

THE STUDY OF RELATIONSHIP FOR PERSONALITY TRAITS,  
PERCEPTION RISK, MOTIVATION, BUSINESS STRATEGIES  
ENVIRONMENT FACTORS AND BUSINESS  
PERFORMANCE TO ENTREPRENEURS

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Abstract

This study aims to explore the entrepreneur's personality traits, risk perception, entrepreneurial motivation, business strategies, environmental factors and business performance relationship in order to provide practical entrepreneurial, business advice and reference to academic research. Samples are Member of the China Youth Career Development Association and the national chairman of the China Youth Career Development Association in Taiwan. Send 300 copies and valid questionnaires were 224. According to statistics, a total of 152 valid questionnaires, 71 questionnaires were invalid, 1 questionnaire was expired, and the effective rate is 50.7%. Use Excel 2003, SPSS 12 statistical software to descriptive statistics, reliability analysis, factor analysis, canonical correlation analysis, regression analysis and other statistical methods for empirical analysis. According to the results, there is no significant between entrepreneurial personality traits and business performance. The sample infer the incumbent entrepreneurs that entrepreneurs of the personality traits still tend to "friendly social type", "trust-based organization," "conservative tension-type". People who have three kinds of personality traits are more suitable for business. Entrepreneurs' perceptions of risk for business strategy and entrepreneurial motivation have a significant impact. Environmental factors on strategy and performance have a significant influence.

Key Words: Entrepreneur, Personality Trait, Risk Cognition, Business Strategy, Entrepreneurial Risk

## Introduction

Entrepreneurial journey is highly challenging, risky procedure, there are entrepreneurs entrepreneurship: mission, vision, ideals and the desire of personal growth. Entrepreneurship can be defined as the change the status quo, change of use of an opportunity to create profitability and "identification" ability and insight into "opportunities", as entrepreneurs from exploring opportunities in a changing environment, and take advantage of opportunities to "change" and "create" new value (Drucker, 1985). Using this process, the opportunity to create new and different things, create more value and change, and take advantage of this continuous process, obtain benefits. Business-related research from the 1970 's began to develop. Institutional Theory and other behavioral science theories, if entrepreneurs invested venture, may also cause technical exclusivity issues, These problems often appear in technology entrepreneurs, and on entrepreneurial risk perceptions of the degree of difference is enormous. Technology process of entrepreneurial opportunity identification, Held by the technology, and is considered to be one of a kind patented technology, is the only market products, Further mistaken for an exclusive product, the risk of cognitive dissonance, and most likely is the key to business failure, business management and other related studies, to date has not been set right and universal model can explain fully the entrepreneurs of business processes and rules for success. This triggered motivation for this study, from the entrepreneurial personality traits, risk perception, motivation and entrepreneurship policies and environmental factors

under the influence on business performance level.

In the entrepreneurial process and looked forward to explaining human capital, how to reduce the risk of business failure, promotion opportunities and sustainable business success and profit prospects. According to the background and motivation, mainly for the Taiwan Youth Association and national various counties and cities of the youth branch of entrepreneurs to do empirical investigation and research, discussion venture home personality traits, and risk cognitive, and venture motivation, and environment frame surface and the business strategy, frame face business performance of associated degree and differences sex, and in-depth discussion different venture motivation and the environment factors background discussion venture home of personality traits, and risk cognitive and business strategy, frame surface associated degree, to provides future input venture ranks of entrepreneurs and engaged in venture management research of scholars reference.

According to the background and motivation, study on the scope and purpose of this research is:

1. Explore personality traits impact on business performance.
2. Explore the influence of personality traits on risk perception.
3. Discuss risk perception, personality traits and motivation impact on business strategy.
4. Discuss risk perception, personality traits impact on motivation.
5. Explore entrepreneurial motivation, personality traits and management strategies impact on business performance.

6. The influence of environmental factors on business strategy.
7. Mining of environmental factors impact on business performance.

### Literature Review

The main objective of this study was to explore Taiwan SME (Small and Medium Entrepreneur) entrepreneur's personality, motivation, risk awareness, environment, business strategy and business performance and other dimensions of difference and interaction of factors.

#### 1. *Entrepreneurs*

##### 1.1. *Definition of entrepreneur*

Business concept was started by economics, focused on entrepreneurial activities impact on the economic and industrial development. Economists Knight that entrepreneurs have to tolerate a high degree of uncertainty, and are willing to put into production to meet the changing and uncertain demand for scholars Casson argues that entrepreneurs is the Coordinator for the campaign, think entrepreneurship research policy-making issues, in addition to the analysis of human capital should also be committed to exploring the relationship between entrepreneurial activity and economic growth. Drucker (1985) points out that "change" offers people the opportunity to create new and different things, when change occurs, entrepreneurs take advantage of the opportunity to create new value.

Entrepreneurs in addition to being a market maker, but also an efficient information manager, they often have very tight-knit network, is good at

handling large amounts of external information, they also have some personality traits conducive to entrepreneurship, such as optimism, self-confidence, lower the risk of escape, and that entrepreneurship is not neglect issues.

##### 1.2. *Definition of entrepreneurship*

Entrepreneurship is in fact full of trouble, Dictionary definition of entrepreneurship are: for the sake of profit, in an active and adventurous and enterprising manner, creating and managing career. Entrepreneurship covers three elements: Mindset. Action, and Process. Ideas: the entrepreneurs will continue to search in the world of ideas and opportunities that can be commercialized, they focused on innovation, improve, add, create, and provide unique value to customers, and for all interested persons.

Shame (1974) argue that "entrepreneurship" is the idea of collaborative efforts of entrepreneurs based on their work to create a new enterprise, which includes a new company was founded, the larger organizations in the establishment of the new units, the provision of new products or services etc. Entrepreneurship is a personal journey, as you learn about yourself, your goals, and when faced with obstacles, the more chances of success. In reality, the entrepreneurial activity is difficult to solely by economic arguments to explain, other factors such as psychological, cultural, social, and that will also affect the entrepreneurial phenomenon. Theories of sociology, psychology and anthropology focus discussion on structural, psychological and behavioral issues (Swedberg, 2000).

#### 2. *Taiwan SME definition*

Taiwan SME definition since 1967, namely industry, capital, total assets and number of employees to define. Now based on the Taiwan small and medium enterprises are defined as announced in October 2000, Taiwan SMEs identify the standards and criteria are as follows:

- (A) The manufacturing, construction, mining and industry of soil and stone paid-up capital of less than NT \$80 million.
- (B) forestry, fishing, animal husbandry, electricity and gas industry, Commerce, transport, storage and communications sector, finance insurance, real estate, business services, social services and personal services turnover below NT \$ one billion a year earlier.

Bodies based on the nature of the tutoring business, on the specific business matters for SMEs are often employ several of the following criteria, are not subject to the provisions of the preceding paragraph shall:

- (A) the manufacturing industry, construction industry, mining and stone industry often employ several persons 200 persons.
- (B) forestry, fishing, animal husbandry, electricity and gas industry, Commerce, transport, storage and communications sector, finance insurance, real estate, business services, social services and personal services often employ a person under 50 employees.

### *3. Taiwan Federation of China Youth Career Development Association*

China Youth Career Development Association (the green) is established by the Executive Yuan's National Youth Commission of the Association, was founded in May 17, 1872, founded initially by a group of government loans subsidies entrepreneurial success and are dedicated to serving youth, and youth to create relevant government units under counseling, foster, and gradually grow and grow strong.

Green founded 1991 in response to Member demand in cities and counties to set up a contact group following one after another to set up associations and city and County Branch, city and County members can participate in activities organized by the Youth Club, also began to set up youth create a nurture leading cadres of counties branch.

### *4. Personality traits*

From the traits of successful entrepreneurs often have reason to tell, For example: risk (Bhide, 1996), the need for achievement (McClelland, 1975), persistence and strong sense of responsibility, controlling, go into entrepreneurs, entrepreneur personality traits and entrepreneurial performance, entrepreneurial opportunity recognition and Enterprise survival were significantly related (Ibrahim & Goodwin, 1986, Choi & Shepherd, 2004). From sensibility to tell most of the successful entrepreneurs with a unique personal style of leadership, for example: some stubborn strength, some easy enthusiasm, some conservative reason, some open innovation ..., but unable to prove that a particular character is superior to interduction.

### *5. Definition of personality traits*

Scott and Mitchell (1972) psychological growth and development of the human personality; David (1989) personality but can be determined between individuals and others, together with a set of durable and stable characteristics and differences. When personality is on behalf of individuals in response to the situation, structural properties and motivation shown by itself in nature. Trait first can be divided into individual trait and common trait, are personal qualities in an individual's traits, common features that many groups and the character. Individual behavior, reflecting the individual Personality Characteristics, such as shy, aggressive, obedient or timid, lazy, loyalty, which continues to occur in many different contexts, we call "Personality Traits", so "personalities" in the person's life is stable, the main factors, it is important (Costa & McCrae, 1998).

#### *6. Risk perception*

Cognition refers to the personal perception, memory and thinking, cognitive processes including input data is converted, cut, store, maintain, and use of the program, will help explain the emergence of cognitive psychology entrepreneur relationship with surrounding people interact, the external environment of mental processes (mental processes). Cognitive structure refers to a people risk, control, and the opportunities and benefits of the beliefs and view, cognition refers to a person's information handling and ability. Many researchers from the angle of cognitive psychology, cognitive black box trying to unravel human capital (Black box), so as to explore how to effectively discover entrepreneurship opportunities. The entrepreneurial

cognition is defined as "people to assess, judgements and decisions about market opportunities, new business development and the growth of knowledge. In other words, entrepreneurial cognitions are used to understand how entrepreneurs use mental models, many external links, bold judgement of market opportunities and combination of resources, develop new products and create a new business. Shane (2003) cognitive characteristics, such as self-confidence and intuition and subjectivity, will affect how people thought and decision-making. High risk due to the uncertainty faced by entrepreneurs and, in the conditions of limited information, you need an effective mode of thinking to overcome cognitive biases and increase the chances for the ability to judge. Therefore, the entrepreneur how to interact through the environment to explore business opportunities, its internal cognitive processes are highly correlated.

#### *7. Entrepreneurship policy*

The original meaning of the policy originated in ancient Greece the word refers to the effective use of resources to destroy the enemy or as a resource will have the power effectively used, to command of the army to annihilate the enemy, or the loss of means. Strategy of management, stressed the importance of strategic thinking and strategic programs (Hitt, Ireland, and Hoskisson, 2009) in the field of business, on "enterprise policy" discussion, can be said to be contending. Entrepreneurship (looking) and strategy (seek) their idea integration "entrepreneurial strategies" and "enterprise policy" is homogeneous, the core elements of the strategy business includes six basic elements

(opportunity recognition, vision, innovation, risk-taking, resilience and growth) and six supporting elements (strategy, culture, brand and operational excellence, cost efficiency and the dissemination and application of knowledge) needs to maintain a dynamic balance. Today's academic community has not yet developed the apply to any industry or the life cycles of various industries, to universally applicable mode of entrepreneurial success.

#### 8. Environmental factors

Social ecology (Social Ecology) point of view, with more social entrepreneurs and new ventures, business also is the predominant ethos, starting a business dependent on external resources, entrepreneurial behavior will be affected by sources of the influence, But under the environment of knowledge economy requires a different industry structure and economic value to values derived from the creation of more economic resources to make entrepreneurial society (Audretsch and Thurik, 2000).

#### 9. Business performance

Capon, Farley, and Hoening (1990) Review of empirical study of 320 articles in 1921-1987, found that performance measurement options are consistently adopted a single pointer, and were conducted in a discretionary manner. Financial pointers are the most basic method of judgement of organizational performance. Cooper (1995) believes that entrepreneurs for their business results satisfactory or not, can be regarded as the basic way to measure performance. Cooper's study was based on difference theory. In personal

traits effect looks forward to aspects. Cooper think age more long of venture home in initial looks forward to of degree Shang more age light of venture home low; women venture home in initial looks forward to of degree Shang more male venture home low; Cooper also think in same of performance, older of venture home and female surname venture home more young, and male of venture home has high of meet sense.

#### 10. Theory study on the operating performance

Venkatraman and Ramanujam (1986) proposed three different ranges of performance 1. Financial performance, Such as profitability and sales growth. 2. Business performance, Financial performance and operational performance. Job performance refers to the market share of the product quality. 3. Organizational effectiveness, is the most widely used definitions of organizational performance.

#### Research Methods and Hypotheses

The main objective of this study was to explore the domestic SME entrepreneur personality traits, entrepreneurial motivation, business strategies and operating performance dimensions of difference and interaction of factors. This study field contains the following (See Figure 1).

According to the aim of this study is to explore as well as the results of the literature review and hypothesis of this study is shown below:

H<sub>1</sub>: Entrepreneur personality traits have significant impact on risk perception.

- H<sub>2</sub>: The entrepreneurial personality traits have significant impact on entrepreneurial motivation.
- H<sub>3</sub>: The entrepreneurial personality traits have a significant impact on business strategy.
- H<sub>4</sub>: The entrepreneurial personality trait has a significant impact on business performance.
- H<sub>5</sub>: Risk perception of entrepreneurs has a significant impact on business strategy.
- H<sub>6</sub>: Entrepreneurial risk has significant impact on entrepreneurial motivation.
- H<sub>7</sub>: The entrepreneur's business strategy has a significant impact on business performance.
- H<sub>8</sub>: Entrepreneur entrepreneurship motivation for entrepreneurship policy has a significant impact.
- H<sub>9</sub>: Entrepreneurs in founding a business has a significant impact on business performance.
- H<sub>10</sub>: Entrepreneurial environmental factors have a significant impact on business strategy.
- H<sub>11</sub>: Entrepreneurial environmental factors have a significant impact on business performance.

## Results

### 1. Statistical analysis of the data

This study using Excel 2003 and edition 12 of SPSS, the statistics software package for questionnaire survey

data and data for statistical analysis and interpretation of research results.

### 2. Descriptive statistics analysis

The study questionnaires by mail and e-mail send 300 copies, there were 224 statistically valid questionnaires received 152, invalid questionnaire 71, expired recovery questionnaire 1, effective recovery 50.7%

### 3. Entrepreneurs surveyed basic information

According to the questionnaire data of the Recycle, respectively on the entrepreneurial type, education, expertise, business education, pioneering marriage when, startup age, blood type, gender, the company turnover, the company registered capital amount, currently registered venture capital, industry, number of employees, business employees, the length of setting up distribution of collected as described below:

1. According to business type, owner-122, 80.3%, enterprise business has 17, 11.2%, entrepreneur second generation 13, 8.6%, samples in this study most of self employment.
2. Terms of educational expertise, Department of management science 41, 27% and engineering 37, 24.3%, commercial subjects, 36 people, 23.7%, this research sample entrepreneur education expertise with engineering and commercial subjects in systems and management systems for most, literature department, Medical Department, Science Department, Department of military science accounted for the least.

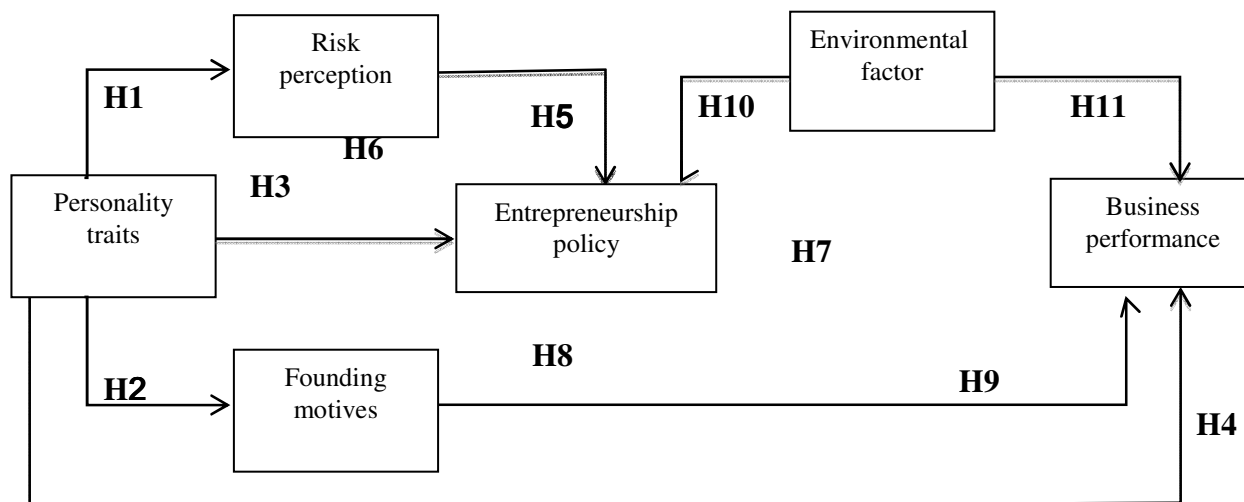


Figure 1. Structural Model of Research Hypotheses

3. In entrepreneurship education, the University has 48 people, specialties and 47 people, 30.9%, 31.6%, vocational high school has 36, 23.7%, junior high school and Dr accounted for at least 3 people in the country, 2%, scale, this research sample vocational high school, College and University is still the majority.
4. When marital status married 102 people, 67.1%, single, 46 people, 30.3%, the study sample for startup entrepreneurs accounted for the vast majority of married.
5. According to business age, 49 people less than 30 years old, 32.2%, aged 30 to 35, 45, 29.6%, 46 to 50 and 51 to 55 and 56 years old accounted for at least a total of 14 people, 9.2%. Age when the study sample entrepreneur business is still dominated by 35 years of age.
6. Entrepreneur blood type, O-72, 47.4%,A-38, 25.0%,B-33, 21.7%,AB-9, 5.9%, this research sample O percentage of most.
7. Entrepreneurs gender, males had 99, 65.1%, female, 53 people, 34.9%, male entrepreneurs accounted for the vast majority of samples in this study.
8. According to the current annual turnover, with NT\$10 million the following 84, 55.3%, NT\$ 10 million ~NT\$ 1 billion with 42, 27.6%, NT\$ 100 million to NT\$ 5 million, 17 people, 11.2%, NT\$ 500 million more than a total of 9, 5.9%, the study sample operating companies with annual turnover of less than NT\$ 10 million in the majority.
9. According to the present in terms of registered capital, is less than NT\$ 5 million with 89, 58.6%, NT\$ 5 million ~ NT\$ 1,000 million, 30 19.7%, NT\$ 10 million ~ NT\$ 8,000 million, 22 14.5%, NT\$ 80 million more than a total of 11, 7.2%, this research sample business after years of hard work both in capital growth by a wide margin.
10. When starting a registered capital volume of less than NT\$ 2.5 million with 88, 57.9%, NT\$ 2.5 million ~ NT\$ 500 million, 34, 22.4%, most of these



samples in this study is less than NT\$ 2.5 million, showing Taiwan small businesses most take little starting capital.

11. According to the industry, traditional manufacturing and personal services 22 people, 14.5%, restaurant 16, 10.5%, as shown in table 4-1-11. This study in the traditional manufacturing industries and the personal services sector accounted for most, textile industry, chemical industry, transportation, warehousing and pathway accounted for the least.
12. According to the company's current number of employees is concerned, 79 people less than 10 people, 52.0%, 11~50 people have 42, 27.6%, this research sample is less than 10 companies with the largest number of people, show management company after many years of hard work in there are substantial growth in the number of employees.
13. According to pioneering work in terms of the number of employees, with less than 10 people, 73%, in proportion, the study sample of firms with less than 10 people maximum, whereas

101~200 persons and the number of 200 people at least show Taiwan small businesses most small-scale mining when appointing staff.

14. According to company seniority, 3-5 years, 33 peoples, 21.7%, less than 3 years, 27 peoples, 17.8%, 6-10 years, 28 peoples, 18.4%, 11-15 years, 25 peoples, 16.4%, samples in this study set up 3-5 companies accounted for most of the year.

#### 4. Reliability analysis

The questionnaire adopted formally sent questionnaires, factor analysis to individual items, remove any nuclear factors review criteria asks, Cronbach's alpha >0.6 the reliability check, entrepreneurial strategy of "massive access" and "a high growth strategy" alpha <0.6 and founding a business reliability check "freedom from want" alpha <0.6 be deleted. As shown in table 1, all questionnaire reliability is above 0.6, even up to 0.8 per cent, a very credible. Questionnaire reliability are a credible range of dimensions, so the corollary of this study questionnaire design is acceptable (Table 1).

Table 1: Reliability analysis

Institution	Visit Cronbach's alpha
All questionnaires	0.8637
Personality traits	0.6447
Founding motives	0.8816
Entrepreneurship policy	0.8274

Performance of venture	0.7498
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Table 2: Hypothesis and empirical results

The item of study hypothesis	Results
H <sub>1</sub> : Entrepreneurial personality traits have significant impact on risk perception.	Support
H <sub>2</sub> : Entrepreneurial personality traits have significant impact on entrepreneurial motivation.	Partial support
H <sub>3</sub> : Personality traits of entrepreneurs have a significant impact on business strategy.	Partial support
H <sub>4</sub> : Personality traits of entrepreneurs have a significant impact on business performance.	Does not support
H <sub>5</sub> : Risk perception of entrepreneurs has a significant impact on business strategy.	Partial support
H <sub>6</sub> : Entrepreneurial risk has significant impact on entrepreneurial motivation.	Partial support
H <sub>7</sub> : Entrepreneur's business strategy has a significant impact on business performance.	Support
H <sub>8</sub> : Entrepreneur entrepreneurship motivation for entrepreneurship policy has a significant impact.	Support
H <sub>9</sub> : Entrepreneurs in founding a business has a significant impact on business performance.	Does not support
H <sub>10</sub> : Entrepreneurs of the environmental factors have a significant impact on business strategy.	Support
H <sub>11</sub> : Entrepreneurs of the environmental factors have a significant impact on business performance.	Support

The Framework of this study, completed by factor analysis and reliability testing, extraction of principal components factors of the personality dimensions for

the friendly society, organizational trust and conservative tension-type three-variable; cognitive dimensions principal component factor of risk for the voluntary

commitment and knowledge and attitudes of two variables; Facets of entrepreneurship strategy principal component factor for the specification entered, programs to improve the quality of, competitive differentiation, and recognition degree, high growth strategy and stability policy of six variables. Entrepreneurship mechanism of principal component factor for achievement of self, social influence, freedom from want, freedom and follow the example of the previous five variables; principal components factors of environmental factors for customer-oriented, market changes and technological change are three variables; principal component factor for organizational performance management performance and operating performance of two variables.

### Conclusion

This research is for Taiwan, success of SMEs of venture home of personality traits, and risk cognitive, and venture motivation, and venture strategy, and environment factors and business performance.

The research resulted are shown as follows:

1. Research hypothesis H<sub>1</sub>: Entrepreneur personality traits have significant impact on risk perception.
2. Hypotheses H<sub>2</sub>: Entrepreneur personality traits have significant impact on entrepreneurial motivation.
3. Research hypothesis, H<sub>3</sub>: Entrepreneurial personality trait has significantly influence on business strategy.
4. Research hypothesis H<sub>4</sub>: Personality traits of entrepreneurs did not have a significant impact on performance.
5. Research hypothesis H<sub>5</sub>: Risk perception of entrepreneurs has a significant impact on business strategy.

6. Research hypothesis H<sub>6</sub>: Entrepreneurial risk has significant impact on entrepreneurial motivation.
7. Research hypothesis H<sub>7</sub>: Entrepreneur's business strategy has a significant impact on business performance.
8. Research hypothesis H<sub>8</sub>: Entrepreneur entrepreneurship motivation for entrepreneurship policy has a significant impact.
9. Research hypothesis H<sub>9</sub>: Entrepreneurs in founding a business has a significant impact on business performance.
10. Research hypothesis H<sub>10</sub>: entrepreneurial environmental factors have a significant impact on business strategy.
11. Research hypothesis H<sub>11</sub>: Entrepreneurial environmental factors have a significant impact on business performance.

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