

Serbian Journal of Management 4 (2) (2009) 239 - 257

Serbian Journal of Management

## RELATIONS BETWEEN THE CHARACTERISTICS OF ENTREPRENEURSHIP AND THE BUSINESS OWNER: AN ANALYSIS OF SME'S IN KONYA

Hasan Tagraf<sup>a\*</sup>and Eyup Akin<sup>b</sup>

<sup>a</sup>University of Cumhuriyet, Faculty of Economics and Administration, Sivas, Turkey <sup>b</sup>University of Aksaray, Faculty of Economics and Administration, Aksaray, Turkey

### Abstract

The problem to be discussed in this study is to determine the effect of entrepreneurial characters on type of ownership in an enterprise. The aim of the study is to determine whether there is a relation between entrepreneurial characters and enterprise ownership.

The method of the study: 213 SMEs (Small and Medium Size Enterprises) in Konya were surveyed and data gathered was assessed. Findings and results: As a result of the analyses carried out, although it was seen that enterprise owners generally have entrepreneurial characters, no relation was found between enterprise ownership type and having entrepreneurial characters.

Suggestions: It was determined that enterprise owners generally have high entrepreneurial characters and by providing them an accurate guidance to make best use of these characters of them, industrialization and development process can be accelerated.

Further Discussion: The fact that all the enterprise owners have high entrepreneurial characters is not an expected result. Therefore, it can be concluded that "the entrepreneurial characters which were used in previous many studies and which guided many studies can no longer distinguish ones with entrepreneurial characters from those without entrepreneurial characters". Further, more comprehensive and detailed studies are to be carried out on this issue. Another point of discussion is whether starting type is an indicator of entrepreneurial character or not. In this study, entrepreneurial characters are examined in terms of both starting a business and their effect on the type of ownership.

Keywords: Business Owner, Entrepreneurial Characters, Type of Ownership

<sup>\*</sup> Corresponding author: hasan157@hotmail.com

### **1. INTRODUCTION**

Entrepreneurship occurs at significantly higher rates than at any time in the last 100 years (Gartner & Shane, 1995). Parallel to this increasing, the investigations done about entrepreneurship increased. also In investigations, it was seen that the efforts defining the characteristics of entrepreneurship appeared in the foreground. At the end of investigations which were done, the different findings defining the characteristics of entrepreneurship were reached. The personal characteristics of the entrepreneur through Martin's description: a person who is independent, not afraid of working hard, with a high need of power and/ or achievement, who enjoys good health, and so on (Martin, 1992).

Generally, the characteristics of entrepreneurship have been determined as being innovative, risk taker and creative; having vision and capability of flexible working and being focused on higher level of success.

Another subject having been determined with entrepreneurship is the small and medium size enterprises (SMEs'). In the SMEs' ownership process, it can be said that different reasons have been influential. Some of the reasons are environmental and private and some are entrepreneur characteristics which influence enterprise ownership directly. This situation that we face in the enterprise ownership show that the enterprise ownership is essentially formed with two different reasons. While the enterprise ownership with traditional reasons is being determined as owning the job from private and environmental factors, the individual's having entrepreneurial characteristics can also be determined as the other reason for the enterprise ownership. With this outline it is seen that several researches have been done about the effect of entrepreneurial characteristics on owning the SMEs. In this study, how the private and environmental factors and the characteristics of entrepreneurship affects enterprise ownership in the SMEs which are operating at the city Konya are going to be searched.

### 2. THEORETICAL BACKGROUND

### 2.1. Characteristics of Entrepreneurship

Entrepreneurs, with their new business formations and enterprise activities, are handled as an important factor on the process of countries' development and growth. Because entrepreneurship consists of originating, or starting, a company, and management consists of operating an existing company (Zeithaml et al., 1987). Entrepreneurs always take a place in the front row while forming innovations and making the dreams come true. Because entrepreneurship is about creating new realities; transforming ideas into new ventures, and transposing old ideas into new situations (Nicholson & Anderson, 2005). Realizing the new investments real, forming production processes have been perceived as identical with entrepreneurship. When the characteristics which belong to entrepreneurship that can be expressed in general lines are examined carefully, we will see that more detailed characteristics have existed. Consequently, a wide range of business behavior has variously been classified in the literature as "entrepreneurial", including starting a business (i.e., new venture creation), innovation, business ownership, business growth and size achievement, and managing

a large business (Verheulet al., 2005). In addition characteristics, to these entrepreneurship focuses on newness and novelty in the form of new products, new process, and new markets as the drivers of wealth creation. Somewhat differently suggested that discovering and exploiting profitable opportunities is the foundation for wealth creation through entrepreneurship. viewpoints agree that Both of this opportunity recognition through entrepreneurship (Ireland et al., 2003).

The personality characteristics that entrepreneurs have, separate them from ordinary people. There are some general personality traits that are key for being an entrepreneur (Perseus Publishing Staff, 2003). When these characteristics are appraised, different expansions are seen. Most successful entrepreneurs have a set of characteristics that sets them apart from most other business people- for example, resourcefulness and a concern for good, often personal, customer relations. Most successful entrepreneurs also have a strong desire to their own bosses and enjoy taking risk. Entrepreneurs report a strong need for personal freedom and opportunity and for the type of creative expression that often goes with owning and operating one's own business. Related characteristics- flexibility and ingenuity in responding to changes in the marketplace (Griffin, 2002). So, an entrepreneur is one who organizes a new venture, manages it, and assumes the associated risk. Entrepreneur is broadly defined to include business owners, innovators, and executives in need of capital to start a new project, introducing a new product, or expanding a promising line of business (Price, 2004).

Entrepreneurs have also attracted attention with their determination and effort

that they show in development and doing innovations. According to Metcalfe: "We may begin very broadly defining the entrepreneur as the activity of creating and implementing a new business entity, the prototypical small firms. In Schumpeter's scheme, enterprise is the activity of carrying out innovations, and the individuals who do so are the entrepreneurs" (Metcalfe, 2004). In addition to these characteristics, we must say that uncertainty has an important effect on entrepreneurial act's emerging. While the entrepreneurial characteristics are being examined, how the increasing uncertainties in the business world and the high risk which this uncertainty caused can be turned into an opportunity by the entrepreneurs should not be forgotten. There is agreement that entrepreneurs (in the sense of business owners) make judgmental decisions in the face of uncertainty, reap the rewards of perceiving and utilizing opportunities and in the process also run the risk of losing their money and their reputation. Without uncertainty, entrepreneurship would be unnecessary. In the East European socialist planning economies, entrepreneurship was unnecessary and sometimes considered as criminal because a system of complete planning was assumed to result in optimal resource allocation (Wennekers et al., 2007). Wang and Hanna support this wiev (Wang & Hanna, 2006).

To overcome uncertainty what is needed is to perceive clearly the risk which uncertainty cause and to show the necessary skill which overcomes uncertainty. In the studies which were done, the investigators always stress the entrepreneurs' aim for high level of risk taking. (Palmer, 1971; Martin 1984; Lee & Peterson, 2000; Price, 2004; Kamalanabhan et al, 2006; Li, 2006). Risk taking has almost been accepted as identical with the entrepreneurship concept. Some investigators think even that entrepreneurship is nearly the same as risk taking. Lunan and et al, and Zimmerer and Scarborough, with their approach to this situation, identify two main elements of entrepreneurship; the ability to recognize business opportunities and the ability to take calculated risk (Lunnan et al., 2006), (Zimmerer & Scarborough, 1998). Similarly, Dickson and Gigilierano paid attention to the relation between entrepreneurs and risk taking, expressed "Risk-taking is inherent in entrepreneurship(Dickson & Gigilierano, 1986)" Besides, risk taking shouldn't be appraised lonely in identifying of entrepreneurship. Miller added proactiveness traits and renovation to the entrepreneurship characteristics. (Miller, 1983). Numerous researchers have used this conceptualization in their works including Covin and Slevin (1989), Ginsberg (1985), Morris and Paul (1987), Naman and Slevin (1993), Schafer (1990) and Kazmi (1999). Kent, Sexton, Vesper and Stoner, Freeman has stressed on the free treat in addition to risk taking. According to Kent, Sexton and Vesper, the psychological profile of entrepreneurs a need for independence, includes achievement and recognition, internal locus of control and a risk-taking propensity (Kent et al.,1982), (Stoner & Freeman, 1992), (Ufuk & Ozgen, 2001). The desire of in depended working should be appraised as connecting with risk taking in entrepreneur treat. Not working wish as connecting with other people, such as dislike receiving orders from, risk taking with something and deciding about his own future carries together. When it is appraised from this point, personality characteristics such as risk taking, the desire of doing innovations, autonomy and directing his own future come

into being as the characteristics of the entrepreneur.

In general many believe that innovation, risk taking and internal locus of control are essential traits for the success of starting new business(Wang & Wong, 2004). According to Lumpkin and Dess (1996), key entrepreneurial process include autonomy, innovativeness, risk-taking, proactiveness, and competitive aggressiveness. According to Zimmerer & Scarborough profiles of the entrepreneur is desire for responsibility, preference for moderate risk, confidence in their ability to succeed, desire for immediate feedback, high level of energy, future orientation, skill at organizing. Other characteristics frequently exhibited by entrepreneurs include, high degree of commitment, tolerance for ambiguity and flexibility (Zimmerer & Scarborough, 1998). Innovation becomes an important factor used to characterize entrepreneurship (Miller & Friesen, 1982; Miller & Friensen, 1983; Karagozoglu & Brown, 1988; Covin & Slevin, 1989).

It is necessary to associate these personality characteristics with the entrepreneurship closely because entrepreneurship is a behavior which has the desire of starting new business and carrying on the work and developing it. Beside this, entrepreneurship includes characteristics such as risk taking, autonomy, having control of his own work and having success confidence despite each kind of ambiguity.

While the characteristics of entrepreneurship are being appraised, only personality characteristics shouldn't be considered. In addition to this, entrepreneur traits should also be appraised. According to Robbins and Coulter: entrepreneurs are motivated by independence and the opportunity to create financial gain (Robbins an additive to the characteristics of for achievement, tolerance for ambiguity, entrepreneur from behavior perspective. Characteristics of entrepreneur's are, internal

& Coulter, 1996). But Schermerhorn' added locus of control, high energy level, high need self confidence and action oriented (Schermerhorn, 1999). Showing traits aimed

Sources/Year	Α	В	С	D	Е	F	G	Н	Ι	J	K	L	Μ	Frequency
Conceptual building blocks	74	90	91	91	92	96	99	99	99	99	99	00	00	
of Entrepreneur(ship)	-			-										
Risk acceptance		х	х	х	х	х	х	х	х	х	х	х		11
Innovation, vision and	х	х	х	х	х	х	х			х	х	х	х	11
initiator of new activities														
Personal drive (High need	х	х	х	х			х	х		х	х			8
for achievement) (Mc														
Celland, 1961)														
Belief in control over events.			х	х			х	х		х	х			6
(Rotter, 1966)														
Ambiguity tolerance						Х	Х	Х		х	Х			5
Need for independence	Х	х		х			Х	Х	-					5
Identification of market									х	х		х	х	4
opportunities.	-								-					
Intuitive	-	х							-		Х			2
Vision							Х			х				2
Self confidence									Х	Х				2
Takes responsibility									х	х				2
Resources marshalling										х	х			2
Value adding										Х	Х			2
Good networkers	_									Х			х	2
Capacity to inspire							х							1
Growth orientation				х										1
Diligent									х					1
Self-made									х					1
Professional									х					1
Industry related experience													х	1
Ability to mobilise intangible													х	1
assests														
Proactivity											х			1

Table1. Summary of conceptual building blocks of entrepreneurship

Key to Sources In Table:

A- Lynn, R. (1974) The entrepreneur: eight case studies, George Allen and Unwin, London.

B-Robinson, D. (1990) The naked entrepreneur, Kogan Page, London, Draws upon an article by Burch in Business Horizon.

C- Chell, E., Haworth, J. And Brearley, S. (1991) The entrepreneurial Personality, Routledge, London

D- Stanworth, J. And Ray, C. (1991)Bolton 20 years on: the small firms in the 1990s, Paul Chapman Publishing, London

E- Gibb, A.A. and Davies, L. (1992)" Development of a growth model", Journal of entrepreneurship, Vol.1, no.1, pp.3-36

F- Storey, D and Syke, N. (1996) "Uncertainty, innovation and management", in P. Burns and J. Dewhurst (eds) Small Business and entrepreneurship, Mc-Millan, Houndsmill.

G- Deakins, D. (1999) Entrepreneurship and Small Firms, McGrawHill, London

H- Allen, K.R. (1999) Launching new ventures: an entrepreneurial approach, Houghton Mifflin, Boston.

I- Hyrsky, K. (1999) "Entrepreneurial metaphos and concepts: an exploratory study", International Small Business Journal, Vol.18, no.1, pp.13-34

J- Thompson, J.L. (1999) "The world of the entrepreneur a new perspective", Journal of Workplace Learning: Employee Counselling Today, Vol. 11, no. 6., pp. 209-224.

K- Becherer, R.C. and Maurer, J.G. (1999) "The Proactive personality disposition and entrepreneurial behavior among small company president", Journal of Small Business management

L-Birkinshaw, J. (2000) Entrepreneurship in the global firm, Sage, London

M- Kuznetsow, A., McDonald, F and Kuznetsow, O. (2000) "Entrepreneurship qualities: A case from Russia", Journal of Small Business Management, Vol.38, No.1, pp.101-107.

Source: Lew Peren, Comparing entrepreneurship and Leadership: A textual Analysis, Working Paper, The Council for Excellence in Management and Leadersip. S. 3

at the action has also been stressed as entrepreneur traits.

In the same way, having creative characteristics has also appeared as an entrepreneur act. The entrepreneur is a creative person in the sense that he has to create a new product or service in the imagination, and then must have the energy and self-discipline to transform the new idea into reality (Lynn, 1969).

We must pay extra attention to the proactive behavior about the characteristics of entrepreneur. Having an entrepreneur vision, evaluating marketing opportunities and showing proactive behavioral skills reflect the characteristic of the entrepreneur's being proactive. Because proactivity is related to taking the initiative, anticipating and carrying out new opportunities and creating or participating in emerging markets (Entrialgo et al., 2000).

Table 1 summarizes the analysis of the entrepreneurship texts to show that the most popular conceptual building blocks of this term are: risk acceptance, innovation, high need for achievement belief in control over events, initiator of new activities, ambiguity tolerance, need for independence and identification of market opportunities.

### 2.2. Business Settup

It is seen that different reasons have been suggested by the investigators about the kind of owning an administration. According to Stanley Cromie; who research in Northern Ireland that using the method outlined 14 response categories regarding the sample's motives for founding were created and they are defined as fallows: autonomy, achievement, job dissatisfaction, money, career dissatisfaction, child rearing, outlet for skills, offer employment, market opportunity, job insecurity, entrepreneurship, inheritance, status and others (Cromie, 1987). The pattern which Cromie brought up has reflected very different reasons about owning business enterprise. The variety in people's aims naturally differentiate their reasons for owning a business enterprise. While the Cromie's reasons are being appraised, it can be thought that he reflected this point of view.

Many people will naturally conclude that the prime reason for any business startup will be the desire for increased financial reward. Whilst this may be one of the initial reasons for start-up for many owner managers, there are a number of other very important reasons, amongst which are the desire for greater independence/ autonomy, and the desire to escape the control mechanisms of larger organizations and bureaucratized hierarchies. New business proprietors and partnerships will obviously benefit from greater independence and freedom with their suppliers and employees.

The reasons for a new business start-up will almost certainly be both highly individual and diverse. Shown in Table 2 are some of the reasons for business start-up found in a survey undertaken by Storey (1989)

Goffee and Scase (1995) found in a recent survey of 324 managers, aged 25-65, that

Table 2. Motivations for Starting Businesse	Table 2.	Motivations	for	Starting	Businesse.
---	----------	-------------	-----	----------	------------

Motivations for Starting Businesses				
Particular	Percentage			
Unemployment	35%			
Low pay at work	4%			
Sought independence	43%			
Had a good idea	8%			
Sought other financial rewards	7%			
Other	3%			

Source: Storey, 1989

75 % had considered proprietorship, and of these, two – thirds saw work (rather than family or leisure pursuits) as the major source of satisfaction in their lives (Quader, 2007).

Brandstatter have pointed that, family relations are more important factors to have business ownership than the others. Owners who had taken over their business from parents, relatives, or by marriage. The characteristics personality of people interested in setting up their own business were similar to those of founders (Brandstatter, 1997).

Similarly Cooper and Dunkelberg' have also pointed that this period is a kind of flag race which passes from one generation to other. The background characteristics of entrepreneurs and consider how these might be related to paths to ownership. Individual attributes which seem associated with entrepreneurship include the following:

1. whether the parents owned a business;

2. whether the entrepreneur or his/her parents were born outside the United States;

3. the entrepreneur's education and number of previous full-time jobs;

4. the entrepreneur's age when becoming owner (Cooper & Dunkelberg, 1986). Taking over the business at a suitable time after having necessary education and experience for going on family business is a way that is often seen. Because of that, the behavior of owning business is considered as an effort aimed at continuing a commercial activity that started inside the family rather than a situation which appeared with the individual's entrepreneur characteristics.

About owning a business, we can talk about the entrepreneurs' dreams and their vision. Pinson also shows the importance of dreams about owning a business like this: "Everyone has dreamed of owning a business. At one time or another, we all have ideas that come into our minds but never quite make it into the marketplace. It has been said that an entrepreneur can best be defined by the following thought: All people have great ideas while in the shower. Most of us get out of the shower and forget about them. The entrepreneur is the person who gets out of the shower and acts on those ideas. Begin with examining why you want to start a business. People come to business ownership for a variety of reasons. They want to be their own boss, build a future, follow the American dream, earn lots of Money" (Pinson, 2006).

Another important form of behavior about business ownership is working at a branch of work for a certain time and after that, as a result of experiences acquired, leaving that work and showing a behavior aimed at establishing and running that work by himself. Founders often start new businesses in fields they already know, drawing upon technical and market knowledge acquired in the incubator organization. Prior research, primarily with high-technology firms, suggests that founders usually start new businesses where they are already living and working. The proportion of new companies started which involved at least one founder who was already working in the area was 97.5 per cent in Palo Alto, 90 per cent in Austin and 90 per cent in England (Cooper, 1970; Susbauer, 1972; Watkins, 1973).

If we want to summarize the reasons for business ownership which have been explained by different investigators systematically, the desire of autonomy, confidence and earning, not having the opportunity of salaried working, the desire of presenting a new idea or a product to the market, heritage, social respect and prestige and the desire of self- satisfaction and 3. METHODOLOGY proving oneself to others are seen as the for reasons owning business (Alpugan, 1998). In the same way, Şimşek pointed the inheritance, the desire of autonomy, reaping a profit, providing social prestige, the lack of other opportunities and the desire of achieving an idea or a mission as the reasons for business ownership (Simşek, 2004).

As it is seen in the researches, we can see ideas that entrepreneur characteristics are not always determinative in owning business and reasons except from entrepreneur characteristics are also effective on business ownership. So, the business ownership can be considered in two different groups. People can show tendencies towards owning a business with the reasons having entrepreneur characteristics like achieving their goals, not working by entering into others' service and the desire of making a dream real. In business ownership, this kind forms a group that has entrepreneur characteristics. The second group in business ownership consists of the ones who own a business with different external factors like "taking over the business by inheritance", "taking over the firm of his wife's family", " continuing the family business", although thev do have entrepreneur not characteristics. Therefore, it can be said that the first group owns the business by the effect of their entrepreneur characteristics and the second one owns it by environmental conditions rather than entrepreneur characteristics.

In this research which was done with this perspective, it was tried to determine whether there was a difference between having entrepreneur characteristics and external factors that do not have entrepreneur characteristics in owning a business.

The characters entrepreneurs have lay the groundwork for new investments, new employments fields to open and as a result of these the regions and countries develop. On the other hand, when the enterprise ownership types are assessed, it is seen that there are different alternatives. Taking over a family company, starting ones own business while working for someone else, starting a business after a vocational training, starting a business to realize one's dream, separating one's way with his/her partner and taking over his/her boss's company can be seen as the systematically assessable realities. Following from this, the main aim of the research is to determine whether there is relation between entrepreneur characters and enterprise ownership type. In other words, it is to define the effect of entrepreneur characters on owning a business.

The main body of this study carried out to determine the effects of entrepreneurial characters on ownership type are the Small and Medium Size (SME) enterprises registered to Konya Chamber of Trade and Konya Chamber of Industry. In the research, the basic rationale why Konya was chosen as sample is the increase in the commercial and industrial investment performance of the city in recent years and the increase in its contribution to the Economy of Turkey.

### 3.1. Sampling Process

In this study which was carried out to determine whether there is a relation between business ownership and entrepreneurial characters, Konya Chamber Trade and Industry of had great contributions. Before the survey form was developed, a review of literature was done.

The questions to define entrepreneurial characters in the survey were prepared by making use of the entrepreneurial characters indicated in Table 1 Summary of conceptual building blocks of entrepreneurship.

The application of the survey: the e-mail service of Konya Chamber of Trade and Industry was used to get access to all the sectors active in Konya. By doing this the number of the firms taking the survey was meant to be kept high. During the survey application process, 890 of the 1513 enterprises registered to Konya Chamber of Trade and Industry were sent the questionnaire. Out of them 250 survey forms were filled and sent back. The survey forms were checked and the invalid survey forms due to missing answers were excluded and 213 valid survey forms were included to the study.

The two hypotheses of the study, one of which was to classify the enterprise owners according to their entrepreneurial characters and the other was to determine the relation between the likely groups and the way of starting the business are:

H1: The enterprise owners can be classified in different groups according to their entrepreneurial characters at a significance level of  $\alpha$ =0,05.

H2: There is a relation (at a significance level  $\alpha$ =0,05) between groups which come into being according to entrepreneurial characters and with the type of ownership being either traditional or entrepreneurial.

# 3.2. The Analysis of Data and Information

The data related to the results of the

demographic characters of the research sample and the types of starting a business found in the research are summarized. To test the research hypotheses, the data acquired in the survey was subjected to classification analysis, variance analysis, and to chi-square analysis. In order to classify the enterprises taken the survey according to entrepreneurial characters, firstly cluster analysis was applied. To classify the business owners according to their having entrepreneurial characters non-hierarchical cluster analysis was used. The cluster analysis is multivariable statistical analysis which groups individuals or objects according to some certain criteria. As a result of the analysis, higher group homogeneity is required (Zikmund, 1997). To determine the variables which are effective in the existence of the difference between the groups, cluster analysis was done. In order to reveal whether the two groups which come into being after group analysis differ according to starting a business, chi-square analysis was applied. To reveal the distribution of the groups according to the type of starting business, desceriptive statistics were used. Besides, in order to reveal a likely relation between SMEs character and the type of ownership cross tab and chi-square were used. Actually, chi-square is a test for the goodness of match which determines whether the observation values are different from expected value (Nakip, 2003; Churchill & Brown, 2004). Every events observed have a theoretical or expected value and this difference can only be found by doing chi-square analysis (Nakip, 2003).

### 4. THE RESULT OF THE RESEARCH

In this part of the research, the frequency percentages and percentage distributions of

the socio-demographic characters of the research sample, grouping analysis results and grouping analysis and cross tabs used to test the hypotheses are included.

# 4.1. The Demographic Characters of the Research Sample

The assessment of the socio-demographic information used in the research is shown the Table 3.

The socio-demographic characters of the research sample are summarized in Table 3. As you can see in Table 3, 4,7 % of the participants were younger than 25 years old, 28.6 % were between 26-35, and 41.8 % were between 36 and 45, 19,2% were between 46-55 and 5.6 % were 56 and above. As it can be understood from Table 2, 36-45 age group with a percentage of 41,8 is on the top of the list. When the educational level of the participants are examined, 16,4 % were graduates of primary school, 48.8 % were secondary school graduates, 13,1% were high school graduates, 20,2% were university graduates and 1,4% had master degree. When the existence period of the participants' enterprises distribution are examined, 27,7 % have been active 11-15 years, 21,6 % have been active for 16 to 20 years and 20,2 have active for 6 to 10 years. More than half of the enterprises have been active for more than 10 years. When the participating enterprises are examined in terms of the number of the personnel 66,1 % have 5 and lower personnel, 12,2 % employ 6 to 10 personnel. The fact that the number of the ones which employ 5 or lower personnel is higher is an important indicator for Konya. As the firms with few employee numbers being the highest among the others makes us think that they will not contribute to the solution of the employment problem in the Province of Konya.

When the distribution of the sectors of the participants are in examined, 29,1 % are in the machine production sector, 11,3 % are in the service sector, and 9,9 % are in food sector. When the variation of the sectors, the size of the enterprises and activation periods are considered, the generalization of the research results can get easier (see Table 4).

As we have already mentioned, the relation between the assumption that the business starting type is an indicator of entrepreneurial characters and

Age	Frequency	Percent	Education	Frequency	Percent
Younger Than 25	10	4,7	Primery Scholl	35	16,4
26-35	61	28,6	Secondary/High Scholl	104	48,8
36-45	89	41,8	Vocationally	28	13,1
46-55	41	19,2	Faculty	43	20,2
56 and older	12	5,6	Postgraduate	3	1,4
Total	213	100,0	Total	213	100,0
Period of the Participants'	Frequency	Percent	Number of Workers	Frequency	Percent
5 years or less then 5	34	16,0	5 and less then 5	141	66,1
6-10 years	43	20,2	6-10	26	12,2
11-15 years	59	27,7	11-15	11	5,16
16-20 years	46	21,6	16-20	12	5,63
21 years and more	31	14,6	more then 20	23	10,7
Total	213	100,0	Total	213	100,0

Table 3. The socio-demographic Characters of Participants

The Distribution of the Sectors	Frequency	Percent
Machine Production	62	29,1 %
Spare Production	13	6,1 %
Mould and Metalwork	8	3,8 %
Lathe	8	3,8 %
Spare Selling	6	2,8 %
Toys Production	1	,5 %
Agriculture Products	5	2,3 %
Automotive	19	8,9 %
Construction	16	7,5 %
Nutrient	21	9,9 %
Presswork	2	,9 %
Chemical	7	3,3 %
Service Sector	24	11,3 %
Electronic and Satellite Systems	3	1,4 %
Furniture Production	4	1,9 %
Textile	9	4,2 %
Health	5	2,3 %
Total	213	100,0 %

*Table 4. The Distribution of the Participants' Sectors* 

entrepreneurial business starting will be examined. In this context, the business starting types summarized in the previous table are divided into 2 basic groups. These two groups are "continuing a business without any entrepreneurial spirit and starting business as a compulsion just as in vocational education" and "starting a business because of having entrepreneurial characters". Following from this, "Running a Family business", "Running your spouse's Family business", "Starting a business as result of training received" and "Starting a new business after a break up with the partner" are all in the fist group, "staring one's own business leaving his job", "starting a business just for one's own aims and desires" and "taking over a business from its previous owner" are classified as the second group and viewed as having entrepreneurial character as the literature requires. The first one of these two groups is called as "the ones starting a business traditionally" and the second one is called as "the ones starting business with their entrepreneurial characters" and the number of the participants in each group and the rates are given in the table above. In Table 6, the 116 participants out of a total of 213 participants that is 54,4 % are grouped as the ones who start business in a traditional way and 97 participants that is 45,6 % of them are grouped as the ones who start business out of their entrepreneurial characters.

#### 4.2. The results of the Cluster Analysis

In this study which was carried out to determine the entrepreneurial spirit in enterprise ownership, before we start testing the hypotheses, non-hierarchical cluster analysis (K-means) was applied to group enterprise owner according to their entrepreneurial characters. When nonhierarchical cluster analysis is applied, the number of the groups is determined by the researcher. In the cluster analysis, 2, 3 and 4 clustering were tired and when the mean values of the groups are examined, it was decided that the number of cluster should be

		Business Starting Types	Frequency and Percent	Total For Groups	
		Running a Family business Running your spouse's Family business			
	Starting a business traditionally				
The grouping of		Starting a business as result of training received	24 (%11,3)	116(54,4%)	
the Business Starting Types		Starting a new business after a break up with the partner	12 (%5,6)		
According to Entrepreneurial Characters	Starting business with their entrepreneurial characters	Starting a business just for one's own aims and desires	41 (%19,2)		
		Starting one's own business leaving his job	52 (%24,4)	97 (45,6%)	
		Taking over a business from its previous owner	4(%1,9)		
	Total		213(%100)	213(%100)	

*Table 5. The grouping of the Business Starting Types According to Entrepreneurial Characters* 

2. A reliability analysis was applied to the scale which was created for grouping analysis and which covers entrepreneurial characters and as a result of the analysis cronbach alpha was found to be 0.734. The results acquired in clusters analysis application are given in Table 6.

As to the results of the clusters analysis carried out to group business owners according to their entrepreneurial characters, the number of the enterprise owners in the first cluster is 134 and the number of the enterprise owner in the second cluster is 79. While the size of the first groups was 62,9 %, the second groups size was 37,1 %.

Table 6. The number of the Entrepreneursin the Clusters and the Size of the Clusters

Clusters	The number of the enterprise owners	Size of the clusters(%)
1	134	62,9 %
2	79	37,1 %
Total	213	100,0 %

### Therefore,

"H1: The enterprise owners can be classified in different groups according to their entrepreneurial characters at a significance level of  $\alpha$ =0,05." was accepted.

In Table 7, the variance analyses results for each of the variables in the cluster analysis according to 95 % reliability level and the significance levels and mean values according the clusters are given.

As it can be seen in Table 7, all of the 23 variables used to measure the effects of the entrepreneurial characters cause significant difference between clusters (significance level  $\alpha=0.05$ ) When the mean values of the groups in terms of the variables related to entrepreneurial characters are examined, it is seen that both groups have high means. Therefore, both groups include entrepreneurial characters. However, when the means of the two groups are assessed, it was seen that the mean of the first group was far higher, so the first group was called as relatively "the ones with higher

entrepreneurial characters" and the second group was called as "the ones with relatively lower entrepreneurial characters" Turning back to the rates in Table 6, it is determined that while the rate of the ones with relatively high entrepreneurial characters was 62,9 %, the rate of the ones with relatively lower entrepreneurial characters is 37,1 %. The relation between the groups created according to the way of starting a business and to entrepreneurial characters is examined in the Table 8 via cross tab and Chi-square analysis.

As to the cross tab, 62,2 % of the participants who started business in traditional way have relatively high

 Table 7. The Means of The Clusters and Variance Analysis According to The Mean Values

Entrepreneurial Characters	Clusters			
	higher entrepreneurial characters	lower entrepreneurial characters	F Value	Sig.
When taking a new business opportunities, one should avoid making steps based on intuitions	3,86	2,92	30,317	,000
Even if there is a risk in a new business, one should take it.	3,63	2,89	19,619	,000
One should follow different business branches and start new business in new fields	4,04	2,75	87,168	,000
New fields of business and success have always attracted my attention	4,27	2,77	158,439	,000
I do not like receiving orders when doing a job	4,00	3,13	32,423	,000
The real aim of us is to provide the best quality product with the most reasonable price to our costumers	4,57	4,19	13,442	,000
I always dream that I will have great success in other sectors in the future	4,31	2,67	160,498	,000
I decide when, where and how for all the activities in my company	4,15	3,30	33,208	,000
In spite of the difficulties in business one should put all kind of effort for success	4,43	3,97	13,517	,000
I do my best to finish a business I take over	4,59	4,20	12,961	,000
I do not like rendering account about the process and results of my business	3,79	2,73	42,506	,000
When running a business, one should avoid taking steps based on intuitions	3,62	2,84	26,151	,000
It is not important for a job with new opportunities to be safe or risky	3,19	2,27	29,268	,000
I have always dreams about my sector and future success	4,37	3,72	26,313	,000
In our activities social benefit always comes before individual ones	4,28	3,67	21,080	,000
I do take over every kind of responsibility about the job I do	4,49	4,03	16,656	,000
I am pretty careful while doing activities at workplace	4,51	4,00	29,124	,000
I can foresee the events that might happen in my environment and I determine the most suitable type of behavior before it happens	4,09	3,46	26,918	,000
My employees think that I am guiding them	4,04	3,46	25,040	,000
I know the developmental process, market, opportunities, potentials and likely problems of my sector pretty well	4,24	3,52	42,423	,000
I think money we spent for some of the activities in the past is waste	3,33	2,87	6,196	,014
In running my business I was successful due to the steps I took according to my intuitions	3,78	3,06	27,561	,000
The other managers in the enterprise can make decisions and apply them without acknowledging me.	3,72	2,97	19,572	,000

		The groups According to E	Total	
			Relatively lower entrepreneurial characters	
The groups According to	Starting business in traditional way	74 62,2%	45 37,8%	119 100,0%
Business Starting Style	Starting business with entrepreneurial characters	60 63,8%	34 36,2%	94 100,0%
Total	I	134 62,9%	79 37,1%	213 100%

*Table 8. The Relation between the way of Starting Business and Relative Entrepreneurial Character* 

entrepreneurial characters, while 37,8 % have relatively lower entrepreneurial characters. When the survey participants who seem to be entrepreneurial in terms of the way of starting business are examined, it is seen that while 63,8 % have relatively higher entrepreneurial character, 36,2 % have relatively lower entrepreneurial characters. As it can be concluded from similar rates, there is not a significant difference between the groups, which is verified by chi-square analysis. Therefore, in terms of entrepreneurial characters there is not a significant difference between groups classified according to the way of starting business. As a result the H2 hypothesis that,

"There is a relation (at a significance level  $\alpha$ =0,05) between groups which come into being according to entrepreneurial characters and with the type of ownership being either traditional or entrepreneurial" is rejected.

### 5. RESULT AND ASSESSMENT

While conducting the research, in line with the information provided in the

literature it was thought that the enterprisers with entrepreneurial character will be different from the enterprisers who start business in a traditional way, that is, without their entrepreneurial characters coming front; however, the result is contrary to the expected one. This result is the first of the important results acquired. The second important result is that the enterprise owners generally have high level of entrepreneurial character. Another result is that the way of starting a business is not indicator of having high entrepreneurial character. These there important results are to be dwelled upon.

Although the variables used to determine the entrepreneurial character of enterprise owners are used in many studies in the literature and are basis for many studies, its leading high results in all participants brings up three different possibilities. The first of these is that today entrepreneurial character is seen in many enterprise owners. This case can be accounted for the widening horizons of people due to the importance given to business administration, common business administration education, advanced communication technology. The second possibility is -again related to the first possibility- that the variables which were the

basis for the previous studies lost their entrepreneurial character discriminating feature. The third possibility is based on the attitude and behavior order. The attitudes which come into being due to common acceptance affect behaviors. However, it must also be considered that the behaviors which come into being as a result of different reasons can also affect attitudes in time. individual Therefore. an who have established an enterprise for any reason can in time develop entrepreneurial tendency as a requirement of the business environment.

These three possibilities make three different assumptions compulsory. These assumptions are that enterprise owners have high entrepreneurial characters or the variables used to determine entrepreneurial character are no longer valid. The possibility that enterprise owner are of high the entrepreneurial character is a more optimistic point of view. In line with this point of view, the need for the enterprise owners to take best advantage of their entrepreneurial character in social and economic fields come front. Naturally, it is up to concerning chambers, unions and public institutions. The fact that entrepreneurial characteristics do not always lead to correct steps doubles the importance of the education of the enterprisers with entrepreneurial spirit. In line with the second assumption, that is the assumption that these variables can no longer reflect entrepreneurial character accurately requires the development of new variables capable of determining entrepreneurial character more accurately. Forasmuch as, the new business administration understating is process which is administrated with much dynamism, innovativeness more and increasing uncertainty compared to classical business administration understanding.

The third point to be emphasized is that

although the type of starting business is accepted as an indication of entrepreneurial character in the literature, there was not found any result related to this. The fact that have there not been serious and comprehensive studies in this area appears to be an important fallacy. Therefore, it was concluded that the thesis that the type of starting a business is an indicator of entrepreneurial character appears to have risen not from detailed investigation and analysis mostly out of observations. Besides, although the reality of this thesis is verified in the previous studies, based on the results of this study it can be said that starting a business can no longer be accepted as an indicator entrepreneurial character.

# 6. FURTHER DISCUSSION AND SUGGESTIONS

According to the suggestions put forward in this study and mentioned in the results part, in order to test whether variables continue to have distinguishing feature more comprehensive studies can be carried out. In the studies to be conducted, the groundwork for further studies can be laid by testing the distinguishing character of the new variables reflecting developing business administration understanding. Besides, the discussion whether way of starting business is an indicator of entrepreneurial character or not is another important issue to be dwelled upon and further studies on this issue can lead reasonable benefits. With more comprehensive studies to be carried out, whether starting a business is still a valid indicator of entrepreneurial character or not is to be tested. In further studies, the factors in starting the business are to be emphasized. That is to say the issue whether "the enterprise owner started the business because of his/her entrepreneurial character or started a business due to the existing conditions and then acquired entrepreneurial characters by time" is to be focused on with great care.

### ОДНОСИ ИЗМЕЂУ КАРАКТЕРИСТИКА ПРЕУЗЕТНИШТВА И ВЛАСНИКА ПРЕДУЗЕЋА: АНАЛИЗА МАЛИХ И СРЕДЊИХ ПРЕДУЗЕЋА У КОНИЈИ - ТУРСКА

### Hasan Tagraf<sup>a\*</sup>and Eyup Akin<sup>b</sup>

<sup>a</sup>University of Cumhuriyet, Faculty of Economics and Administration, Sivas, Turkey <sup>b</sup>University of Aksaray, Faculty of Economics and Administration, Aksaray, Turkey

#### Извод

Проблем који се дискутује у овом раду састоји се у одређивању ефеката предузетничких особина према типу власништва предузећа. Циљ студије је да одреди да ли постоји веза између предузетничких карактеристика и власничког статуса.

У оквиру студије испитана су 213 мала и средња предузећа (СМЕ) у Конији. Као резултат истраживања, иако је установљено да власници предузећа генерално имају карактеристике предузетника, није пронађена веза између власничког статуса и карактеристика предузетништва.

Како је установњено да власници предузећа имају високо развијене предузетничке особине, уколико има се дају тачна упутства о начинима како правилно могу ове карактеристике да употребе могло би се доћи до побољшања у њиховом свакодневном пословању. Тиме би се убрзао процес индустријализације и општег развоја.

Овакав резултат, у смислу постојања јако развијених предузетничких особина власника малих и средњих предузећа, није био очекиван. Ипак, било би потребно спровести додатна истраживања и детаљне студије на овом пољу.

*Кључне речи*: Власници предузећа, Предузетничке карактеристике, Власнички статус предузећа

### References

Alpugan, O. (1998). Introduction to Business. Trabzon: Per Publishing.

Brandstatter, H.(1997) Becoming An Entrepreneur- A Question Of Personality Structure?. Journal of Economic Psychology 18:157-177.

Clement K. Wang, Poh-Kam Wong, 2004. Entrepreneurial interest of University Students in Singapore, Technovation, 24, 163-172. Cooper, A. C. (1971) Spin-offs And Technical Entrepreneurships. I.E.E.E. Transactions on Engineering Management, EM-18(1): 2-7.

Cooper, A. C., & Dunkelberg, W. C.(1986). Entrepreneurship and Paths to Business Ownership. Strategic Management Journal, 7(1): 53-68.

Covin, J.G., Slevin, D.P.(1991). "A Conceptual Model of Entrepreneurship as Firm Behavior". Entrepreneurship: Theory and Practice ,16, 7–25.

Cromie, S. (1987), "Motivations of aspiring male and female entrepreneurs", Journal of Organisational Behaviour, Vol. 8 No.3, pp.251-61.

Dickson, P.R. & Gigilierano, J.J.(1986) Missing the BOAT AND Sinking the Boat: A Conceptual Model of Entrepreneurial Risk. Journal of Marketing, 50: 58-70.

Entrialgo, M., Ferna'ndez, E., & Va'zquez, C. J. (2000) Linking Entrepreneurship And Strategic Management: Evidence From Spanish SMEs", Technovation, 20, 427–436.

Gartner, W.B., & Shane, S.A. (1995) Measuring Entrepreneurship Over Time. J. Bus Venturing 10: 283-301.

Ginsberg, A. (1985) Measuring Changes in Entrepreneurial Orientation Following Industry Deregulation: the Development of a Diagnostic Instrument. Proceedings of The International Council of Small Business, 50-57.

Griffin, R. W., & Ebert, R. J. (2002). Business, Fourth Edition, New Jersey: Prentice-Hall.

Ireland, R.D., Hitt, M. A., & Sirmon, D. G. (2003) A Model of Strategic Entrepreneurship: The Construct and Its Dimensions. Journal of Management, 29(6): 963-989.

Kamhi, A.(1999) What young

Entrepreneurs Think and Do: A Study of Second-Generation Business Entrepreneurs. The Journal of Entrepreneurship, 8(1): 67-77.

Karagozoglu, N., & Brown, W.B.(1988) Adaptive Responses By Conservative And Entrepreneurial Firms. Journal of Product Innovation Management, 5: 269–281.

Kent, C.A., Sexton, D., & Vesper, K.H. (1982). Encyclopedia of Entrepreneurship, Englewood Cliffs, NJ: Prentice-Hall.Inc.

Lee, S. M., & Peterson, J. S. (2000) Culture, Entrepreneurial Orientation, and Global Competitiveness. Journal of World Business, 35(4): 401-415.

Li, Dr Jun (2006). Entrepreneurship and Small Business Development in China. Emerald Group Publishing Limited, Bradford, , UK.

Lumpkin, G.T., & Dess, G.G. (1996) Clarifying The Entrepreneurial Orientation Construct and Linking into Performance. Academy of Management Review, 21:135-172.

Lunnan, A., Nybakk, E., & Vennesland, B.(2006) Entrepreneurial Attitudes and Probability for Start-ups an Investigation of Norwegian Non-industrial Private Forest Owner. Forest Policy and Economics, 8: 683-690.

Lynn, R. (1969) Personality Characteristics of a Group of Entrepreneurs. Occupational Psychology, 43: 151-152.

Martin, C.L. (1992). Starting Your New Business : A Guide for Entrepreneurs. Menlo Park, CA, USA: Course Technology Crisp,

Martin, S.S.(1984) Exploring the Concept of Entreprise. Nursing Economics, 2: 406-408.

Metcalfe, J.S.(2004) The Entrepreneur And The Style of Modern Economics. Journal of Evolutionary Economics, 14:157-175. Miller, D., & Friesen, P.(1982) Innovation in Conservative And Entrepreneurial Firms: Two Models of Strategic Momentum. Strategic Management Journal, 3:1–25.

Miller, D., & Friesen, P.(1983) Strategy-Making And Environment: The Third Link.. Strategic Management Journal, 4: 221–235.

Morris, M.H., & Paul, G.W.(1987) The Relationship Between Entrepreneurship and Marketing in Established Firms. Journal of Business Venturing, 2: 247–259.

Nakip, M. (2003) Marketing Research. Ankara: Seçkin Publishing.

Naman, J.L., & Slevin, D.P. (1993) Entrepreneurship And The Concept Of Fit: A Model and Empirical Test. Strategic Management Journal, 14:137–153.

Nicholson, L., Anderson, A. R.(2005). "News and Nuances of the Entrepreneurial Myth and Metaphor: Linguistic Games in Entrepreneurial Sense-Making and Sense-Giving", Entrepreneurship Theory and Practice, March, pp. 153-172.

Palmer, M.(1971) The Application of Psychological Testing to Entrepreneurial Potential. California Management Review, 13: 32-38.

Perseus Publishing Staff.(2003). Ultimate Small Business Guide : A Resource for Startups and Growing Businesses Boulder, CO, USA: Basic Books.

Pinson, L.(2006). Steps to Small Business Start-Up : Everything You Need to Know to Turn Your Idea Into a Successful Business, Dearborn Trade, A Kaplan Professional Company.

Price, R.W. (2004). Roadmap to Entrepreneurial Success: Powerful Strategies for Building a High-Profit Business, Saranac Lake, NY, USA: Amacom.

Quader, M. S. (2008) Human Resource Management Issues as Growth Barriers In Professional Service Firms SMEs". Journal of Services Research, 7(2):115-161.

Robbins, P. S., & Coulter, M.(1996). Management, Fifth Edition, New Jersey: Prentice-Hall Inc.

Schafer, D.S.(1990) Level of Entrepreneurship And Scanning Source Usage in Very Small Businesses. Entrepreneurship Theory and Practice, 15 (2):19–31.

Şimşek, Ş. (2004). Introduction to Business, Adım Publishing, Konya.

Stoner, J.A., & Freeman, R.E.(1992). Management, Fifth Edition, Prentice-Hall Inc., New Jersey.

Storey, D.J. (1989) The Problems Facing New Firms. Journal of Management Studies 22: 237-345.

Susbauer, J.C. (1972) "The Technical Entrepreneurship Process in Austin, Texas." In A.C. Cooper and J.L. Komives (Eds.), Technical Entrepreneurship: A symposium (pp. 28-46). Milwaukee, WI: Center for Venture Management.

Kamalanabhan, T.J., Sunder, D.L., & Manshor, A. T. (2006) Evaluation of Entrepreneurial Risk-Taking Using Magnitude of Loss Scale. The Journal of Entrepreneurship, 15(1): 37-46.

Ufuk, H., & Ozgen, O.(2001) The Profile of Women Entrepreneurs: A Sample From Turkey. International Journal of Consumer Studies, 25(4): 299–308

Verheul, I., Uhlaner, L., & Thurik, R. (2005) Business Accomplishments, Gender and Entrepreneurial Self-Image. Journal of Business Venturing, 20: 485-518.

Wang, C., & Hanna, D. S.(2006) The Risk Tolerance And Stock Ownership of Business-Owning Households. Consumer Interests Annual, Volume 52: 257-270.

Watkins, D.S. (1973) Technical entrepreneurship: A Cis-Atlantic View. R & D Management, 3(2): 65-70. Wennekers, S., Thurik, R., Van Stel, A. And Noorderhaven, N., Uncertainty avoidance and the rate of business ownership across 21 OECD countries, 1976–2004, Springer-Verlag 2007, 17:133–160.

Zeithaml, Carl P., Rice, Jr., George H.(1987), Enrepreneurship/Small Business Education in American Universities, Journal of Small Business Management, January. pp. 44-50.

Zikmund, W. (1997). Business Research Methods, Fifth Edition, The Dryden Press, Harcourt Brace College Publishers.

Zimmerer W. T., & Scorborough, N. M. (1998). Essential of Entrepreneurship and Small Business Management, NewJersey: Prentice-Hall.