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Entrepreneurial Intentions among Indigenous Dayak in Sarawak, Malaysia: An Assessment of Personality Traits and Social Learning

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Abstract

This study examines two aspects that have major influence to entrepreneurship as widely described in literature: the personality traits and social learning. The interest of study was on the indigenous Dayak in East Sarawak Malaysia. With the use of quantitative methods for data collection and analysis, the impacts of personality traits and social learning of the respondents on development of their entrepreneurial intentions were investigated. The correlation analysis indicated that the respondents' entrepreneurial intentions are positively correlated to their personality traits (risk taking propensity, innovativeness and tolerance of ambiguity), and social learning (knowledge and experience, family upbringing). This study therefore articulates the present view of Dayak in Sarawak about their entrepreneurial intention, and its implication to indigenous entrepreneurship development.

Keywords: entrepreneurial intentions, personality traits, social learning, indigenous, Dayak.

1. INTRODUCTION

Equivalent with the developing interest in entrepreneurship throughout the world, Malaysia has also witnessed an increasing interest in indigenous entrepreneurship fields. Since 1971, the Malaysian Government has made some major efforts by introducing various policies to improve the quality of life for the indigenous people known as Bumiputera. Through these policies, more Bumiputera SMEs are expected to be created and upgraded by accelerating their growth and positioning them to be more competitive in the open market on their own.

However, the programmes did not seem to really benefit other Bumiputera groups apart from the *Malay* community. In Sarawak, the biggest indigenous community belongs to the *Dayak* group which consists of majority ethnics in the state including Iban, Bidayuh and Orang Ulu. After the introduction of the National Economic Policy and National Development Policy in 1971 and 1991 respectively, the *Malay* community has managed to increase their living standard and quality of life with many of them are shifting jobs to professionals and bureaucrats (Fakrul & Wan, 2011). This situation is a stark contrast to the statistics that illustrated a high proportion of the *Dayak* community that being involved in elementary occupations with many of them are still poorly paid and living below the official urban poverty line in Malaysia (Sarawak, 2011).

The study aims to investigate the potential of entrepreneurship among *Dayak* youth in Sarawak based on their intention to start a business. Then, two possible factors contributing to entrepreneurial intentions are also empirically tested; personality traits (entrepreneurship traits) and social variables (knowledge and experience, family upbringing). In specific, the objectives of this study are to: 1) identify the relationship between the factors of personality traits and entrepreneurial intention of *Dayak* youth; and 2) identify the relationship between the factors of social learning and entrepreneurial intention of *Dayak* youth.

2. LITERATURE REVIEW

Historically, most *Dayaks* in Sarawak practiced shifting agriculture as their major economic source besides fishing and hunting activities for their livelihood. In recent years, services sector has shown the highest figure in distribution of employed persons in Sarawak. However, agriculture, hunting and forestry still recorded high distribution of employed persons with 24.7%, dominated by the *Dayaks* (Sarawak, 2011). In terms of business and SMEs, a survey done in 1999 showed only 26.1% of non-Malay Bumiputeras were involved in business while the rest were Malays and Melanaus; Iban - 16.2%, Bidayuh - 4.7%, Orang Ulu - 1.9% and others - 3.3% (Bumiputera Commerce & Industrial Community, 2000).

Several definitions of entrepreneurship involve a process of creating or starting a new venture. Johnson (2001) defined entrepreneurship as a process of getting new ideas and innovatively converting them into products or services with value; this is achieved by taking major risks and devoting necessary time and efforts (Hisrich *et al.* 2005) to turn creative ideas into revenue. Entrepreneurial activity is shaped by various aspects such as entrepreneur's experience and environment, socialisation process and other motivation factors. In particular, career dissatisfaction or having a family background of entrepreneurs can be a strong motivator for entrepreneurial activity (Cromie *et al.*, 1992).

For the purpose of this study, entrepreneurship potential is defined as possibility to start a business whereas entrepreneurial intention refers to the desire to start up a business. Factors contributing to entrepreneurial intention have gained the attention of a number of researchers (Nabi & Holden, 2008; Pruett *et al.*, 2009). At the same time, some researchers have debated the theoretical relevance of personality traits (Deamer & Earle, 2004; Shabhosseini *et al.*, 2011) and influence of social learning (Roxas *et al.*, 2008; Kirkwood, 2009) to determine indigenous entrepreneurship potential.

A model of traits assumes that entrepreneurs have certain unique characteristics that distinguish them from others (Thomas & Mueller, 2000). In describing personality traits of entrepreneurship, literature has consistently portrayed an entrepreneur as one who is innovative, a risk taker, aware of the need for achievement (David *et al.* 1996), positively motivated, and able to tolerate ambiguity (Gurol & Atsan, 2006; Jaafar *et al.*, 2009). In this study, three most common personality characteristics described in literature are used to define the entrepreneurial intentions of *Dayak* youth. These are risk taking propensity, innovativeness and tolerance of ambiguity.

Although it is common to use entrepreneurship traits to explain entrepreneurship, it seems that traits alone cannot provide a complete description of a person's personality. Deamer and Earle (2004) believed that to develop a better profile of an entrepreneur, a multidimensional approach is needed to move away from reliance on traits and focus more on the process that creates an entrepreneurship profile. Associations are created through relationships built with different people such as family, friends and business partners. These relationships are generally known as social learning, which may influence a person's personality. It includes family upbringing, stage of career (Alstete, 2002), early

life experiences and growth environment (Gibb, 1993).

Thus, in order to investigate entrepreneurship potential of *Dayak* group in Sarawak, five hypotheses are developed to explore the associations exist between their personality traits, social learning and entrepreneurial intentions:

- H1:** There is a positive relationship between the risk-taking propensity of the *Dayak* youth and their entrepreneurial intention.
- H2:** There is a positive relationship between the tolerance of ambiguity among *Dayak* youths and their entrepreneurial intention.
- H3:** Innovativeness trait is positively related to the entrepreneurial intention of the *Dayak* youth.
- H4:** Family upbringing is associated with the intention of the *Dayak* youth to be involved in entrepreneurship.
- H5:** Knowledge and experience are associated with the entrepreneurial intention of the *Dayak* youth in Sarawak.

3. METHODOLOGY

The present study is based on primary data obtained through a cross-sectional (data collected at one time) survey. Ethnicities selected as respondents for the present study consist of Iban, Bidayuh and Orang Ulu (including Kayan, Kenyah, Kelabit, Berawan, and Lunbawang). 384 questionnaires were distributed via email, social network websites and hand-to-hand method in five different clusters around Sarawak: Kuching, Sri Aman, Sibul, Bintulu and Miri. Over a period of one month, only 161 questionnaires were returned, yielding a response rate of 41.9%.

A 31-item questionnaire was administered in both *Malay* and *English* to facilitate understanding of respondents. Each questionnaire contains three sections with each section consisting of 10 to 11 items adapted from different sources (Hisrich & Peter, 1998; Chen *et al.*, 1998; Kauffman FastTrac®'s, 2010; America School of Entrepreneurship, 2013; Business Development Bank of Canada, 2013). Data analyses were undertaken in three stages [descriptive analysis, principal component analysis and correlation analysis] using SPSS 19.0. Table 1 summarize the frequencies and percentage obtained by each sample characteristic.

Table 1: Sample characteristics

Demographic Characteristics	Frequencies	Percentage (n=161)
Gender		
Male	61	37.9
Female	100	62.1
Age		
18–25 years	77	47.8
26–30 years	45	28.0
31–35 years	29	18.0
36–40 years	9	5.6
Missing value	1	0.6
Race		
Iban	90	55.9
Bidayuh	42	26.1
Orang Ulu	29	18.0
Education		
Primary (up to PMR)	4	2.5
Secondary (up to SPM/STPM)	89	55.3
Tertiary (Diploma and above)	65	40.4
Missing Value	3	1.9
Job		
Public sector	28	17.4
Private sector	60	37.3
Unemployed	6	3.7
Self-employed	4	2.5
Students	63	39.1

Findings

Reliability Test

Initially, four questions were adopted to collect data on entrepreneurial intentions of respondents. The four questions are; *Q1: I am planning to start my own business*, *Q2: I prefer working as an employer rather than an employee*, *Q3: I am satisfied with my current career*, and *Q4: I am inspired to be an entrepreneur*. Then, reliability of the research instrument was tested using *Cronbach's alpha* method. The *Cronbach's alpha* values range from 0 to 1, where 1 indicates that the instrument is perfectly reliable (Liew, 2010). The summary of *Cronbach's alphas* for each variable scale is described in Table 2.

Table 2: *Cronbach's alpha* for each variable tested in the study

Variables	<i>Cronbach's alpha</i>
Entrepreneurial intentions	0.833
Risk taking propensity	0.690
Innovativeness	0.628
Tolerance of ambiguity	0.689
Knowledge and experience	0.794
Family upbringing	0.744

Descriptive Analysis

112 respondents responded ‘*strongly agree*’ and ‘*agree*’ to the entrepreneurial intention’s items and these respondents indicated entrepreneurial inclined respondents. However, from the 112 respondents, only 5.6% respondents have a parent or parents involve directly in business, while 41.0% admitted that they have extended family members who are business owners. Although 67.9% of the entrepreneurially inclined respondents prove their understanding of the entrepreneurship concept and acknowledge its benefits to their personal socio-economic status or the country’s economy, only 19.9% of the total respondents said that they had attended trainings relevant to entrepreneurship and 11.2% are used to study business-related subject in either secondary or tertiary level. Meanwhile, 71.3% respondents agree that they have interest to venture in business to increase their household income.

The majority who did not possess entrepreneurial intention were either currently working in the public sector or were university students. It is well known that the public sector offers better job security (Akpan, 2000), besides flexible working hours and strong staff training schemes, which are sought after by many employees. Some organisations even provide employee award schemes and generous benefit packages to their employees such as various types of allowances, health benefits, corporate rates and bonuses. The job security and perks are considered the main reason for little incentive among public sector employees in the country to venture into business. Nevertheless, those who are aware that business can provide extra income to improve their families’ economic status are motivated to participate in business.

Correlation Analysis

Correlation analysis shows that the *Dayak* youth’s intention to start own business, as expected, is positively correlated to their personality traits and social learning. This means the higher the level of their entrepreneurship traits and social elements, the more inclined *Dayak* youth towards entrepreneurship. This result is consistent to the fundamental assumption, which stated that certain entrepreneurial characteristics create a tendency for entrepreneurship, and thus distinguish them from the rest of the society (Gurol & Atsan, 2006; Zampetakis & Kanelakis, 2010). Respondents with an inclination for entrepreneurship exhibit more tendencies to take risks and have higher tolerance of ambiguity as well as more innovative.

However, it is somehow true that traits alone have limited explanatory power with regard to entrepreneurship. Although there is the positive correlation exists between the trait variables and intentions, the findings of the present study also show a weak relationship between personality traits and entrepreneurial intentions. In our case, one possible reason that explains the situation is the unwillingness of respondents in taking business risk despite their positive intentions to start a business.

As anticipated, the correlation test reveals direct associations between social elements of individuals and their intention to become entrepreneurs. Two initial hypotheses summarize relationships between social learning and entrepreneurial intention is reflected in the findings. From the finding, we believe that the higher relevant knowledge and experience acquired, the higher intention is developed by a person to start a business on their own. This finding is consistent with Jaafar *et al* (2009) who studied on entrepreneurial characteristics of the indigenous housing developers, whereby most of the indigenous developers are well educated, specialized in business, management or other areas related to housing and construction industry.

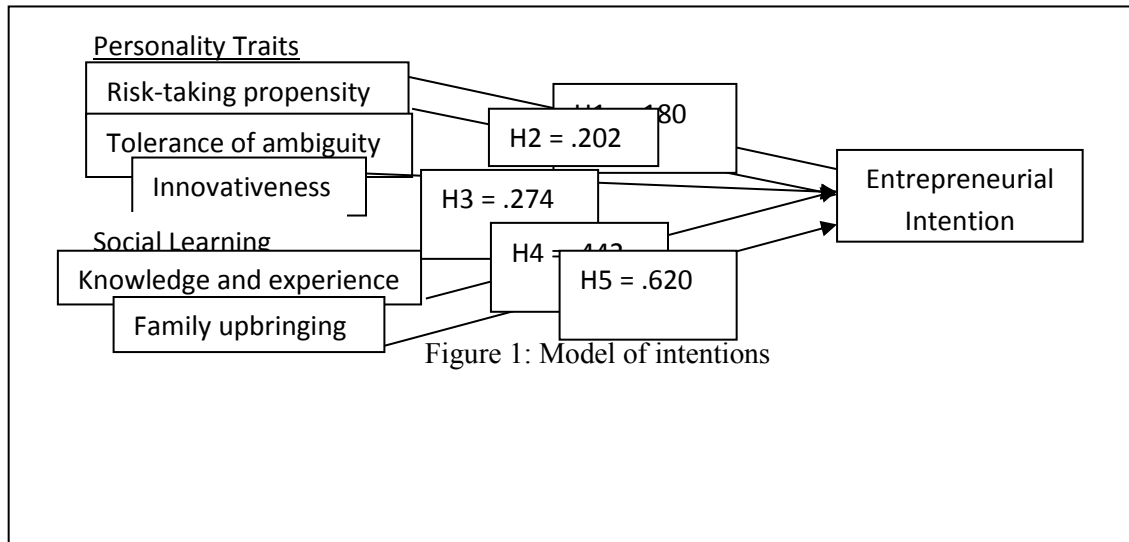
The Pearson correlation coefficient between family upbringing and their intention to start own business is also positively correlated. This gives an idea that the more influence a person receives from

his or her family, the greater effect will it be on their entrepreneurial intentions. Several other researchers who studied the effects of parenting and family-related motivation towards becoming an entrepreneur on students and entrepreneurs previously proved this finding (Schmitt-Rodermund, 2004; Verheul *et al.*, 2006). Table 3 shows the Pearson correlation coefficients of the six variables at 0.05 and 0.01 significant level. It is shown in the table that both personality traits and social learning are positively and significantly correlated to entrepreneurial intentions.

Table 3: Pearson Correlation Matrix

Variable	<i>Entrep Intention</i>	<i>Risk</i>	<i>Innovative</i>	<i>Ambiguity</i>	<i>Knowledge</i>	<i>Family</i>
<i>Entrep Intention</i>	1					
<i>Risk</i>	.180*	1				
<i>Innovative</i>	.274**	.125	1			
<i>Ambiguity</i>	.202*	.289**	-.041	1		
<i>Knowledge</i>	.442**	.071	.106	.135	1	
<i>Family</i>	.620**	.264**	.208**	.225**	.539**	1

Note. **Correlation is significant at the 0.01 level (2-tailed). *Correlation is significant at the 0.05 level (2-tailed).



The Pearson correlation indicates the direction and significance of the relationship among variables in the present study. All independent variables show positive and significant relationships with the dependent variable – entrepreneurial intention as hypothesized earlier in the literature review. However, although the correlations are all positive, the elements of personality traits seem to show weak correlations with entrepreneurial intentions. This is contrast to the elements of social learning which present quite strong correlations with the entrepreneurial intentions as shown in Figure 1.

The situation is notable since the findings support the view that the inclination for entrepreneurship is affected more by social elements and less by personal attributes (Gurol & Atsan, 2006). Nevertheless, the present study found that the respondents are more inclined towards science

and arts subjects. This leads to their limited knowledge of business and little self-confidence to be entrepreneurs. Some of the respondents believed that businesses are meant for certain ethnics but not the *Dayaks* (due to the identification of race with economic activity). They also said that their lack of knowledge and training on entrepreneurship is one of their disadvantages as compared with other ethnics. Some admitted that they have not had the opportunity to be widely exposed to training and education, especially in entrepreneurial development.

In terms of family upbringing, most of the respondents' parents were farmers and retired government servants. Gase and Tremblay (2011) believed people's attitudes and perceptions are influenced by their environmental observations. Probably through observation of their parents' experience or hardships, many *Dayak* youths nowadays are motivated to get involved in some form of business although not as a full-time job, to increase the household income of their families.

In summary, the results prove there is no lack of entrepreneurial interest among the *Dayaks*; instead, personal and social factors seem to make entrepreneurship less natural in the *Dayak* context compared with other ethnics in the country. Although the respondents showed some interest to become entrepreneurs, obtaining capital and financial assistance were among their major obstacles. In the meantime, they suggested that more entrepreneurial exposure should be given to the *Dayak* youth to help them improve their knowledge and skills in order for them to be able to compete with others to achieve success in business.

4. IMPLICATIONS OF STUDY

The results of this study constitute only an initial step in the understanding of the *Dayak* entrepreneurship. From the perspective of policymakers, these findings can assist them in gaining a better understanding of some factors that influence business participation among the *Dayak* population, besides exploring the youth's perception on considering entrepreneurship for their career development.

In terms of education system, there is a need to design an educational programme that can help to enhance the *Dayak*'s entrepreneurial attitudes, particularly the ability to take risk; this seems to be their major concern apart from their lack of knowledge, skills and financial support. A research by Cheng et al. (2009) showed ineffectiveness of entrepreneurship education in Malaysia in matching students' skill expectations with their skill acquisition. Hence, a more effective curriculum is needed to develop better entrepreneurship skills and tap the potential of youth in business.

5. LIMITATIONS OF STUDY

There are three major limitations of the study, which may be possible areas of future research. First, the present study does not consider other elements that can serve as 'pull' or 'push' factors (i.e. financial factors, national culture, etc.). In order to obtain more precise results concerning the *Dayak* youth's entrepreneurial intentions, different aspects should be taken into consideration.

Second, the study comprises only 161 participants whereas the *Dayak* population in Sarawak is recorded to be more than one million. Future study can be conducted on a larger scale by increasing the sample size to give a more accurate representation of the *Dayak* population.

Finally, since the research instruments are based on self-assessment questionnaire, biases might have occurred. The self-assessment method used in the present study aims to help a person identify his or her own areas of strengths and weaknesses. This requires a person to have a high degree of consciousness in order for them to correctly analyse their positive and negative elements. Inability

to truly assess or accept the two elements within themselves will lead to different results achieved in reality.

6. CONCLUSION

As noted earlier, various studies conducted in other parts of the world have suggested that investment in indigenous entrepreneurship can bring important returns to society and contribute to a country's economy. With rapid technology advancement, youth need to be capable of seeking and implementing new products and new technologies. Recognising the benefits of entrepreneurship, more efforts should be taken to provide effective entrepreneurship courses and programmes to consistently assist indigenous youth in this country to be more entrepreneurial and competitive.

Moreover, the development of any country depends on the effective and proper utilisation of human resources. An education system must be capable of responding to internal development problems of poverty and unemployment; it must also be capable of responding to the problem of dependency (Hegarty, 1990, p. 41). Therefore, by utilising an entrepreneurial approach to the education system, there will be higher chances for our country to give birth to well-qualified indigenous entrepreneurs.

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