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## I Am an Entrepreneur: Seven Personal Traits and Characteristics of Generation Y Entrepreneurs

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### **Abstract:**

*This paper explores the characteristics and personal traits of young entrepreneurs and their effects on the performance of a business venture. The article also aims to explain how the personality characteristics of an entrepreneur differ from those of a non-entrepreneur. This paper is mostly based on secondary data and some observations; for the identification of these characteristics, the author has reviewed different research articles and reports concentrating on entrepreneurship, entrepreneurs and entrepreneurial personality. In this article the author has attempted to examine, discuss and summarize on 7 characteristics that are constantly and most researched about among the generation Y entrepreneurs. The discussed entrepreneurial characteristics are optimism, creativity and innovative, attitude towards self-confidence, attitude towards risk-taking, proactive personality, need for achievement and internal locus of control. The findings of this research reveal that the performance of a new business venture is positively affected by the personality traits and characteristics of the entrepreneur.*

**Keywords:** Entrepreneurship, entrepreneur, entrepreneurial success, entrepreneurial characteristics, optimism, need for achievement

### **1. Introduction**

Entrepreneurs play a major role in the growth of a nation's economy, particularly in a developing country such as Malaysia. Additionally, the growth of successful small medium enterprises in Malaysia plays a very crucial role in the unemployment issue. The media undoubtedly glorifies the image of an entrepreneur as the risk taker who made it big (Claire, 2012). Dr Patrick Khor (2017) explains in an article that entrepreneurial ventures have demonstrated sizeable failure rates despite having clear emphasis and a desire for entrepreneurial activity. Globally, more than half of start-ups fail within the first five years, with rates of surviving firms varying from less than one in five firms in Lithuania to about two-thirds in Sweden (SME AR, 2015/2016). Evidently, it is crucial to examine the factors contributing to successful entrepreneurs in Malaysia.

It's imperative to understand personal characteristics of an entrepreneur that drives him to success and glory in front of the world media. Markman, Balkin & Baron (2002) mentioned that there was a necessity to identify the factors that are associated with how an individual decides to engage in entrepreneurial activity despite the fact that ample study has been conducted to understand different characteristics of entrepreneurs. Gartner (1990) has identified entrepreneurial characteristics as one of the contributing themes to total of 8 themes focusing on issues in entrepreneurship after reviewing the trends in entrepreneurship literature. Within this entrepreneurial characteristics research, five attributes have been found to consistently researched and discussed on; need for achievement, locus of control, risk-taking propensity, tolerance for ambiguity, and Type-A behaviour (Brockhaus, 1982). Sexton (2001) mentioned that entrepreneurs themselves have pointed to entrepreneurs' personal characteristics as dominant reasons for entrepreneurial success. Nevertheless, there has been much disagreement, criticism and dissatisfaction from several other subsequent scholars resulting in declining in number of research published examining the relationship between personality traits and entrepreneurship.

Plenty of attention given and research has been done in the recent years to the intergenerational differences among entrepreneurs caused by contrast in values related to age. There are several popularly accepted beliefs for each generation, for example Baby Boomers are believed to be workaholics, loyal and dedicated to their task, and gives importance to individual freedom. As for Generation X entrepreneurs, they are believed to be fun-loving, cynical and informal, independent and pay extra attention to work-family balance. In the contrary, Generation Y entrepreneurs are characterized as optimistic, ambitious, curious, socially sensitive, tech-savvy and easily bored (Gibson, Greenwood, Murphy, Jr, 2009).

In this article, the author has attempted to examine, discuss and summarize 7 entrepreneurial characteristics that are mostly researched on and argued by previous scholars. The 7 characteristics are optimism, creativity and innovative, attitude towards risk-taking, attitude towards self-confidence, proactive personality, need for achievement, internal locus of control.

## 2. Objectives

The major objective of this article was to discuss and analyse 7 prominent characteristics of generation Y entrepreneurs. Additionally, the article intends to demonstrate that the characteristics of an entrepreneur differ from the characteristics of a non-entrepreneur.

## 3. Methodology

The present article is purely based on secondary data collected through literature survey. After discovering the various studies conducted previously on the research area, the author has come to conclusion that these studies could be used as trustworthy sources and primary research may not be necessary. All facts and problems discussed in this article are opinions of the respective authors. Research methods used in this specific paper will be based solely on secondary research. The secondary research of this specific research paper will be carried out by using a variety of books, e-books and Internet articles, topics mostly concentrating on entrepreneurship from different cultures and time period. Various authors will be cited to be able to conclude the research paper as accurately as possible. However, the present author criticizes some of these opinions and makes analyses based on the observations and experiences regarding generation Y entrepreneurs.

## 4. Literature Review

### 4.1. Entrepreneurial Psychological Traits and Characteristics

E.R Brown (2010) has developed a model in a research stating psychology and character of an entrepreneur along with attitude and vision as drivers for entrepreneurial action. Several other authors have argued that characteristics of personality have been identified as being fundamental to entrepreneurial success and not to the entrepreneur's intent to initiate an entrepreneurial venture. Their studies have defined motivational traits, such as 'need for achievement', 'internal locus of control', 'need for autonomy', cognitive skills such as 'problem-solving orientation', 'tolerance of ambiguity', 'risk-taking intent', social skills such as 'interpersonal reactivity' and 'assertiveness' useful both in the explanation of past success and in predicting the future development of a start-up businesses (Caliendo et. el, 2007).

Krueger (2000) along with other authors have stated that attempts to predict entrepreneurial activity using trait and personality characteristic approaches have yielded disappointingly poor results. As a result, integrated explanatory models that include situational variables, demographics, personal background and domain-specific attitudes were developed (Ahmad & Hoffmann, 2008). Personality characteristics of business owners were not only studied with respect to the emergence of entrepreneurship, but also with respect to the entrepreneurial success. A very common way to do this is by asking entrepreneurs to answer general personality questionnaires and then correlate them with business performance measures. Additionally MacMillan, Siegel, & Subba Narisimha (1985) study (cited in Baum, Locke & Smith, 2001) revealed that venture capitalists report that entrepreneur characteristics are most important for venture success.

### 4.2. Entrepreneurial Activity

Total Early Stage Entrepreneurial Activity (TEA) is a measurement index used to measure the entrepreneurial activity in countries that participate in Global Entrepreneurship Monitor (GEM). This index measures the proportion of people who are involved in setting up a business or owners-managers of new businesses that are less than 42 months old (Linan et. al. 2005).

In 2017, the Total Early Stage Entrepreneurial Activity (TEA) for Malaysia is 21.6% which is one of the highest among other Asian countries. Malaysia takes the third place after Lebanon (24.1%) and Vietnam (23.3%) However, the GEM reports revealed that business discontinuation rate for efficiency-driven countries such as China, Indonesia, Iran, Lebanon, Malaysia, Saudi Arabia, and Thailand are 38.7% due to lack of profitability.

### 4.3. Entrepreneurial Success

The profit growth made by a business is often identified as entrepreneurial success (Ahmad, 2010). Both financial and non-financial measures of performance are used for evaluating entrepreneurial success. Some researchers have mentioned turnover, sustainability and employment growth as success. Sahlman, 1999 (cited in Chavez, 2016) argued that a successful business is either able to quickly response to uncontrollable changes or it is so innovative that it promotes to change in the environment. Many researchers have concentrated on the entrepreneurial characteristics as indicators of success. (Gupta and Muita, 2013) It is necessary to separate the emergence of a business (entrepreneurial intention) and the success of entrepreneurs. There should be different processes by which a person decides to become an entrepreneur and by which a person achieves entrepreneurial success. It makes sense that personality characteristics may be more important for the decision to become a founder than for success (Herron & Robinson, 1993)

### 4.4. Generational Profile

Mannheim (1953) defines generation as a group of people born and raised in the same general chronological, social and historical content. Many different beginning and ending date has been explained for each generation cohorts, Egri & Ralston (2004) suggested that baby boomers are defined as for those who are born between the years 1946 – 1964. The same

sources used 1965 – 1979 as the years for generation X, and so do we. As per Eisner (2005) generation Y is for those who were born from 1980 to present.

#### 4.5. Generation Y

Generation Y is also popularly known as the dot com generation, Netters or the internet generation, Millennials. They are generally more educated, more articulate, tech-savvy and exposed to the technology from a very young age. Generation Yers basically grew up with their mobile. Authors have explained that Generation Y have demonstrated several similarities to the Baby boomers such as patriotism, loyalty, disciplined hard work, sociable behaviour, and prioritisation of home and family (Eisner, 2005). In addition, Millennials also exhibit a low tolerance to boredom. In a study by Sayers (2007), it was found that millennials need personal flexibility, professional satisfaction, and immediate job satisfaction. Glass (2007) further identified that millennials thrive on new challenges and expect responsibility early in their careers. Formation of attitudes and beliefs differs with each generation cohort; hence it exhibits distinct group differences across cohorts with time. In addition, studies have demonstrated various traits, such as loyalty to the organization, creativity and risk aversion vary across the generation (Wong et. al. 2008).

#### 5.1. Psychological Traits and Characteristics of Entrepreneurs

There must be significant psychological and personality differences between individuals that are entrepreneurial in nature and general population. Multiple researches have been done among existing entrepreneurs and potential entrepreneurs to identify the significant psychological traits and personal characteristics between generational cohorts. Number of personality traits and characteristics has been discussed by previous authors including optimism, self-confidence, high expectations and willingness to accept risks (Beugelsdijk & Noorderhaven, 2005). Some empirical studies have further examined the extent to which entrepreneurial characteristics impact on certain entrepreneurial decisions in investment, new venture creation, work/life choices, or success/failure of entrepreneurial actions (Kumar, 2007)

In this article, the author has attempted to examine, discuss and summarize 7 entrepreneurial characteristics that are mostly researched on and argued by previous scholars. The 7 characteristics are optimism, creativity and innovative, attitude towards risk-taking, attitude towards self-confidence, proactive personality, need for achievement, internal locus of control.

#### 5.2. Entrepreneurial Characteristics

##### 5.2.1. Optimistic

Optimism is often contrasted with pessimism and attributed to individuals who link positive thinking, better outcomes, personal control, personal well-being, coping strategy, self-esteem or interactions between individuals in different cultures and environments (Miao & Liu, 2010). Entrepreneurs tend to direct their decisions towards positive outcome and overestimate the probability of being right (Busenitz and Barney, 1997). Palich and Bagby's (1995) proposed that entrepreneurs categorize their business situations positively. Additionally, these theories have been supported by Simon, Houghton, and Aquino (1999) that entrepreneurs are poor at estimating the limits of their knowledge and tend to rely on certain biases, such as;

- The illusion of control - the entrepreneur believes and emphasizes that their skills can improve the entrepreneurial performance without considering the fact that chance may play a big part.
- The belief in the law of small number – The entrepreneur tends to make a decision with input of limited number of information inputs.

Corbett and Hmieleski (2007) have also agreed that such high optimism may be of advantage for decision making under uncertain environmental conditions where comprehensive and cautious decision making may not be possible. However, serious errors in judgement must be expected in such situations.

In a research conducted by Ayala and Manzano (2014) it was concluded that hardiness, resourcefulness and optimism have a statistically significant positive relationship with objective and subjective growth; i.e. greater entrepreneurial objective and subjective growth is associated with greater hardiness, resourcefulness and optimism. Optimism along with hardiness and resourcefulness are the three dimensions of resilience which helps to predict entrepreneurial success. Resilient entrepreneurs with optimism and courage can adjust their strategies and develop new skills to cope with constantly changing situations and environment (Ayala & Manzano, 2014).

In conclusion, according to previous literature entrepreneurs tend to be more optimistic compared to non-entrepreneurs. Most researchers who have studied entrepreneur's characteristics or traits seem to agree that optimism is a distinct characteristic of entrepreneurs.

#### 5.2. Creative and Innovative

Being creative and innovative has been argued as part of entrepreneurial characteristics. Reengineering of process efficiencies, development of own solutions and experimentation were tested as features for being creative and innovative. Generation X and generation Y both show similar interest in the reengineering of processes and the development of own solutions however generation Y tend to prefer to avoid experimentation (E.R.Brown, 2010) These abilities are developed from

childhood and are established through exposure to knowledge, experiences, learning and environment (Xiao, Marino and Zhuang, 2010)

Innovation and ability to adapt, ability to seize new opportunities, and to upgrade and to develop new skills will become more and more important as the existing and future workplace will continue to change constantly (Kodithuwakkua and Rosa, 2002). Leaders from the current working generations are expected to have innovation and creativity at their core and to be able to identify individuals who understand human behaviour, can engender co-operation, and have skills that can be transferred to others in order to bring out the best in workers. Innovation is integrated in business as applied creativity where the harnessing of creativity leads to innovation (Wu, Cheng, Ip & McBride-Chang, 2005). An entrepreneur is the one who identifies how these newly found combinations for the business to be sustainable (Sarasvathy, 2001).

In conclusion, entrepreneurs have been shown to be more creative and innovative than employees. An entrepreneur must be able to identify new combinations of factors and resources available, in order to be profitable and the entrepreneur need not necessarily be the one who invents the new combinations of resources.

### 5.3. Attitude towards Risk Taking

An essential characteristic of an entrepreneur is risk taking propensity. Risk taking is perceived as a characteristic that differentiates entrepreneurs from non-entrepreneurs (Ahmad, 2010). Risk aversion vary across the generations along with other traits such as loyalty to organizations and creativity (Wong et. al., 2008). Both X generation and Y generation are risk averse as they would start a business having the necessary opportunity and resources (E.R. Brown, 2010). An entrepreneur can be discouraged and stalled by the fear of risks and pitfalls to initiate an entrepreneurial venture (Crane and Crane, 2007).

A risk-taking entrepreneur is someone who pursues a business idea even when the probability of success is not high. Chell (2008) mentioned that entrepreneurs only actually take calculated risk despite the general impression that an entrepreneur is a risk-taker. Similarly, though economic theory suggests that entrepreneurs are risk-takers, researchers claim that typically entrepreneurs are only moderate risk-takers. This moderate risk taking characteristics is very much attributed to the entrepreneur's age, education, motivation, business experience and the numbers of years in business (Westhead et al., 2011). Mullins and Forlani (1998) found that entrepreneurs exhibit their most risk-averse behavior when they are either in control of their venture but lack in market skill, or without control of the venture but have technical skill.

Risk of missing an opportunity is considered to be more critical, even though the concept of risk-taking tends to have negative connotations resulting in some individuals to become risk averse (Townsend, Busenitz and Arthurs, 2010). The willingness to assume calculated degrees of risk – taking should be included in initiating an entrepreneurial venture as the uncertainty and risk-taking stems from the inability to accurately predict market demand (Webb, Kistruck, & Ketchen Jr, 2010).

Researchers have tried to figure out whether entrepreneurs make riskier decisions than other people as the creation of a new business venture is considered risky and uncertain. Entrepreneurs with a high level of risk-taking propensity don't mind to live with uncertainty, look for excitement and stimuli, as well as more optimistic and energetic. Furthermore, they tend to be more adventurous and daring.

In conclusion, successful entrepreneurs usually are moderate risk-takers and only take calculated risk. Theories has been discussed that risk propensity definitely supports business foundation, but not necessarily business success (Brandstätter, 2011).

### 5.4. Attitudes towards Self - Efficacy

Perceived self-efficacy is defined as people's beliefs about their capabilities to produce designated levels of performance (Bandura, 1994). Individuals tend to perform better on tasks which they have higher self-efficacy and usually avoid tasks which they have low self-efficacy (Forbes, 2005). The measurement of a person's belief in their ability to successfully launch an entrepreneurial venture is simply known as entrepreneurial self-efficacy (ESE) and is thought to be a strong predictor of entrepreneurial intentions (Bird, 1988). The self-confidence that one has the necessary skills to succeed in creating a business or entrepreneurial self-efficacy, has been demonstrated to play a key role in determining the level of interest in pursuing an entrepreneurial career (Wilson, Kickul, Marlino, 2007). Moreover, recent research suggests that an individual's ESE may be elevated through training and education; thus, potentially improving the rate of entrepreneurial activities (Florin, Karri, & Rossiter, 2007).

E.R Brown concluded in a research conducted in 2010, that attitude towards self-confidence was lower among generation Y entrepreneurs compared to previous generation. Maturity and increased experience gained in business related knowledge due to the longer time period exposure might be one of the reasons for such conclusion. Wu, Cheng, Ip, and McBride-Chang (2005) have confirmed this theory. Self-confidence has been a contributing factor towards the propensity of an individual in terms of entrepreneurial intent despite of the difference between the generational cohorts.

Self – belief and confidence were attributed to the success of an entrepreneurial success by Begley and Boyd (1986) in order to proof the importance of family support in contributing to the psychological boost of an entrepreneur. In addition, Mair & Marti (2009) also listed strong communication skills, greater self-confidence and resourcefulness as critical factors for success of

entrepreneurial activity, especially during the initiation and start-up phases. Further, studies by Baum et al. (2001) have identified a positive relationship between the self-efficacy of entrepreneurs and the growth of their firms.

In addition, entrepreneurial self-efficacy exerts significant influence on strategic decision making in new business ventures (Forbes, 2005). Entrepreneurs with high entrepreneurial self-efficacy are highly satisfied with their work and job (Bradley and Roberts, 2004) and lead their firms to higher revenue and employment growth than those comparatively lower in entrepreneurial self-efficacy. Patent inventors who have actively been involved in starting new business have been found to have high self-efficacy compared to patent inventors who had decided not to start a new business (Markman et al, 2002).

Nevertheless, recent studies have suggested that high entrepreneurial self-efficacy may have negative impact on the new ventures growth. Extreme level of confidence may manifest as excessive pride or arrogance and undermine the entrepreneur's ability to effectively lead their firms (Hayward, Shepherd, and Griffin, 2006). Hmieleski and Baron (2008) have investigated two moderating effects between the entrepreneurial self-efficacy of lead entrepreneurs and the performance of their firms which are; dispositional optimism and environmental dynamism. Dispositional optimism is defined as generalized positive outcome expectancy (Carver and Sheier, 2003). Environmental dynamism refers to the rate of unpredicted change occurring within a given industry (Dess and Beard, 1984). Hmieleski and Baron (2008) concluded that dispositional optimism will encourage overconfidence among entrepreneurs with high entrepreneurial self-efficacy in dynamic environments compared to stable industry environments.

#### 5.4.1. Dispositional Optimism

Hmieleski and Baron (2008) have considered optimism as a potential moderator between entrepreneurial self-efficacy and firm performance. Self-efficacy is the capacity of a person to perform specific tasks well and related to positive self-evaluations of competency, whereas optimism is expecting positive outcome. Individuals with high self-efficacy might not expect to receive positive outcomes from their efforts. Furthermore, individuals who are highly optimistic may be lacking in confidence in their own ability. They may anticipate external factors to intervene on their behalf (Hmieleski & Baron, 2008). The authors have explained that optimism can lead to overestimation of the probability of positive outcomes. However, this can be particularly dangerous for entrepreneurs as overconfidence can cause them to assume unnecessary risks that jeopardize the survival of their firms (Lovallo and Kahneman, 2003).

#### 5.4.2. Environmental Dynamism

Duncan (1972) defines environmental dynamism as the rate of unpredicted change occurring within a given industry. Environmental dynamism relates to the availability of information and its quality essential for strategic decision making. Dynamic environments make strategic decision making more ambiguous, increases the potential for overconfidence to operate, and for the occurrence of errors in judgment (Klayman et al., 1999). On the other hand, stable environments can result in under confidence, where decision options are more certain.

In conclusion, self – belief and confidence were attributed to the success of an entrepreneurial success. Nevertheless, high entrepreneurial self-efficacy may also have negative impact on the new ventures growth.

#### *5.5. Proactive Personality*

Göksel & Aydın (2011) have analysed personality traits such as proactive personality, internal locus of control and need for achievement as the dimensions for entrepreneurial success.

The proactive personality scale is a recent addition to the literature and potentially able to provide better insight into the personality trait-entrepreneurship relationship (Crant, 1996). Proactive personality is identified as the differences among people in the extent to which they take action to influence their environments (Bateman & Crant, 1993). People influence their own environment in 4 ways, i.e. manipulation, evocation, cognitive and proactive. Manipulation is defined as the intention of alter their interpersonal environment (Buss, 1987). Evocation is when people show reaction against the behaviour of the others (Scarr and McCartney 1983). Cognitive is when people perceive and construe their environments. Manipulation, evocation and cognitive are considered as the essentials of proactive behaviours. Langer (1983) has mentioned that the proactive dimension of behaviour has its resources in the people's needs to manipulate and control the environment.

People having proactive personality have initiative, search for opportunities, take action and struggle with their problems until they are solved despite environmental changes (Göksel & Aydın, 2011). A person with proactive personality persevere until they bring about meaningful changes compared to a person who are not proactive. Accordingly, this type of people can change their current circumstances and choose their career which suits them the best and hence they are more attracted to entrepreneurial ideas. In a research titled "Proactive Personality Scale as a Predictor of Entrepreneurial Intention" conducted by Crant (1996), it was concluded that proactivity was positively associated with entrepreneurial intention.

The effects of these entrepreneurs' personalities are demonstrated in their important choices for operating their businesses and competing within their industries. High administrative leaders who are proactive are known to explore for more business opportunities (Becherer & Maurer, 1999). Proactive individuals also display several other characteristics such as problem-finding, idea championing and strategic prospecting in addition to directing the goals of their organization in order to influence the mission and strategy of the business (Bateman & Crant, 1993). An entrepreneur with high personal initiative is someone who initiate to take action and to be proactive. They are also able to stay ahead of their competitors. Personality

traits such as the ability to self-start, proactive, and over-coming barriers plays a major role in determining the success of start-up company and also to successfully lead a company to growth-stage (Rose, Kumar & Yen, 2006).

In conclusion, majority of the research carried on proactive personality is in relation to entrepreneurial intention and employees' performance but not in relation to entrepreneurial success. However, proactive entrepreneurs do not easily give up on their projects or business but will seize opportunities and persevere till they succeed.

#### 5.6. Need for Achievement

McClelland (1961) have defined in his work that high need for achievement associated with preferences for challenge, acceptance of personal responsibility for outcomes, and innovativeness as accepted characteristics of successful initiators of new businesses. Similarly, he also mentioned risk taking propensity, preference for energetic activity, and personal responsibility as powerful traits to explain entrepreneurial behaviour, success and failure of the business venture. McClelland's theory of the need to achieve claims that individuals who have a strong need to achieve commonly find their way to entrepreneurship and their success rate is higher than that of other entrepreneurs. It is supported by Hornaday and Aboud, (1971) that those characteristics are not only motivating individuals to initiative new ventures but also contribute to venture success.

The need for achievement is usually referred to as a learned, stable characteristic where satisfaction is acquired by aiming for and accomplishing higher levels of excellence. The need for achievement was originally conceptualized as a fixed personal characteristic. However, recent studies have shown that it can evolve over time, especially by obtaining an advanced education (Zhang & Bruning, 2011). Need for achievement may differ among entrepreneurs, as some may define financial gain or monetary gain as achievement while others may define higher achievement as public recognition (Burns, 2008). High achievers typically choose situations that are linked with responsibility, moderate risk-taking, and knowledge of results of decisions, new instrumental activity and anticipation of possibilities in the future (Chavez, 2016).

Fine et. al (2012) have argued that "entrepreneurs with high levels of need for achievement typically try to set difficult goals for themselves and intend to achieve these goals, they are enthusiastic and they seek self-development". Many other authors have also agreed to the statement above by saying such entrepreneurs with high need for achievement, have a strong desire to solve problems by themselves, they like setting and achieving goals and they enjoy receiving feedback on their achievements (Dollinger, 1995). An individual with a high need for achievement do not like to succeed by chance. They are going to spend time trying to do a better job or trying to accomplish something more important, however they don't like to target for something that is over their capabilities.

Zhang and Bruning (2011) explained that entrepreneurs with higher levels of need for achievement are more likely to grow a more competitive and proactive organizational culture. Additionally, Westhead et al. (2011) link the need for achievement to risk-taking. They claim that it takes into consideration the risk of the situation and the level of competence. Individuals with a high need for achievement are more future oriented and they will take future goals oriented tasks seriously. (Ahmad, 2010)

In conclusion, entrepreneurial characteristics such as high need for achievements along with proactivity and risk taking propensity are not only motivating individuals to initiative new ventures but also contribute to venture success.

#### 5.7. Locus of Control

Locus of control is another characteristic that is often associated with entrepreneurship and one of the most researched characteristics among successful entrepreneurs. The theory of locus of control was initially developed by Rotter in the 1960s. Internal locus of control is also been identified by Brockhaus (1982) as attribute associated with entrepreneurial behaviour along with need for achievement and risk taking propensity. Perceived control and its effects on human behaviour's research in various situations have been studied in psychology and organizational field (Strickland 1989). According to Rotter (1990) an individual perceives the results of an event as it is under his/her control and understanding. Locus of control construct has been one of the most studied psychological traits in entrepreneurship research.

Rotter (1990) further classified locus of control into two types; internal locus of control and external locus of control. Internal locus of control was mentioned to be associated with outcomes by own ability, effort or skills. On the contrary an individual having external locus of control believes that his/her behaviours are under influence of outside forces. According to Brockhaus (1982), potential entrepreneurs have an internal locus of control orientation more than externals because risk and ability perception that effect results are important for a new venture decision. Several other authors such as Shapero (1975), Pandey and Tewary (1979) have also supported this theory by concluding high scores between entrepreneurs and internal locus of control orientation. Even though it feels logical to think that a person with high internal locus of control to be more entrepreneurial than someone with high external locus of control, there is unfortunately no sufficient evidence to support this claim. (Dollinger 1995)

The internal locus of control is related to learning, and therefore, motivates and supports active striving. Westhead et. al (2011) argued that the locus of control is a determinant of the expectation of success. Similarly, in a previous study by Ahmad (2010) it was concluded that locus of control has been found to distinguish entrepreneurs from non-entrepreneurs and to differentiate successful entrepreneurs from unsuccessful ones. Entrepreneurs with high levels of internal locus of control usually see themselves as having more power and discretion and being more innovative. (Zhang and Bruning, 2011).

Entrepreneurs with high internal locus of control would want to create a competitive organizational culture that is driven by their own creative and innovative ideas (Zhang and Bruning, 2011). They strongly believe that they can make things happen and they take full responsibility if their business succeeds or fails.

Despite all the positive effect of high internal locus of control it is also been argued that sometimes internal locus of control can have negative aspects. An entrepreneur may want to maintain complete control over all the aspects of the business and this can end up in mistrust among the subordinates or he/she might be unwilling to part with shares of the business (Burns, 2008).

In conclusion, the relationship between entrepreneurial behaviour and internal locus of control has a strong connection. Entrepreneurs with high levels of internal locus of control will not give up the control of their business instead they prefer to seek advice from their customers, competitors or even other external entities.

#### 6.0 Conclusion

In sum, it has been made clear that a large number of entrepreneurs affirmed personal traits and entrepreneurial characteristics as major key to entrepreneurial success. All 7 characteristics discussed in this paper have positive effects towards entrepreneurial intention as well as entrepreneurial success. However, attitude towards risk taking has a bigger role in entrepreneurial intention rather than entrepreneurial success. It has also illustrated that entrepreneurs with combination of several entrepreneurial characteristics will further enhance their management, improve business operation skills and embark in a continuous learning and development attitude. As the company grows, the founding entrepreneurs must be attuned to promoting company and its product and services, understanding market needs and customer feedback to ensure the future and the survival of the company.

#### 6. Limitations

This research paper is completely based on previous literature, hence an attempt to primary data collection can help the author to identify and criticise the factors better. The author is well aware that the success of a business venture is not only dependent on the personality characteristics of the entrepreneur but on various other aspects as well. Despite this fact, the main focus that the author wants to keep in this specific research paper is the psychological factors of the entrepreneur and how they are related to the performance of a new business venture.

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