

APPROVAL

‘I / We* hereby declare that I / We* have read this thesis and in my / our*
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FACTORS OF ENTREPRENEURIAL TRAITS AMONG STUDENT IN
FACULTY TECHNOLOGY MANAGEMENT AND TECHNOPRENEURSHIP
(FPTT), UTeM TOWARDS PERCEIVED SUCCESSFUL ENTREPRENEURS

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DECLARATION

‘I declare that thesis entitle ‘Factors of Entrepreneurial Traits towards Perceived Successful Entrepreneurs’ is the result of my own research except as cited in the references’

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ABSTRACT

For this research, the main focus is to study about the factor of entrepreneurial traits toward perceived successful entrepreneur. The research had been done in Faculty of Technology and Technopreneurship where most of the respondents are students at there. In this paper, the researcher is trying to identify the independent variable which is problem solver, risk taker and decision making ability, self-motivated and self-confidence. The appropriate questions had been asked and the data collected had been shown in the figures and table form in order to be clearer about the results. Furthermore, the clear explanation had been included along the data provided. There are limitations in conducting this research, so in the future hopefully there are more sources of data and research studies. As a conclusion, this study has expected able to know the strong characteristic to student become perceived successful entrepreneur by having all the data provided.

Keywords: Problem Solver, Risk Taker and Decision Making Ability, Self-Motivated, Self-Confidence, Perceived Successful Entrepreneur

ASBTRAK

Untuk kajian ini, tumpuan utama adalah untuk mengkaji mengenai faktor ciri-ciri keusahawanan untuk menjadi jangkaan usahawan yang berjaya. Kajian ini telah dijalankan di Fakulti Teknologi dan Teknokeusahawanan di mana kebanyakan responden adalah pelajar dari fakulti tersebut. Dalam kertas kerja ini, penyelidik mencuba untuk mengenal pasti pemboleh ubah bebas iaitu penyelesaian masalah, pengambil risiko dan keupayaan membuat keputusan, motivasi diri dan keyakinan diri. Soalan-soalan yang sesuai telah diminta dan data yang dikumpul telah ditunjukkan dalam rajah dan jadual bentuk untuk menjadi lebih jelas mengenai keputusan. Tambahan pula, penjelasan yang jelas telah dimasukkan pada sepanjang data yang disediakan. Terdapat batasan dalam menjalankan kajian ini, jadi pada masa akan datang penyelidik berharap mendapat sumber data yang lebih banyak dan kajian penyelidikan. Kesimpulannya, kajian ini diharapkan dapat mengetahui kekuatan ciri-ciri pelajar untuk menjadi jangkaan usahawan yang berjaya dengan mempunyai semua data yang disediakan.

Keyword: Penyelesai Masalah, Pengambil Risiko dan Keupayaan Membuat Keputusan, Motivasi Diri, Keyakinan Diri, Jangkaan Usahawan Berjaya

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LIST OF ABBREVIATIONS AND SYMBOLS

%	= Percentage
<	= Less Than
>	= Greater Than
/	= or
α	= Cronbach Alpha
a	= Slope for Independent Variable
b	= Intercept
SPSS	= Statical Package for Social Sciences
IV	= Independent Variable
DV	= Dependent Variable
H ₁	= Hypothesis One
H ₂	= Hypothesis Two
H ₃	= Hypothesis Three
H ₄	= Hypothesis Four
PSE	= Perceived Successful Entrepreneur
X	= Independent Variable
y	= Dependent Variable
e.g	= Example
r	= Pearson Coeficient
P	= Significant
FPTT	= Faculty of Technology and Technopreneurship
UTeM	= Universiti Teknikal Malaysia Melaka
BTEC	= Bachelor of Technopreneurship
BTMI	= Bachelor of Technology Management and Innovation
BTMM	= Bachelor of Technology Management and Marketing
N	= Number of Respondent

CHAPTER 1

INTRODUCTION

1.0 Background of Study

As far back as the 1950s, researchers began linking personality characteristics and entrepreneurship by examining personality characteristics that could determine who was more likely to become a successful entrepreneur (Byers, Kist and Sutton, 2007). McClelland (1961) for example asserted that entrepreneurs possessed certain personality characteristics that non entrepreneurs. While on the other hand, Carter, Gartner, Shaver and Gatewood (2003: 17) acknowledgment that the only main difference between entrepreneurs and non-entrepreneurs is that entrepreneurs want to be in control of their own destiny. This control is indicative and draws attention to the fact that, “there is no set of behavioral attributes that allow us to separate entrepreneurs from non-entrepreneurs”. Additionally, literature studies on entrepreneurship portray successful entrepreneurs as individuals who possess a personal quality that enables them to make decisions that have far reaching effects in conditions of uncertainty.

The concept of entrepreneurship was first established in the 1700s, and the meaning has evolved ever since. Many simply equate it with starting one's own business. To some economists, the entrepreneur is one who is willing to bear the risk of a new venture if there is a significant chance for profit. Others emphasize the entrepreneur's role as an innovator who markets his innovation. Still other economists say that entrepreneurs develop new goods or processes that the market demands and are not currently being supplied.

Based on the statistic in the Malaysia, the top 10 ranking successful entrepreneurs in Malaysia among these are Faiza Marketing Sdn. Bhd is produce product of food and healthy, Datuk Dr. Maznah Binti Hamid which is established securiforce about 27 years ago and became the largest security provider in Malaysia, Datuk Aliff Syukri is a man product buety and weatlhness, and Mohd Shah a successful entrepreneur Pineapple growers At Young Age and more. This successful is because of internal and external factor that contribute to them to become successful entrepreneur.

Successful entrepreneurs come in various ages, income levels, gender, and race. They differ in education and experience. But research indicates that most successful entrepreneurs share certain entrepreneurial traits to become perceived successful entrepreneur.

1.1 Problem Statement

Nowadays, Most of the affected businesses are small businesses compared with large businesses. This is due to the deficiencies are owned by small businesses much more when compared to large businesses. However, the question that arises as a result of this phenomenon, what is the cause that has led to the failure of most businesses? Most of the failures that occurred from directly or indirectly attributable are from the weakness of business management and from entrepreneurs itself. Many entrepreneurs wither too want to rely on some party or not able to establish with yourself and thus contribute to factor them difficult to move forward to expand the business.

In this research also, the problem statement found also is how to learn to become a successful entrepreneur which is related with entrepreneurial traits (problem solver; risk takers and decision making ability; self-motivated; and self-confident). The different way of the entrepreneurs them self will make the level of successful of their business entrepreneurship more or less rewarding personally.

Researcher found that statement from statistic Organisation for Economic Co-Operation and Development (OECD) declare that about 20 to 40% of entering entrepreneurs fail within the first two years of life, while only 40 to 50% survive beyond the seventh year (OECD, 2003). The fact that so many of these businesses prove to be unsuccessful should be seriously considered because of the detrimental affect they have on the economy in the long run. For example, failure entrepreneur caused by an entrepreneur do not know the characteristics that would have been there in person to manage the business. Thus entrepreneurial traits help to become perceived successful entrepreneur?

1.2 Research Question

In order to answer the problem statement, the following research questions are formulated. The first research question is there is a connection between the entrepreneur traits and perceived successful entrepreneur. Further a comparison is made to know wheatear the characteristics have relationship with perceived successful entrepreneur.

- i. What is the relationship of the problem solvers to become perceived successful entrepreneur?
- ii. What is the relationship of the risk takers decision making ability to become perceived successful entrepreneur?
- iii. What is the relationship of the self-motivate to become perceived successful entrepreneur?

- iv. What is the relationship of the self-confident to become perceived successful entrepreneur?

1.3 Research Objective

1. To determine the relationship of the problem solvers to become perceived successful entrepreneur.
2. To determine the relationship of the risk takers and decision making ability to become perceived successful entrepreneur.
3. To determine relationship of the self-motivate to become perceived successful entrepreneur.
4. To determine relationship of the self-confident perceived to become successful entrepreneur.

1.4 Significant of the Study

Firstly, this study aspires to indicate the factor of entrepreneur traits to become perceived successful entrepreneurs in order to drive his or her venture forward successfully. Once the discovery is completed, basic educational programs can or will be developed to address the need as inputs factors to become successful entrepreneurs. Being an entrepreneur requires many more than just big ideas. Entrepreneurship perceptions and entrepreneurship traits present the advantages and key factors in further development of entrepreneurship of any country. Students are the generators of future development and their characteristics entrepreneurship could considerably. In this context the formal education represents one of the possible ways of entrepreneurship endorsement.

A true entrepreneur is a rare breed it's someone who possesses a unique cocktail of traits, skills and characteristics that enable them to beat the odds and go after their dreams full throttle. But what are those attributes? What does an entrepreneur need to succeed? Therefore, it is necessary to understand the important entrepreneurial traits or characteristics to become successful entrepreneur and several important factors that significantly influence on the characteristic towards student management in University Teknikal Malaysia Melaka (UTeM).

1.5 Chapter Summary

This chapter explains of the overview related to this thesis and the rationale for selecting the study. Subsequently, the introduction information about the research topic is presented leading to the identification of problem statement in the literature regarding the entrepreneurial characteristics factor of perceived to successful entrepreneurs. Furthermore, the research objectives and the significant of the study are presented.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This chapter describes about the relevant literature is reviewed here, which the definition of entrepreneurship and entrepreneurial traits and by using their models and theory use for this view. The researcher is interested in presenting here a few studies of characteristics to become successful entrepreneurs abroad relevant to the objectives of the present study, namely, to identify the success factors behind the successful entrepreneurs. In this chapter also builds the theoretical framework of the proposal.

2.1 Definition of Entrepreneurship, Successful and, Entrepreneurial Traits

2.1.1 Definition Entrepreneurship

“Entrepreneurship” has become a buzzword in the public debate in recent years. It is extensively referred to by policy-makers as one of the roads to future prosperity, and cross-country comparisons of entrepreneurial activity have become increasingly popular. However, the concept of entrepreneurship is often used without

a precise definition it may not always be completely clear what the different measure actually measuring. (Jens Iversen, Rasmus Jorgensen and Nikolaj Maalchow Moller 2008).

Ahmad and Seymour (2007) declared that there is a lack of consent on defining entrepreneurs and no definition can be used to represent today's entrepreneur profile. However, it is widely thought that there exist certain individual personal characteristics and characteristics requirements for being an entrepreneur (Markman and baron, 2003).

In the economic literature, a number of authors have presented rather different definitions of the entrepreneur since the first ideas on entrepreneurship were formulated by Cantillon on the middle of the 18th century. Although 250 years have passed since then, a coherent definition has not yet been agreed upon. Thus, the empirical literature, numerous different measure of characteristic are used to research the relationship to become successful entrepreneur. (Jens Iversen, Rasmus Jorgensen and Nikolaj Maalchow Moller 2008).

According to Cantillon, entrepreneur as responsible for all exchange and circulation in the economy as opposed to wage workers and land owners who both receive a certain or fixed income or rent, the entrepreneur earns an uncertain profit from the difference between a known buying price and an uncertain selling price. (Van Praag, 1999). As from researcher, Schumpeter opposed the existing views of the entrepreneur as a risk taker and a manager of a company. Instead, Schumpeter argued that an entrepreneur is an innovator. (Van Praag, 1999)

From Zimmerer and Scarborough (2005), an entrepreneur is seen as one who creates a new business in the face of risk and uncertainty for the purpose of achieving profit and growth by identifying significant opportunities and assembling the necessary resources to capitalize on them". Schumpeter (1934) perceives entrepreneurs as innovators, someone who uses new business creation as a means of exploiting invention. Bolton and Thompson (2004) view an entrepreneur as "a person who habitually creates and innovates to build something of recognized values around perceived opportunities"

Entrepreneurship – The creation of a new business (for profit)

Entrepreneur – A person or a group of people who create a new business (for profit) employing at least one other paid employee.

2.1.2 Definition of Successful

The indicators of success or performance measure that are utilized about the more personnel an entrepreneur has under their control, the more successful they are. Furthermore, the higher profit of the entrepreneurs firm is the more successful entrepreneurs and the higher self-employment earning is the more successful entrepreneur (Mirjam Van Praag, 2005).

2.1.3 Definition of Entrepreneurial Traits

There are a number of sociological, psychological, demographic, and economic factors that appear to influence the entrepreneur (Sexton and Bowman, 1985, p.1). Although absolute levels of the impact of psychological traits is not known, it has been proven that these levels significantly differ in intensity between entrepreneurs and managers (Sexton & Bowman, 1985). Still, possessing one specific trait does not make an entrepreneur successful. Cromie (2000), amongst others, showed that it is useful to investigate several typical entrepreneurial traits instead of focusing on one trait.

Characteristics of successful entrepreneurs have also been well documented. While there is no agreement among the scholars as to the number and labels of these characteristics, they in general include desire for responsibility, preference for moderates risk, and confidence in personal success, desire for immediate feedback, high level of energy, sufficient emotional stability, and objective approach to interpersonal relationships, and a comprehensive awareness. Researcher have also argued that entrepreneurs place high value on ambition, achievement, reliability,

responsibility, hard work, competence, optimism, innovation, aggressiveness, honesty, creativity, social recognition and growth (Meredith, 1997).

According to Drucker (1994) he defined an entrepreneur as one who always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tools of entrepreneurship the means by which they exploit change as an opportunity for a different business or service.

Fortunately, it's the type of personality that can develop by working on self, growing, and learning how to express these traits. The researcher focuses on the four top traits such as problem solvers, risk taking and decision making ability, self-motivated, and self-confident.

2.2 Entrepreneurial Traits Approach

According to the trait approach the entrepreneur is assumed to be a particular personality type (Gartner, 1988). The approach tries to solve the question is who is an entrepreneur and focuses on the characteristics and traits of the entrepreneur. In this approach the entrepreneur is the basic unit of analysis and his characteristics and traits are the key to explaining entrepreneurship. One of the earliest surveys on individual traits characterizing leaders was made by Bird (1940). He found 79 traits mentioned in 20 different studies, however only 5 percent which were common to four or more investigations (Geier, 2006).

Given the criticism on the trait approach, several authors give their own opinion that identifying a cluster of relevant traits might be more useful to assess the entrepreneurial personality than focusing on a single characteristic (Cromie, 2000; Johnson, 1990).

Many studies have aimed to identify the particular qualities of entrepreneurs. There is substantial literature on those traits that purport to predispose to act in entrepreneurial way (Bridge 2003).

Gartner (1988) attempted to organize concisely much of the major literature on the entrepreneur to prove that the trait approach is not sufficient to define the entrepreneur. Among all these studies, the only common conclusion that receives even fair support is that leaders excel non-leaders in intelligence, scholarship, responsibility, activity, and social participation (Geier, 2006).

According to Pierre Andre Julien, researcher believed entrepreneurial traits continue to persist and its adepts continue to search for a universal model or key element that will help predict or understand successful entrepreneurs, especially the adventures and they can be able to invest in their firms as lenders or speculate on their performance on the stock market. These key are much sought to investor who would like to be able to identify “dead certs” in order to wager on their success and by civil servants who would like to help the people with the greatest change of success. From Pierre Andre Julien more, the entrepreneurial mindset are involved are bound to change, and the mindset is bound to be different depending on the host culture and the venture creation and development processes applied. (Pierre Andre Julien, 2007).

2.3 Perceived Successful Entrepreneur

Researcher believed that successful entrepreneurs have been defined in different ways. In this study, student is most people who will enter in entrepreneurial areas when they already finish their study. An entrepreneur is someone who doesn't want to become employee which is because of income from salary. It's not give satisfaction to who like to become a leader. In terms of entrepreneurship, perceived to become successful entrepreneurs is define a success by looking at several measures, including self-fulfillment, goal achievement, balancing work, profit, business growth and strategy used to achieved success (Karnilowicz, 1997) Perceived successful entrepreneurs are such as revenue or a firm's growth, personal wealth creation, profitability, sustainability, and turnover (Perren, 1999, 2000; Amit et al., 2000) is like student who concerned from this income. Watson et al. (1998) and Dafna (2008) associate that perceived entrepreneurial success by relating the success with continued trading, and entrepreneurial failure is linked to unrewarding or ceased trading. Harada (2002) challenges this view by stating that some entrepreneurs would prefer to remain

in the business despite facing difficulty and loss due to their high determination characteristics.

In this study, perceived successful entrepreneurs are defined based on the understanding of definition given by several researchers who support the concept that a perceived successful business is someone learns the characteristics or traits to become a business successful. According to Vesper (1990) reveals that about 10% of businesses survive after three years of operation. That's mean if someone wants to become successful entrepreneur, they must stay in business for three years or more. Therefore, the main objective of the study is to investigate the relationship between entrepreneurial traits and perceived successful entrepreneurs. Based on the analysis of the relationship, the most significant entrepreneurial traits are driving a students perceived to become successful entrepreneurs will be highlighted, and the strength of the relationship will be determined.

2.4 Element of Entrepreneurial Traits

Below is the element for independent variable which is to determine the relationship with dependent variable (perceived successful entrepreneurs).

- i. Problem Solver
- ii. Risk Taking and Decision Making Ability
- iii. Self- Motivated
- iv. Self- Confidence

2.4.1 Problem Solver

Problem solver is an ability to anticipate potential problems and plan to avoid them, ability to gather facts about problems analyze the real causes and plan effective action to solve problems thoroughness in dealing with the details of particular problems and in follow-through (Brian Haslett, 1997). A problem is literally an opportunity to get paid if you can be the one to solve it. Successful entrepreneurs make their name identifying problems without solutions, and providing those solutions. Every good product solves some sort of problem. Even video games solve a problem they provide a way for people to unwind after a stressful day and fulfill a fantasy.

As an entrepreneur, they will be faced with making decisions and solving problems every day. Whether or not to become an entrepreneur is a big decision. The successful entrepreneur must good in solve their problems. Many entrepreneurs make decisions casually or base them on intuition. As a result, their decisions are based on faulty assumptions or illogical thinking. The best entrepreneurs use formal problem solving model to gather information and evaluate different option. (Cynthia L.Greene, 2008).

Problem solving is important to entrepreneur should be able to solve problems and not to avoid them. A formal problem solving model will helps entrepreneurs solve problem on a logical manner. The model consists of six steps below:

2.4.1.1 Define the Problem

Before entrepreneurs solve a problem, they need to diagnose it. Write down what the problem is and why it is a problem. Try to quantify it too. Quantifying the problem helps entrepreneurs figure out how much it is worth to entrepreneurs to solve it. (Cynthia Greene, 2008).