richard, 1962). Around 1700 AD the term was used to refer to architects and contractors of public works. Cantillon (1755), an Irishman who lived in France, used the term 'entrepreneur' in the early 18th century. He defined an entrepreneur as an agent who buys factors of production at certain prices to combine them into a product with a view of selling it at uncertain prices in the future. Cantillon thus emphasized the function of 'risk-taking' and 'uncertainty bearing'. He illustrated the concept by giving examples of farmers, manufacturers, and traders. The risk and uncertainty are inherent in these activities

The Oxford dictionary in its supplement of 1933 modified its definition and recognized that the word has a place in business; it defined 'entrepreneur' as one who undertakes an enterprise (Tandon, 1975), especially a contractor acting as an intermediary between capital and labor. Undertaking an enterprise is entrepreneurship, and one who undertakes it and combines capital and labor for production is an entrepreneur. Knight H Frank (1957) defined the entrepreneur, more or less, similar to those of Cantillon. Uncertainty is defined as a risk that cannot be insured against and is incalculable. According to him, the entrepreneur is an economic functionary who

undertakes such responsibility of uncertainty which by its very nature cannot be insured or capitalized, or salaried. He also guarantees certain sums to other means in return for assignments made to them. According to him, the supply of entrepreneurship involves three factors: ability, willingness, and power to extend such a guarantee.

The fact that about 4% of India's population is in the retail trade (Guruswamy et al, 2005) says a lot about how vital this business is to the socio-economic equilibrium in India. Traditionally, small store retailing has been one of the easiest ways to generate self-employment, as it requires minimum investments in terms of land, labor, and capital. To keep pace with the modern formats, small store retailers provide more value-added services like credit facility, home delivery, etc. Most small-scale retail formats in India operate on low cost, minimum tax, and cheap labor models to offer customers low prices despite fragmented and long supply chains.

Hypotheses for the study few hypotheses that have emerged from the above reviews which will be investigated in this study are listed below.

1. **H0:** Retail entrepreneurs tend to avoid risk at a higher rate than non-retail entrepreneurs.
2. **H0:** Retail entrepreneurs are likely to be more conservative than non-retail entrepreneurs.
3. **H0:** Retail entrepreneurs are likely to be more heedless than the non-retail entrepreneurs.
4. **H0:** Retail entrepreneurs are likely to have more dependency than the non-retail entrepreneurs.

Factor I: Extrinsic pressures	
(Reliability =)	0.652
1. Old factor 6: Pressures to leave the family business (V. 17)	-0.551
2. Old factor 8: Desire for comfortable living (V. 19)	0.565
3. Old factor 9: Desire for post-retirement engagement (V. 2)	0.554
Variance explained by the factor:	17.75%
Cumulative variance explained:	17.75%

Personality traits: Test of difference between retailers and non-retailers

SL No	Hypot hesis No	Retailer		Non-Retailer		t-stat	d,f
		Mean	SD	Mean	SD		
1	1	3.26	1.144	3.21	1.185	0.451	179
2	2	3.11	1.042	3.07	1.199	0.297	179
3	3	3.01	1.184	2.87	1.198	1.173	179
4	4	3.29	1.161	3.18	1.079	0.982	179

Classification of the retail entrepreneurs based on the type of motivation

Type of motivation	No of respondents	Perce ntag e
Intrinsically motivated entrepreneurs (i>e)	79	43.89
Extrinsically motivated entrepreneurs (e>i)	101	56.11
Total	180	100

Factor I: Extrinsic pressures the name implies it is the pressure from external sources that direct some persons to enter into the field of entrepreneurship. Some persons consider the job as an activity that disturbs and imbalances personal enjoyments. In this case, they will think that to give what the job is demanding personal pleasures and needs should be sacrificed. A highly paid good designation increases the pressure and responsibility of the employee. In such type of situation, some people may not be able to find a job as the thing that gives comfort to them. When a person finds comfort in being with the family, sitting alone, being religious, etc or feel discomfort with the orders given by the superiors, commands which are hurting their feelings, postponement of the personal assignments for the work, etc, they lose the cheer and find themselves difficult to adjust with the work environment. The basic

problem here is the inability of persons to find happiness, peace, easiness, etc at the workplace. Here they try to find an alternative that gives comfort to them, easiness in the engagement, etc and thus they enter into entrepreneurship in search of comfort. In this case, there will be no one to shout upon them, to give them orders, to put them under pressure, to disturb their pleasures, etc. On any day if they want to give a holiday for their business they can do it and there is no need of consent from anyone as it is their own business. They usually take small assignments in their business that will maintain the tranquility of the business instead of going for big assignments which gives much tension and worries along with, as their ultimate aim is to have a comfortable living only In the case of post-retirement engagement there are two types of entrepreneurs. In the first case, they come into entrepreneurship after retirement to avoid the boring period of idleness. While they were employed they might have good social contacts and they loved to mingle with people.

This social activeness will be lost after retirement. They will be having a good pension but still, they come into entrepreneurship to keep themselves socially active. Thus the primary aim is to avoid loneliness. In the second case, they may have a very small pension or no pension at all. Here they don't have a passion for entrepreneurship. The matter under consideration will be survival only. There he starts a business that suits his age and strength to ensure the income that makes him and his dependents survive decently. Most of them after SSLC or basic education may enter into the father's business by helping him. It may be because they love that business or could not find any job or other alternatives because of less education or factors like that. In due course of time, when there are more persons in the same business-like two sons assisting the father in the same business, conflict may arise and one has to go out. Most probably this situation occurs after the death of the father or partition.

The quarrel that occurs between the two or more followers of the same family business is a phenomenon that is occurring in entrepreneurial families; even the Ambani group is not free from this. This is an extrinsic factor that makes a person leave the family business and start a new one. When all of a sudden if a person is thrown out from the family business, he may go for a job or start another similar business independently. Mostly, he enters into business because he has been doing the business for long years. This activity is creating a lot of problems in the business scenario of Andhra Pradesh as the competition between the brothers (in which one was expelled from the family business and started an own similar business) may cross the limit of decency and goes unhealthy. Here he enters into entrepreneurship as he is not able to find or not at all interested to find another option of income generation rather than the one he was engaged with. Extrinsic pressures are thus the factor that pushes a retired person, a person wishing comfort, and a person

who is forced to leave family business into entrepreneurship.

These hypotheses intend to find the personality traits that are unique to retail entrepreneurs. It is assumed that during the stage of new venture identification by potential entrepreneurs, their personality traits affect the identification process and by the influence of these personality traits, they select retailing or non-retailing venture. It is implicitly assumed that personality affects behaviour. This interpretation does not imply that traits predispose an individual to behave in the same way, irrespective of the situation. It merely holds that traits make certain behaviours more likely—and therefore more frequently observed across a multitude of situations. To find the personality traits of an individual, one should see the pattern of behaviour and come to conclusions.

So to test these hypotheses both the Orientation Questionnaire and the Situation Questionnaire were prepared using a 5 point Likert scale where the respondent indicates his agreement or disagreement with each statement in the instrument. The final score which was obtained using the formula is to test the 4 hypotheses. Since 180 samples of retailers and 180 samples of non-retailers are related and can be called as matched pairs, the t' test is used to see the similarity or difference of each item. This is a two-tailed test with the degrees of freedom 179 (180-1). The table value for the level of significance at 0.05 is 1.960. When the calculated value of t' is numerically less than the table value we accept the hypothesis that there is no difference between retailers and non-retailers. When the calculated value of t' is numerically greater than the table value we accept the hypothesis that there is a difference between retailers and non-retailers. The details of the t' test using PASW Statistics 17.0 are given below

Discussion of findings in this chapter the major findings from the analysis of the primary data collected from the respondents are mentioned. Testing of hypotheses: Unique personality traits of the retail entrepreneurs \Rightarrow few sets of the trait were taken for the study. The focus of the inquiry was brought into finding whether there is any significant difference concerning these traits among retailers and non-retailers. It was found that the retailers and non-retailers differ in the ability to take complexity only. Thus it is assumed that during the stage of new venture identification by a potential entrepreneur, his/her personality trait (Ability to deal with complexity) affects the identification process, and by the influence of this personality trait, he or she selects retailing or non-retailing venture.

It is implicitly assumed that personality affects behaviour. This interpretation does not imply that traits predispose an individual to behave always in the same way, irrespective of the situation. It merely holds that traits make certain behaviours more likely—and therefore more frequently observed across a multitude of situations. In this particular trait of the ability to deal with complexity, the behaviour is reflected by the

strategies and policies implemented by the retailers and non-retailers. Thus it was found that the retailers opt for simpler strategies and policies when compared to the non-retailers. These strategies and policies were identified and checked in the perception of complexity to find the similarity or dissimilarity among the retailers and non-retailers.

Conclusion

Motivation plants the seed of entrepreneurship in the minds of people. The type of motivation influences the size of the enterprise formed. Intrinsically motivated persons create larger enterprises while extrinsically motivated persons create smaller enterprises. Motivation drags these persons into the decision period where they will decide between being an entrepreneur or not. This decision period is influenced by the self persuading and family persuading events. Dissatisfaction with the job and unemployment is the self persuading events and the type of parental orientation constitutes the family persuading event. Positive parental orientation will lead to the formation of larger enterprises and negative parental orientation will lead to the formation of smaller enterprises. Unemployment status in the self persuading event will lead the potential entrepreneurs into the retail business and the employed persons mostly prefer an area of entrepreneurship-related with their experience

Directions for future research

The discussions above suggest several aspects on which further research could be undertaken. They are

1. A field study with a finer measurement scale on a large sample group could be done to find specific traits possessed by retail entrepreneurs accurately.
2. All the entrepreneurial traits which seem to be relevant could be checked with the classification of retail/non-retail entrepreneurs to form a complete list of specific traits for the retail entrepreneur.

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