

A Study on Demographic Factors and Personality Traits as Determinants of Entrepreneurial Intention among Retailers

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Abstract

The last 15 years have seen a significant change in the economic landscape of India. The revival of entrepreneurship in the country has contributed to job creation, flexibility and competitiveness, innovativeness, and job satisfaction (EIM, 2011). The comparable growth has emerged in the field of entrepreneurship education and particularly in entrepreneurship and new-firm creation curricula and programs (Kuratko, 2005). This growth has been partly fueled by the increasing number of students in both secondary and tertiary education, considering self-employment as a significant occupational choice and the increasing cognition from policymakers about entrepreneurship as a policy tool for economic growth. Improvement of entrepreneurial education is also highlighted by the World Bank (2008) as one of the vital factors to increase the employment rate. According to Giacomini et al. (2011), "...entrepreneurship education is important because entrepreneurial activities are a vital component of economic growth, innovation, and employment." Nevertheless, researches have been conducted on the determinants of entrepreneurial intentions. Uddin, M.R., & Bose, T.K. (2012) Analyzed determinates of the entrepreneurial intention of business students. It was found that risk-taking tendency, need for achievement, job security, environment for starting a business, and education are significant factors in determining the intention of business students to be an entrepreneur. According to Ashokan, N. & Suresh, J. (2013) desirability and feasibility, role models, personal motivation, and institutional support have a positive and significant impact on entrepreneurial intentions.

Keywords: Personalized interest, Facebook promotion, Personality traits, Ad avoidance..

Introduction

Joseph Alois Schumpeter, for the first time, in 1911, assigned a crucial role of 'innovation' to the entrepreneur in his magnum opus 'theory of economic development' (Schumpeter, 1934). Schumpeter considered economic development as discrete dynamic changes which are brought about by the entrepreneur by instituting new combinations of the factors of production, i.e., 'innovation'(Schumpeter, 1939). Jean-Baptiste Say, an aristocratic industrialist, and a French economist developed the concept of entrepreneur a little further. He emphasized the functions of coordination, organization, and supervision. In more simple words an entrepreneur is one who combines the land of the one, labor of another, and the capital of yet another and thus produces a product. By selling this product in the market he/she pays interest on 3capital, rent on land, wages to laborers and what remains is his/her profit (Say, 1915). According to Say, the entrepreneur is an organizer and speculator of a business enterprise who shifts economic resources out of an area of lower productivity into an area of higher productivity and greater yield. He has clearly distinguished between the role of a capitalist as a financier and of an entrepreneur as an organizer of business activity.

The retail sector has played a major role in the world economy by stimulating sales across a wide range of consumer goods and thereby increasing their production by the manufacturers. It is the largest and oldest private

industry in the world, with total sales of US \$ 6.6 trillion (Rathold et al, 2006). On the global level, retailing is the largest private sector of industry accounting for 10-11% of the GDP. Victor Hugo said, "There is nothing more powerful than an idea whose time has come". If the number of column centimeters the media devotes every day to the retail sector is any indication, retail is a happening phenomenon in India. Globally, India has the highest absolute number and the highest per capita number of retail outlets. According to the global consultancy firms AC Nielsen and KSA Technopak, India has the highest retail outlet density in the world. In 2001 they estimated that there were 11 outlets for every 1000 people (Singhal, 2005). Deutsche Bank's research report on „Building up India,“ says India's burgeoning middle class will drive up nominal retail sales through 2010 by 10% per annum. The country may have 600 new shopping centers by 2010.

There are two reasons why researchers neglect the personality traits of retail entrepreneurs. First, researchers study the personality traits by taking the entrepreneurs as a whole or the researchers do not divide the entrepreneurs based on the type of business they do and try to identify the personality traits specific to them. Secondly, studies about the influence of personality traits on the strategies and policies formulated or adopted by a specific sector of entrepreneurs are not studied as the researchers find it difficult to study simultaneously the personality traits, policies, and strategies and a specific sector of

entrepreneurship. The need for more studies is thus evident. This investigation will expand the number of retail business studies which exist in the literature. In Kerala, 36.3% of the non-agricultural enterprises are in the retail trade (Kerala Economic Review, 2005). The importance of retail entrepreneurs to our economy and the paucity of studies in this sector of business necessitate further studies in this area. This investigation is focused on the retail entrepreneurs of Kerala. This study is expected to provide insight into several issues related to retail business. Understanding the personality traits that have a bearing on the choice of retailing as a career by individuals may help in identifying and assisting potential entrepreneurs in retailing.

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 with intrinsic motivation are likely to create larger retail enterprises.
2. **H0:** Unemployed persons mostly prefer retailing than any other forms of enterprise.
3. **H0:** Positive parental orientation may lead to the creation of larger retail ventures.
4. **H0:** Educated retailers are likely to create larger retail enterprises]

Factor I: Welfare for self and family	
(Reliability =)	0.687
1.Old factor 1: Desire for steady income (Vs. 21,22,25)	0.357
2.Old factor 2: Desire for personal freedom (Vs. 5, 12, 13,14,16)	-0.59
3. Old factor 3: Attachment with the family. (Vs. 23,24,26,27)	0.68%
Variance explained by the factor:	13.03%
Cumulative variance explained:	46.13%

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

SL No	Hypothesis No	Retailer		Non-Retailer		t-stat	d,f
		Mean	SD	Mean	SD		
1	1	3.01	1.184	2.87	1.198	1.173	179
2	2	3.29	1.161	3.18	1.079	0.982	179
3	3	3.03	1.067	2.85	0.948	1.737	179
4	4	2.87	0.772	2.75	0.679	1.009	179

Education level of the retail entrepreneurs

Education level	No of respondents	Percentage
Low	98	54.44
Medium	43	23.89
High	39	21.67
Total	180	100

Factor I: Welfare for self and family Some people may be entering into the field of business with the intention of making more money. There is a proverb in Malayalam 'When you stand on one side of the river, the other side looks green'. Persons with this type of attitude will not be satisfied with what they have in life. They will be constant monitors of the business world and are influenced by the living styles of the big shots in the community like Joy Alukkas, Kochouseph Chittilapally, BeenaKannan, etc. To them, these persons are living in a royal style, with an own aircraft as in the case of Joy Alukkas, as they have generated personal wealth through business. Thus people with this attitude jump into the business with the thought that they can also earn much wealth through business. There are persons who compare the income opportunities they have in business and jobs. In a job, they will always get only a fixed payment as salary and there is no opportunity to earn more even if they work harder than the previous month.

In order to increase the opportunity or for getting more income they select entrepreneurship. Here they consider that job has limited income opportunity and business has unlimited income opportunity. Thus they consider business as a tool through which a person can raise his income and enter into the entrepreneurship field with this intention. Some persons find it difficult to meet the household responsibilities with the income they have from a job. Just like a carpenter who waits for the next call from the contractor after completing one job. There they are not at all sure, whether they will get a job after the current job is over. In some cases, the monthly salary of the employees become insufficient to survive as they have to meet the expense for children's education, medical needs of the family members, food, leisure, etc. This will sometimes be a burden upon their shoulder as they are the persons upon whom the entire family depends. To them, to meet these responsibilities they require more income which is not possible with the help of their current job. In this case, they start a business thinking that it will increase their personal income.

Thus these persons think that business gives an opportunity for earning more income when compared with the job, helps to acquire more wealth than from the job, and increases the income opportunity. The economic policies of a nation are usually evolved from

its political nature. This political nature may develop some constraints in the economic system like trade unionism, restrictions for private investments, low prices for agricultural products, etc which will, in turn, generate unemployment –a situation when the agricultural lands are deserted and farmer's looks for a job, lack proper industrialization policies which will push people to self-employment, etc. Thus by circumstances, an entrepreneur is born. The frustration of the job may make some people quit it.

When all the efforts to excel in the job do not see light, when the ideas become worthless, policies or strategies adopted in the job fail, they get defeated in the job and consider themselves as a failure there. These situations make them disappointed and thus become dissatisfied or irritated with the job they are having and consider entrepreneurship as a solution to get rid of this dissatisfaction or irritation. The corporate bureaucracy usually has a system that is profit-oriented. There they will not secure the job of an employee by providing pension, P.F, E.S.I, etc. They give huge salaries but squeeze the employees to get sufficient returns by assigning targets, procedures, etc, and thus chaining the employees by over-controlling them. In this case, the procedures, rules, etc force a person to behave and perform in a manner required by the corporate. In Kerala, there is a common usage called the 'red tape' for files in the government offices. In the government sector these procedures, restrictions, and processes sometimes make a brilliant enthusiastic worker into a lazy person.

These unnecessary controls and restrictions that prevent the employees to perform with their full potentiality create some sort of hate towards the job. To get out of this mad chained situation people may select entrepreneurship. In Kerala, it is a fact that government jobs are highly secure, and private jobs are totally insecure. One important element to be considered at this point is the case of self-employed persons like masons, carpenters, painters, etc. In this sector, continuous work is rarely available for the local Keralites as there is a huge push of workers from Bengal, Tamil nadu, Orissa, Andhra Pradesh, etc who demands only low wages than the workers of Kerala.

They also work more time in a day than the Kerala workers. These types of uncertainties that are arising as a result of the insecurity in the private job and push of workers from other states may compel him to go for an area like entrepreneurship in which he gets a steady income. The restrictions that are put forward by the government in the fishing sector especially the 'trawling ban' and the threat from large fishing vessels had created uncertainties in the life of a traditional fisherman. This had created a higher rate of migration into entrepreneurship from the construction and fishing area. Discrimination is the act of making a distinction in favor of or against a person on the basis of the group, class, or category to which the person belongs rather than according to the actual merit.

The discrimination that is present at the workplace or in the society seriously affects the actual eligibility of a person like some sort of partialities done in favor of others in the workplace, denying the rights that a person normally has like promotion, salary hike. In society, persons may be discriminated against based on the job they are doing. In rare cases, sex and religious discrimination are also happening. This will actually spoil the spirit of persons to do the job, which will subsequently lead them to quit the job and enter into entrepreneurship. Thus in order to be free from discrimination or to get rid of these unnecessary or unpleasant limitations or controls, they will select the area of entrepreneurship.

There they will be like a free bird in the sky with no restrictions or control from any angle. In this case, they feel that entrepreneurship is a process through which they can maintain their personal freedom. There are persons who are forced to take up the family business mostly after the death of their parents thinking about how to stop a running business. In some cases, the parents compel their child to succeed them

In most cases, a person enters into the family business with an intention to help his father and will continue there. When the question of an own career comes to his life in a later stage he may not be able to shift or escape from the business as by that time he will be chained there and any other career in his mind remains as a dream. The researcher had met some entrepreneurs who are giving good education to their children with an intention of making them a professional and they never entertain their children to help them in their business. The basic motive behind this act is that he was trapped in the family business, so he wants his children to escape from this trap.

Thus he tries to fulfill the dream which he was not able to attain in his life through his children. A lot of persons had come to entrepreneurship with the intention of creating assets. They think that more assets will secure the future of their family members. There are entrepreneurs who claim that they had generated enough wealth for 4 or 5 generations so that their successors can simply sit at home and live lavishly.

They consider entrepreneurship as an area that will generate enough assets to secure the future of their children. They construct shopping malls, godowns, etc which will give a steady income as rent for the family. To these persons creating some assets just like owning a shop room in a business area, etc will secure the future of their family members. Some persons enter into the field of entrepreneurship foreseeing the benefits that their family members can get from it. In this case, the potential entrepreneurs are starting the business for their families. They want their family members to succeed in their business. They always want the control to be in their hand or in the hands of the family members. They design and implement strategies accordingly. Thus they are starting a business to pass on to the next generation.

They claim that their children have to do nothing for generating a business as they have to just manage an existing business that was already started by their parents. These entrepreneurs are of the view that if their children have to start an own business, they should take a lot of pain, strain, and stress from finding the investment to establishing the business. Sometimes this situation may lead to a conflict when the father compels the child to continue his business and the child opposes it. They also proudly claim that there is no need for their children to go and work under somebody or beg for a job. They can proudly be self-dependent and self-employed. There are others who want to be closer to the family always.

They don't want to go to a distant place in search of a job or business. They always prefer to be at home at night. They want themselves to be at home and wish that all members of his family should be near to him. These types of people enter into business for the purpose of being closer to the family. To them, the job creates restrictions for being closer with the family while own business will solve this issue. Thus these persons concentrate on the welfare of themselves and their family. This is an extrinsic factor.

Family background and education level of respondents=>It was found from the study that the majority of the respondents in Thiruvananthapuram had come from non-entrepreneurial families and the majority of the respondents in Kozhikode had come from entrepreneurial families. There was no such significant difference in the case of respondents from Kochi. While examining the education level of respondents it was found that the majority of the respondents from Kochi and Thiruvananthapuram have a medium or high level of education, that is, the percentage of the respondents having educational qualifications of graduation or high are more in the case of these two places. While in Kozhikode the education level of the majority of the respondents is low.

In Kochi, the educated persons give equal importance to job and entrepreneurship, in Thiruvananthapuram educated persons give more importance to the job and in Kozhikode, since the majority of the persons have low education, they prefer entrepreneurship than a job as they cannot get a good job with their educational qualifications. The Majority of the respondents from the entrepreneurial family has selected retailing and this can be better explained by the fact that the succession of the family or father's business is high in the case of retailers than the non-retailers. When the successors of the family or fathers' business were avoided from the list, it was clear that there was no significant difference between the respondents coming from entrepreneurial and non-entrepreneurial families in the choice of retailing or non-retailing.

Conclusion

On-retail entrepreneurs implement some strategies in a complex form while the retail entrepreneurs implement

the very same strategies in a simpler form. We can clearly distinguish the two categories when we take the following elements into consideration. Four complexity factors have been sorted out which clearly distinguishes the retailers from the non-retailers. In the case of retailers, these four factors clearly occupy the left side of the bipolar trait scale 'Simplicity.....Complexity'. Since these four factors reflect the tendency of the retailers to minimize the number of elements in an act and thus simultaneously reduce the interactions or interconnections between the elements that are present in each factor, these four factors can be better termed as the dimensions of the complexity of the retail entrepreneurs which in turn reflects their unique personality trait 'ability to deal with complexity. Thus in these following four factors, the retailers try to minimize the extent of complexity associated with each factor which can be better termed as 'Simplicity'.

Directions for future research

Based on the ability to deal with complexity, it is possible to develop an instrument for identifying and selecting retail entrepreneurs.[6].The policies and strategies of successful retail entrepreneurs may be different from those of unsuccessful retail entrepreneurs. A study of these would pave light to the key policies and strategies adopted by successful retail entrepreneurs so that the variations in the size of the enterprise can be explained more accurately.[7].There could be a comparative study in a similar manner among the different type's entrepreneurs by subdividing the retail and non-retail entrepreneurs further.

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