Chapter 4

Personality Assumptions and Attitudes Towards Business

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ABSTRACT

The chapter deals with factors that may affect the willingness to do business. Factors such as business economics knowledge, the desire for freedom and success, the appetite for risk taking and organizational skills are examined as the pillars of potential businesses. Analysis of the factors shows the influence on business establishment. The chapter is based on primary data collection from a recent survey from the Czech Republic and on comparison with international resources focused on aspects which influence the business establishment. The results indicated relationships between above mentioned factors and their effects on business establishment. Implications of these results, as well as directions for future research, are discussed.

INTRODUCTION

Regional development in the knowledge-based economy is not just determined by the creation of new knowledge but also by the ability and willingness to transform this knowledge into the business establishment that creates economic and social value. Improving entrepreneurial mindset in human capital is becoming one of the most important challenges to raising innovation, productivity and regional growth (Secundo, Del Vecchio, & Passiante, 2015).

One of the main research questions in entrepreneurship research is to explain why some people want to become entrepreneurs while others do not. One task of entrepreneurial research is to investigate entrepreneurial intention, as the cognitive procedure leads to actual entrepreneurial behaviour. A study of entrepreneurial intentions is important for understanding the process of entrepreneurship (Kallas, 2019).
The intention of the article of Hrehova and Jencova (2014) is pointing out that the simple businessman is a driving force for the start and development of the company. When deciding on starting a business objective and subjective conditions for business should be carefully reconsidered. Theories and researches have shown that the success of an entrepreneur has often been correlated with his/her personality type, subjective prerequisites for a successful business and knowledge of the environment.

The entrepreneurship intention researches are mainly focused on individual related features and the aspects of the external environment. Researchers test the environment-readiness entrepreneurship intention, which consists of the perception of the environment (namely, political, economic socio-cultural) and an evaluation of readiness (motivation, attitudes, competencies) to start up a business by potential entrepreneurs. For example, the results of the analysis Kallas (2019) shows the following empirical evidence: higher satisfaction with the external environment and a higher level of readiness lead to higher entrepreneurship intention. Or Baum and Locke (2004) guided hypotheses regarding the relationship between entrepreneurial traits and skills which may lead to the business establishment and to subsequent venture growth. However, there is still much to be known to fully understand how the decision to start a venture is formed.

The present study supports the case for attention to potential entrepreneurs, it involved the following refinements (business economics knowledge, appetite for risk-taking, desire for freedom and success, organizational skills) more oriented on abilities, skills and knowledge needed to start and grow an organization. The literature on the business establishment is starting to gain more attention, however, there is still a need to better understand how factors and variables can contribute to the business creation process. Specifically, an important question that reflects a current gap in the literature is the area of the business economics knowledge importance in the business establishment. The chapter explores the theoretical background, the linkages between chosen factors (variables) based on the proposed research model linkages (see figure 1). The purpose of the chapter was to provide a more understanding of the way how to develop venture success.

BACKGROUND

Several theories and models have been developed over time to understand the personal and contextual factors that influence the decision to create an enterprise. The scientific literature on intention has dealt with two major lines of research, as follows: cognitive, regarding personal factors, and contextual or environmental factors (Kallas, 2019). Cognitive, regarding personal factors, have been rather extensively investigated (traits and psychological characteristics, demographic factors such as age, gender, marital status, religion, ethnic group, education, family background, socioeconomic status, and professional experience.

Environmental factors and conceptual limitations play a very important role in the business establishment, too. The study of Daouk-Öyry et al. (2018) ensured the leadership commitment and support needed for the business establishment initiative facilitated the creation of linkages between the business plan, external environment and the overall vision of the business.

Researchers hoped that personality analysis and screening could help entrepreneurs avoid personal disappointment. But the research of Aldrich and Wiedenmayer (1993) about the most significant traits in terms of their correlation with risk-taking propensity with the business establishment found weak (though not always null) results. From new approaches to analyze the issue of personal characteristics