

Relationship Between Psychological Characteristics on Entrepreneurs with Cognitive Empowerment in Small and Medium Enterprises (SMEs) of North Khorasan province

Sina Aminosharieh

MA of Management, Department of Management, Sanandaj Branch, Islamic Azad University, Bojnord, Iran

Firooz Baharvand

Phd Student of Marketing Management, Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran

Hadis Alipoor

Phd Student of Industrial Management, Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran

Kamyar Bahmani

MA of Management, Department of Management, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran

Soran Mowlaie

(Corresponding Author), Phd student of Marketing Management, Young Researchers and Elite Club, Sanandaj Branch, Islamic Azad University, Sanandaj, Iran
mowlaie_soran@yahoo.com

Abstract:

This research investigates the relationship between psychological characteristics of entrepreneurs with skills of cognitive empowerment in the active firms of North Khorasan province. So, the research is descriptive and based on survey. Data was gathered with 75 verified questionnaires. And statistical sample volume consists of 268 people from active entrepreneurs in small and medium enterprises of North Khorasan province. Data was analyzed with statistical methods and Pierson correlation coefficient. Data analysis show there is positive significant relationship between cognitive empowerment and education. All the personality characteristics, except nervousness, there are relationship positive and significant with Cognitive Empowerment skill. In this regard, there is negative and significant relationship between nervousness and cognitive empowerment. Also, the result affirmed the significant relationship of five personality characteristics with four dimensions of cognitive empowerment.

Keywords: Psychological Characteristics, Entrepreneurs, Empowerment, North Khorasan province.

Introduction

Today, the organizations affected with factors include: increase in global competition, sudden changes, quality, after sale services, and limited services bear real burnt. After real experience, the world found if an organization wants to be pioneer in its economic, its affair and not fall behind the competition. It should get access to a qualified, creative, and specialized man power. Human resources are regarded as a form of real wealth in an organization, (Lee and Koh, 2001). To find real way to increase efficiency and to apply maximum capacity of the employees in attaining the organizational aims are regarded as one of the main issues and challenges of the managers and directors, such that in the recent years, the word “empowerment” has become a part of daily language, (Storm and Wallace, 2003). Human resource empowerment is regarded as one of the new important attitudes applied by the organization to answer the urgent requirement of contemporary management to coordinate with change. In today competitive environment the employee empowerment can give a competitive benefit to the organization, (Dewettinck and VanAmejde, 2011:300). Empowerment is regarded as a utility to improve the employee quality and organizational efficiency. To become successful in the changing environment of today business, organization needs staff’s knowledge, recommendation, ideas, and creativity from front line staffs to senior managers (Gadenne and Sharma, 2009).

One of the main topics in the entrepreneurship discussion is to detect entrepreneurs characteristics as a successful class of the society. This knowledge help to develop these characteristics (Elenurm, 2007). Of course, no one can define entrepreneurs as a group. They are regarded as a diverse group. And there are giant differences among entrepreneurs group. However, it is useful to study the entrepreneur characteristics to create more clear image from the real entrepreneurs (Fry, 1993:59).

The research show, psychologically and demographically, the entrepreneurs are different from the common people (Pistori, 2001). Mc. Clelland classifies entrepreneur characteristics as developmental

motivation, taking the risk, inner controlling and independence requirement. He believes, based on the research, to develop these characteristics, can enhance the entrepreneurship capabilities (Mc. Clelland, 1961). Bygrave cites 10 personal characteristics of successful entrepreneurs including: imagination, decisiveness, being practical, resolution, self-sacrifice, affection, scrutiny, controlling the work destiny, revenue, and wealth distribution. Schumpeter (1936) believes, creativity is regarded as a spirit blown in the entrepreneurship and innovation is necessary to entrepreneurship process. Innovation and creativity are two basic components of entrepreneurship. One can mention 3 roles of creativity, innovation and entrepreneurship briefly: creative person can create new phenomena, but they can't convert their innovation into a product or service. Innovative people not only can create new phenomena, but also they can deliver their innovation to the market. Entrepreneurs are able to convert their thoughts, innovations, and creation into products/services, and then into value (Elenurm, 2007).

The characteristics of the entrepreneur's motivation to accept all risks and start their entrepreneurial activities. Understanding the characteristics of successful people can also foster entrepreneurship as these features are used in the training of entrepreneurs (Zali, 2006).

The concept of Entrepreneurship Psychological Characteristics

There are some factors which in relation to the mental condition of people and the public are regarded as important one and are analyzed by their personality (Drucker, 1993:19).

In the characteristics procedures, psychologists are successful in determining some personal and psychological factors and even unique characteristics of entrepreneurs. The psychologist aim is to discover how to create these distinctive features. The characteristic procedures refers to common characteristics of entrepreneurs, supposed that these characteristics is not educable. So, it is regarded as an innate and natural phenomenon (Nazem and Abbasi, 2009). Entrepreneurs are defined as those who establish a new business such that at least they can hire more than one people (Kirkwood, 2007).an entrepreneur tries to establish and manage a business based on achievement and

performance improvement (Utsch and Rauch, 2000). This is a unique feature, which motivate the entrepreneurs relating to the success in work and promotion toward face to face challenges in the work affair. Entrepreneurship, by the modern business idea can cause changes in the market nature. Entrepreneur oriented procedure focuses on market, product innovation and risky plans, and tries to get priority through pioneering in innovation (Miller, 1983).

In one of the most important division, entrepreneurship has 3 types: individual/independent entrepreneurship, inter-organizational entrepreneurship, and organizational entrepreneurship. In independent entrepreneurship (GEM, 2008) a new organization is established to supply new product and services to the society. In independent entrepreneurship a new service is distributed into the society and in organizational entrepreneurship, the inter-organizations managerial condition is examined to provide a suitable bed for innovation and improvement (Cornwall & Perlman, 1990). Although it has been long been thought entrepreneurship is a personality characteristic and emphasize its heredity (Levie, 1999), but all of them can be divided into 3 general groups of personal and psychological biographical characteristics of the entrepreneur, entrepreneurial firm and external environment (Kiggundo, 2002). Heber and Learner (2000) divided the effective factors on entrepreneurship procedures and success of entrepreneurial firms into 4 characteristics of the entrepreneurs personal and psychological characteristics, financial and governmental support and consultation, environmental attractions of the firm and diversity in the available services. Wagner and Sternberg (2004) divide the effective factors on entrepreneurship procedure and establishment of the new firm into 3 groups include: micro and macro factors and personal characteristics of the entrepreneurs. They found in the regional, national and international level each one and even their related control/secondary variables have various effect on entrepreneurship procedure.

The Concept of Cognitive Empowerment

Empowerment creates an inner sense in people, to make some decisions in their affair. Empowerment is regarded as a prominent

concept of modern management. In this regard, the most important aim is to guide and educate the required skills for the staffs to make independent decisions based on organizational culture standards (Robbins et al, 2006). In the lower level, empowerment refers to the situation in which the employees encourage to offer their recommendations, but it is not the manager obligation to implement and manage these recommendations. On the other hand, empowerment in the higher level, includes the situation in which employees are convinced to do their special tasks in a correct manner (Rafiq, 1998).

Blanchard et al (2003) regard empowerment as a tool in releasing the power and inner capabilities of people in attaining the prosperous success. In his idea, empowerment means to empower people to help them in enhancing the self-confidence and overcoming the disabilities and creating the enthusiasm to perform the task assigned to them.

Psychological procedure of empowerment causes the change in traditional changes of management affair, and in turn focuses on people experiences and observations. In this procedure, employers beliefs and attitude from power, ability, control, and personal efficiency take into consideration. Kanungo and Conger's research is regarded as a start point of psychological procedure of empowerment. They declare empowerment requires motivational concept of personal performance. This was modified by Thomas and Velthous (1990) introduced cognitive model of empowerment. They define empowerment as increasing internal work (Greasley, 2005:356). Recently, Spreitzer and Doneson (2005) introduced a different classification of empowerment procedures. In Table (1) a brief division is provided.

Table1: Empowerment Procedure

Procedure	Origin	Procedure nature
Social/Structural	Principle of democracy and sociology	Power division and decision making
Psychological	Social psychology and intrinsic motivation theory	Competency election right, effectiveness, meaningfulness
Critical	Postmodern theory and deconstruction	Understanding the fact who control the formal structure of power

Source: Spreitzer and Doneson (2005)

Methodology

The research is applied one, because the research aim is to develop knowledge regarding to entrepreneurship. The research methodology is analytical- descriptive based on correlation coefficient branch. Data was gathered with measurement. The measurement research aim is to define the current situation of a phenomenon.

In this research, the measurement tool is a verified two part questionnaire consisting 75 questions in 5-points Likert scale. The questionnaire includes question related to Neo-test and empowerment question. To brief and rapid evaluate the 5 primary factors (Neuroticism, Extra Version, Openness, Agreeableness, and Responsibility) NEO- FFI questionnaire has been designed. Nervousness or neuroticism consist negative emotions such as fear, anger, and constant frustration. "extra version" are social, active and decisive people and interesting in emotions. The elements of "openness" include active imagination, paying attention to inner emotional experiences, and independent judgment. Two main characteristics of inability are to control the impulses and demands and to apply design and plan in the behaviors to attain the study objectives in "responsibility" indicator. Speritzer (1995) empowerment standards questionnaire 15 questions arranged by 5-points Likert scales. Selecting the subjects was based on active entrepreneurs in SMEs firms of North Khorasan province, because statistical population limitation, census method was used include 311 questionnaires delivered into the active entrepreneurs of North Khorasan firms. Finally, 268 questionnaires were analyzed. In this research, the questionnaire reliability was obtained by cronbach's alpha, such that before the final performance, 30 persons were chosen in a randomized manner and the questionnaire were distributed among them. After collecting the questionnaires by SPSS software cronbach's alpha was calculated. Its result was obtained for entrepreneurial psychological characteristics of the questionnaires (%807) and for staff empowerment skills (%847) which show stability and internal stability of questionnaire.

The research Findings

The research findings were classified in two levels of descriptive and inferential statistics.

Analysis of Descriptive Statistics

According to information obtained from the questionnaire survey, the respondents (entrepreneurs) in the sample is contained in Table 2.

Table 2: Descriptive statistics of the sample survey respondents

		Frequency	Percent
Sex	Male	204	76.3
	Female	64	23.7
Education	Associate's degree	35	13
	Bachelor of Science	75	28
	Master's degree	118	44
	Ph.D.	40	15
Old	25-35	155	57.8
	36-45	70	26.1
	46-55	41	15.3
	55 more	2	0.03

Inferential analysis

1. The relationship between demographic information and psychological empowerment skills

According to Table 3, clearly, there is positive significant relationship between education and 4 skills of psychological empowerment. The higher the level of people education is seen, the higher improvement in their psychological is touched. In this regard, no relationship was seen between age and psychological empowerment skills. About sex, the reverse significant correlation was seen. The result show in significant level, the rate of empowerment of the men in Meaning dimension is higher than women.

Table 3: Correlation between demographic and psychological empowerment skills

Empowerment Skills		Demographic		
		Sex	Education	Old
Impact	Correlation coefficient	0.084-	0.262 **	0.054
	Significant coefficient	0.176	0.000	0.390
	Number	268	268	268
Self-Effectiveness	Correlation coefficient	0.053-	0.313 **	0.065
	Significant coefficient	0.392	0.000	0.299
	Number	268	268	268
Self-Determination	Correlation coefficient	0.107-	0.231 **	0.104-
	Significant coefficient	0.093	0.000	0.86
	Number	268	268	268
Meaning	Correlation coefficient	0.128 *-	0.223 **	0.052-
	Significant coefficient	0.037	0.000	0.391
	Number	268	268	268

2. The relationship between psychological characteristics and psychological empowerment skills.

According to Table 4, the result of this analysis was obtained. The data analysis showed there is reverse significant relationship between nervousness characteristics with the impact, self-effectiveness, self-determination dimensions. It means the stronger the nervousness characteristics are experienced, the weaker the ability in these 3 dimensions would be touched. There between nervousness and meaningful sense to the significant level of correlation coefficient, the relationship was not found. About extra version characteristics it was clear, there is significant positive relationship between extra version and all the dimensions of empowerment. So, the more extra version is, the more powerful their ability in psychological empowerment is. For self-determination dimension, it is powerful to some extent and for self-effectiveness it is weak. Also, there was significant relationship between openness with impact and self-efficiency dimensions. The

relationship between openness and self-determination, based on significant level and correlation coefficient wasn't affirmed. There is significant relationship between agreeableness and three aspects of impact, self-determination and self-effectiveness. There was no significant relationship between agreeableness and meaningful sense. There was significant relationship between responsibility with three dimensions of meaningful sense, self-determination and self-effectiveness. There is no significant correlation between agreeableness with impact dimension.

Table 4: Correlation between personality characteristics and psychological empowerment skills

Personality Characteristics		Empowerment Skills			
		Impact	Self-Effectiveness	Self-Determination	Meaning
Nervousness	Correlation coefficient	0.298 **	0.259 **	0.212 **	0.069 **
	Significant coefficient	0.000	0.000	0.000	0.263
	Number	268	268	268	268
Extra Version	Correlation coefficient	0.424 **	0.244 **	0.440 **	0.182 **
	Significant coefficient	0.004	0.000	0.000	0.004
	Number	268	268	268	268
Openness	Correlation coefficient	0.194 **	0.140 **	0.117	0.054 **
	Significant coefficient	0.001	0.024	0.057	0.379
	Number	268	268	268	268
Agreeableness	Correlation coefficient	0.239 **	0.174 **	0.280 **	0.099
	Significant coefficient	0.000	0.004	0.000	0.107
	Number	268	268	268	268
Responsibility	Correlation coefficient	0.100	0.258 **	0.240 **	0.436 **
	Significant coefficient	0.102	0.000	0.000	0.000
	Number	268	268	268	268

3. The relationship between empowerment skills with psychological characteristics

The result of these analysis were obtained in accordance with Table 5 . Considering the positive amount of correlative coefficient and the obtained significance level, a direct and significant relationship between various personality characteristics and empowerment skills.

Table 5: the correlation between personality characteristics and empowerment skills Conclusion

Personality Characteristics		Correlation Coefficient	Significant Coefficient
Nervousness	Cognitive Empowerment	0.358 **-	0.000
Extra Version	Cognitive Empowerment	0.422 **	0.004
Openness	Cognitive Empowerment	0.269	0.001
Agreeableness	Cognitive Empowerment	0.264	0.000
Responsibility	Cognitive Empowerment	0.344	0.000

Conclusion

The result show there is relationship between personality characteristics and empowerment skills. In this research, with using statistical methods, the correlation between Five-Factor Personality (Neuroticism, Extra Version, Openness, Agreeableness, and Responsibility) and 4 aspects (Impact, Self- Effectiveness, Self-Determination, and Meaning) of empowerment was examined. Correlation analysis of the data was affirmed there is significant relationship between the education, psychological empowerment, and showed that higher levels of education positive and significant relationship with skills and abilities that psychological empowerment. About personality characteristics, the result show, the rate of nervousness in most entrepreneurs is low. So, one can deduct our studied subject, mostly, can control their excitement negative emotion and their anger.

The average of extraversion show these groups of people are social, active, decisive and interested in team works. The higher average of responsibility shoe the research sample entrepreneurs have high level of significance in attaining their goal. The average of two openness and agreeableness is less than the average. The data correlation analysis show there is negative significant relationship between nervousness with psychological empowerment skills. The positive and significant relationship between psychological empowerment skills and personality characteristics was affirmed. The result of data analysis shows the people with lower nervousness have

higher ability in psychological empowerment skill, instead those entrepreneurs with high specificity extra version, openness, agreeableness, and responsibility the ability are higher of psychological empowerment skills. Using the results of this study and the study of personality characteristics of entrepreneurs, will be in its ability to empower employees, predicted.

دراسة العلاقة بين الميزات النفسية لرواد الأعمال ذوي القدرات النفسية في الصناعات الصغيرة والمتوسطة (SMEs) بمحافظة خراسان الشمالية

سينا امين الشريعة جامعة آزاد الإسلامية - سنندج - قسم الشؤون الادارية فرع سنندج - إيران	فیروز بهاروند طالب دكتوراه الادارة الصناعية - جامعة آزاد الإسلامية - سنندج - قسم الشؤون الادارية فرع سنندج - إيران
حديث علي پور طالبة الدكتوراه الادارة الصناعية - جامعة آزاد الإسلامية - سنندج - قسم الشؤون الادارية فرع سنندج	كاميار بهمني جامعة آزاد الإسلامية - سنندج - قسم الشؤون الادارية فرع سنندج

سوران مولايي

طالب دكتوراه في ادارة التسويق - الباحثون الشباب
ونادي النخبة - جامعة آزاد الإسلامية - سنندج - قسم
الشؤون الادارية فرع سنندج

الملخص:

يهدف هذا البحث من خلال المنهج الوصفي و المسحي إلى دراسة العلاقة بين الميزات النفسية لرواد الأعمال ذوي القدرات المعرفية في الشركات النشطة بمحافظة خراسان الشمالية. وكانت أداة جمع البيانات استبياناً يحتوي على ٧٥ سؤالاً وحجم العينة هو ٢٦٨ رجال الأعمال في الصناعات الصغيرة والمتوسطة بنفس المحافظة. تم تحليل البيانات من طريق الأساليب الإحصائية ومعامل ارتباط بيرسون. وخلص تحليل البيانات إلى أن هناك علاقة إيجابية وهامة بين التعليم ومهارات التمكين المعرفي. لجميع الميزات الشخصية علاقة إيجابية وكبيرة مع مهارات التمكين المعرفي إلا العصبية وبواسطة مهارات القدرة المعرفية أثبتت الآثار السلبية والكبيرة للعصبية. وأثبتت نتائج البحث وجود علاقة كبيرة لخمسة أبعاد شخصية مع أربعة أبعاد التمكين المعرفي.

Reference:

- Blanchard, K.H & Carlos, J.P & Randolph, A .(2003). Empowerment take more than one minute, Barrett-Koehler, Sanfrancisco,P:39
- Cornwall, J. and Perlman, B. (1990). "Organizational entrepreneurship", Richard Irwin Co.
- Dewettinck, K., Van Ameijde, M. (2011); Linking Leadership Empowerment Behavior to Employee Attitudes and Behavioural Intentions, Personal Review, Vol. 40, No. 3, pp. 284- 305, Available from: www.emeraldinsight.com/0048-3486.htm.
- Drucker, Peter F . (1993) Innovation & Enterpreneurship, New York, Library of Congress Cataloging in Publication Data.
- Elenurm, Tiit, (2007), "Structure of Motivation and Entrepreneurial Orientation in Students as the Basis for Differentiated Approach in Developing Human Resources for Future Business Initiatives", Estonian business school review, (13). pp. 62-75.
- Fry, Fred L. (1993), Entrepreneurship: A Planning Approach; West Publishing Company.
- Gadenne, D., and Sharma, B. (2009). An investigation of the hard and soft quality management factors of Australian SMEs and their association with firm performance. International Journal of Quality & Reliability Management, 26 (9), 865-880.
- Greasly, Kay and King, Nicola (2005). Employee Perception of Empowerment. Employee Relations, Vol. 27, NO. 4, PP. 354-368.
- Kiggundo, M. N. (2002). "Entrepreneurs and entrepreneurship in Africa: What is known and what needs to be done", Journal of developmental entrepreneurship, 7(3), pp. 239-258.
- Kirkwood, J. (2007). "Igniting the entrepreneurial spirit: is the role parents play gendered?" International journal of entrepreneurial behavior and research, Vol. 13, No. 1, pp.39–59.
- Lee, M. & Koh, J. (2001). Is Empowerment Really a New Concept?. International Journal of Human Resource Management, Vol. 12, No. 4, pp. 684-695.
- Lerner, M. (2000). "Performance factors of small tourism ventures: The interface of tourism, entrepreneurship and the environment", Journal of business venturing, (16), pp. 77-100.

- Levie, J. (1999). "Entrepreneurship: my thane Reality", Science & public affairs, (17), pp. 24-25.
- McClelland, D. (1961), The Achieving Society, Princeton: NJ, Van Nostrand.
- Miller, D. (1983). "The Correlates of Entrepreneurship in Three Types of Firms", Management science, Vol. 29, No. 7, pp. 770-791.
- Nazem, F. and Abbasi, Z. (2005). "Relationship between entrepreneurship and performance of Tehran Schools Managers", Proceeding of entrepreneurship National First Seminar, Roodehen: Islamic Azad University of Roodehen. (in Persian).
- Pistru, David,(2001), "Entrepreneurship in China: Characteristics , Attributes , and Family Forces Shaping the Emerging Private Sector", family business review, vol.XIV,141-152.
- Rafiq. M. (1998). A contingency for Empowerment customer contact services Employee, Management Decision ,82.
- Robbins, T. L., Crino, M.D., Fredendal, L.D. (2002). An integrative model of the empowerment process. Human resource management review, 12, 420-442.
- Spreitzer ,Gretchen. M. (1995). Social Structural Characteristics of Psychological Empowerment. Academy of Management Journal ,Vol. 39, pp. 483-504.
- Spreitzer, Gretchen, M. & Doneson, David (2005). Musings on the Past and Future of Employee Empowerment. Forthcoming in the Handbook of Organizational Development (Edited by Tom Ummings)..
- Utsch, A., and Rauch. A. (2000), "Innovativeness and initiative as mediators between achievement orientation and venture performance", European journal of work and organizational psychology, 9(1), 45–62.
- Wagner, J. and Sternberg, R. (2004). "Start-up activities, individual characteristics, and the regional milieu: Lessons for entrepreneurship support policies from German micro data", the annals of regional science, (38), pp. 219-240.
- Wallace, M., and Storm, J. (2003). Organizational change in a regional local council. Australian journal of business and social inquiry, 1 (2) 289 – 301.
- Zali, M. (2006). "Assessment of students entrepreneurial specifications of university of Mazandaran", Research Plan, Babolsar: Entrepreneurship Center of University of Mazandaran (ECUMZ). (in Persian).