

THE RELATIONSHIP AMONG PERSONAL BACKGROUND, PERSONALITY TRAITS, ENVIRONMENTAL FACTORS AND ENTREPRENEURIAL INTENTION OF WOMEN IN NORTHERN MONTENEGRO

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Abstract: *Entrepreneurs are imperative for the long-term economic growth of every country. Researchers are trying to explain how important entrepreneurial intention is by taking different factors in considerations. This paper will discuss three most important groups of factors affecting entrepreneurial intention of unemployed women in the north of Montenegro. Based on literature review, those factors are personal background, personality traits and environmental groups of factors. In this study, focus will be on four factors from each group which are perceived as most important according to researchers. The study will provide new framework in this field. The main research focus will be on women since majority of unemployed people in the north of the country is women whose small proportion is entrepreneur.*

Keywords: *Entrepreneurs, Entrepreneurial intention, Unemployed Women, Montenegro*

Introduction

In recent years, the establishment of new businesses has attracted attention of many researchers. Developing countries and their policy makers have seen this issue as a core driver for improving economy and employment and in order to overcome current economic turbulence, they have focused on two terms: entrepreneurship and entrepreneurial intention.

Entrepreneurship is a process of planned behavior and express ability of one person who is called entrepreneur to build new value to significant economical achievement (Ajzen, 1991) 1985, 1987. Since the establishment of new business is a reason of general interest, researchers have started to discuss the concept of entrepreneurial intention firstly. Entrepreneurial intention is defined as precise human reaction and intellectual response to particular behavior (Farouk, Ikram, & Sami, 2014). In order to be able to understand this concept, it is important to clarify its antecedents.

Plenty of studies have investigated individual impact of the factors affecting entrepreneurial intention. These factors are categorized into personal background, personality traits and environmental factors (Al-Harrasi, Al-Zadjali, & Al-Salti, 2014). Although the studies examine these factors influencing the entrepreneurial intention in developed countries, there is a scarcity of literature about developing and transitional countries.

Montenegro is one of these countries in Balkan region. Higher unemployment rate and the global economical crisis have slowed down Montenegrin economy. On the other side, it created opportunity for small businesses (Montenegrin Employers Federation & IPSOS Strategic Marketing, 2013). The question arises whether that involvement is equally distributed in this small country. Since the Montenegrin labor market is divided and there is mismatch between supply and demand, there is also regional disparities and gender inequality (Golubović, 2012).

Regarding the gender inequality in Montenegro, position of the women has become an interesting issue to discuss about. Reports from 2013 states that only 9,6% of women are entrepreneurs and women's incomes are only 86% of male income. This statistic ranked Montenegro far behind other countries in the region, as well as European Union (Montenegrin Employers Federation & IPSOS Strategic Marketing, 2013) opens door for discussion. Because women and the elderly have a considerably lower income, unemployment rate in especially north part of the country is larger than the national average (Montenegrin Employers Federation & IPSOS Strategic Marketing, 2013). Overall, the most important issue of the women is what factors are influencing their potential intent to be active, to be entrepreneurs in Montenegro. So, the purpose of this study is to investigate the relationship among personal background factors, personality traits factors and environmental factors of women in Montenegro.

Literature review

Entrepreneurship and entrepreneurial intention

Recently, entrepreneurship has been a widespread topic in academic environment. In order to better understand entrepreneurship and entrepreneurial activities, the antecedent of this concept should be known. One of the first and foremost antecedent is entrepreneurial intention. Individual belief to start new business with a clear and enthusiastic idea in a certain period of time is entrepreneurial intention (Thompson, 2009). In this definition, a highlighted point of believing of an individual that he can be entrepreneur is a starting point for creation of new businesses (Bird, 1988) entrepreneurs' states of mind that direct attention, experience, and action toward a business concept, set the form and direction of organizations at their inception. Subsequent organizational outcomes such as survival, development (including written plans. It is created by different motivations and values (Fayolle, Liñán, & Moriano, 2014).

Factors affecting entrepreneurial intention

A large number of studies about influencing factors of entrepreneurial intention have emerged in the last decades. Researchers usually focus on psychological aspects of entrepreneurial intention. Regarding these aspects, the most discussed theory is The Theory of Planned Behavior (TPB). According to this theory, the things that shape behavioral intention are attitudes, subjective norms and perceived behavioral control (Ajzen, 1991).

Personal background factors are age (Wagner, 2004), gender (Naidu & Chand, 2015), education (McMahon & Huijser, 2015), and business experience (Miralles, Giones, & Riverola, 2015) as indicators of entrepreneurial intention (Al-Harrasi et al., 2014). Main part in the literature concentrates on the question about what constitutes good and productive environment for entrepreneurship. Environment, as an external factor, comes in many forms and motivated by obtained literature, here it will come in a group of four elements: family support (Mark Prueett, Rachel Shinnar, Bryan Toney, Francisco

Llopis, & Jerry Fox, 2009), government support (Sadeghi, Mohammadi, Nosrati, & Malekian, 2013), perceived entry barrier (Montenegrin Employers Federation & IPSOS Strategic Marketing, 2013), and political situation (Wagner & Sternberg, 2004). Certain research studies point out close relationship between personality traits factors and entrepreneurial intention, where each of them separately and differently influence one's intention toward starting its own business (Wang, Chang, Yao, & Liang, 2015). Some important personality traits factors are innovativeness and need for achievement (Samydevan, Piaralal, Othman, & Osman, 2015), risk taking (Yurtkoru, Acar, & Teraman, 2014), and self-confidence (Peter B. Stimpson Robinson, 1991).

The demographic analysis show that there are differences between men and women in many aspects, as well as on venture creation, attitudes, behavior toward entrepreneurship and employment choice (Kolvereid, 1996). In the last decades, number of women choosing entrepreneurship among other occupations is raising, but small number of them are in industries not so much feminine, and it is result of gender stereotyping (Sweida & Reichard, 2013). Even though women entered start-ups, entrepreneurship remains male stereotyped (Lewis, 2006). Some assumes that small number of women ownerships are coming from their early age and are driven by low entrepreneurial intention (Kennedy & Drennan, 2002).

Assessment of environment for women entrepreneurship in Montenegro

Nowadays, the unstable economical situation in Montenegro stems from changes in the its labor market which started from its independence in 2006. The turbulence created significant changes in the labor market, at one point making large shift to better position, but still some deficiencies remained (Golubović, 2012). Namely, Montenegro is country in transition which needs to develop economical and social system that will provide economic well-being. One of the ways to increase economical stability is to support small and medium enterprises which should reduce poverty and unemployment in the country (Bobera, Lekovic, & Berber, 2014). The statistics said that there are more women than men in same age group, but in certified working population of Montenegro there are more men, while women are marked as "inactive" population (Montenegrin Employers Federation & IPSOS Strategic Marketing, 2013).

Methodology

The quantitative method was used in this study. Self-administered survey is used as a tool to obtain data. Hybrid of mail and street intercept survey method of data collection is used. By using this method, participation in the study was voluntary, and anonymity is guaranteed.

Measures

First part of the survey includes demographic questions which are at the same time personal background questions for the framework. Second parts of questions are environmental and those questions are created to be appropriate for the northern region of Montenegro. Third part was prepared to measure personality traits and entrepreneurial intention related questions. Following Ajzen's, (1991) TBT theory, questions about entrepreneurial intention included questions about attitudes, subjective norms and perceived behavioral control. Seven questions were adapted from the scales developed by Paço, Ferreira, Raposo, Rodrigues, & Dinis, (2011), Sagiri & Appolloni, (2009), Liñán & Chen, (2006) and Leong, 2008). Personality traits questions were based on the study of Bezzina (2010).

The respondents rated the questions by using 5- points Likert scale. Survey was originally in English, and then translated into Montenegrin language. 202 useful surveys out of 450 were collected.

Sample characteristics

The collected data were analyzed using SPSS (v. 18) software package. The analysis is consistent of several parts forming one clear picture of examined topic. Initially, demographic questions were evaluated to describe sample characteristics. As we can see from Table 1, 44, 1% of our sample aged from 18 to 25. When it comes to education level the biggest part of the sample finished only high school (52%). Associated with the age of the sample, indicates that the biggest portion of the sample is consistent of young women, graduates from high school. Then, 45, 5% are married, while 37, 7 of the sample have children.

Initial Analysis

In order to define validity of the scales used in this study, exploratory factor analysis (EFA) is performed. This analysis is often used by researchers to define essential factors from its set of data (Hooper, 2012). Precisely in this study the principal component analysis was used as the factor extraction method, and the varimax method was used for the component rotations. After analysis, factor loadings and coefficient alpha is observed in order to extract variable that are not convenient for this study. Factor loadings for entrepreneurial intention are bigger than 0,8, while for personality traits are bigger than 0,6. To prove the reliability of the scales, Chronbach's alpha was observed. Cronbach's alpha of entrepreneurial intention and personality traits is 0,95 and 0,97 respectively.

Table 1 Sample Characteristics

Variable	Demographics	Number	Valid Percent
Age	18-25	89	44,1
	26-35	55	27,2
	or over 36	58	28,7
	Total	202	100
Education Level	Primary school	8	4
	High school	105	52
	Undergraduate studies	60	29,7
	Graduate studies	29	14,4
	Total	202	100
Marital status	Single	110	54,5
	Married	92	45,5
	Total	202	100
Children	Yes	75	37,7
	No	124	62,3
	Total	202	100
Employment status	Employed	29	14,4
	Unemployed	173	85,6
	Total	202	100

More unemployed women in the family	Yes	152	75,2
	No	47	23,3
	Total	202	100

Results

Correlations tests are performed to find the relationship among the variables in the study. Table 2 indicates the correlation results. The most significant correlations are between entrepreneurial intention (EI) and factors as ED (education), BE (business experience), FS (family support), GS (government support), and BN (barriers in the north) as well as between EI and personality traits factors (PT). Correlation does not exist only between AG (age) and PS (political situation). In the previous literature, there was relationship between those two factors and EI, but in this study absence of significant correlation can be explained by the nature of the sample considered. For example, having in mind that women in Montenegro are not politically active, it makes sense. Even though from the 2011 year there is "quota system" imposed by amendment for The Law on Election of Councilors and Parliament Members, for the list of the candidates to be submitted for elections requiring at least 30% to be women, it is still below the world average of 19,6% (Montenegrin Employers Federation & IPSOS Strategic Marketing, 2013).

Table 2 Mean, standard deviations and correlations

Variables	.Min	.Max	Mean	SD	1	2	3	4	5	6	7	8	9
AG .1	1	3	1,85	0,841	1								
ED .2	1	4	2,54	0,786	-0,091	1							
BE .3	1	2	1,62	0,487	0,002	-0,131	1						
FS .4	1	5	3,39	1,533	0,027	**0,264	*-0,146	1					
GS .5	1	2	1,71	0,456	0,103	**0,280	0,124	**-,185	1				
BN .6	1	5	3,89	1,164	*0,175	0,041	-0,024	*0,139	**0,265	1			
PS .7	1	3	2,03	0,585	0,041	-0,020	**0,256	-0,037	0,094	-0,067	1		
EI .8	1	5	3,24	1,274	-0,028	*0,150	**-,183	**0,431	**-,185	**0,267	-0,04	1	
PT .9	1	5	3,39	1,299	0,062	0,044	-0,082	**0,393	-0,111	**0,313	0,043	**0,829	1

;SD: standard deviations

;p<0,05; **p<0,01*

Conclusion

The study completed mosaic for entrepreneurial intention regarding unemployed women in the northern region of Montenegro, making foundation for improving policies and implications for further studies. Strong effect of environmental factors on entrepreneurial intention of unemployed women suggests that changes can occur since the environment is dynamic and constantly changing.

The implications of the study make more suggestions to the policy makers due to the importance of the environment in this study and the rule they have in changing it. For making valuable policy, women need to be included in the creation of new policies, they need to cooperate and conjoin in designing economic programs. Encouraging women in choosing entrepreneurship among other occupations must be their major

focus. Current government should at least remove perceived barriers and make northern region more attractive for start-ups. They should follow example from other countries and apply entrepreneurship education in the formal education through enriched curriculum and trainings and show positive examples from that field.

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