NOT ANOTHER PERSONALITY STUDY? TAKING PERSONALITIES TO THE MIDDLE EAST

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ABSTRACT

We examine the role of founders' personality traits in the success of new ventures using a sample from the Middle East. Despite growing interest and investments into entrepreneurs in the Middle East, our knowledge of what makes entrepreneurs succeed in this region is limited. Using a sample from Kuwait we examine the role of proactive personality, need for achievement, risk-taking propensity, and entrepreneurial self-efficacy on new venture growth in employment. Additionally, we examine the effect of extreme levels of risk-taking propensity and entrepreneurial self-efficacy on growth in employment. Our results indicate that extreme levels of a founder's entrepreneurial self-efficacy have a negative impact on new venture performance in terms of employment growth. Surprisingly, we find no support for the role of the other personality traits in predicting venture success. Our results indicate that additional research of what makes entrepreneurs succeed in the Middle East is needed to build our knowledge of whether other traits or characteristics are more important for new venture success.

Keywords: Personality, Entrepreneur, New Venture Success, Human Capital.

INTRODUCTION

In explaining the success of new ventures, a vast majority of research have focused on the role of founders' personality. At the individual entrepreneur level, need for achievement, risk-taking propensity, self-efficacy, openness to experience, and proactive personalities are considered hallmarks of entrepreneurial psychological characteristics that have been shown to have a direct influence on new venture performance (Ciavarella et al., 2004; Frese & Gielnik, 2014; Vecchio, 2003; Zhao et al., 2010). Despite the large amount of research on the role of founder's personality on venture success, and the progression of research in the West beyond examining direct effects between founder personalities and new venture performance, the stream of research focusing on founder personality is still popular as evident by reviews (Frese & Gielnik, 2014), meta analyses (Brandsatter, 2011), and empirical papers examining the role of personality in different regions (Antoncic et al., 2015; Obschonka et al., 2018) and through different mechanisms (de Jong, Song & Song, 2011). Moreover, personality traits continue to be a popular topic in entrepreneurship education (Premand et al., 2016; Ramani et al., 2018).

Yet, the majority of this research on entrepreneurship and personalities has been conducted using samples from the West. In fact, samples from the Middle East are highly underrepresented in management, psychology, and entrepreneurship research (Barkema et al., 2015; Bruton et al., 2008; Kirkman & Law, 2005; Shen et al., 2011). The lack of research on the role of founders' personality traits in the Middle East is problematic for knowledge production and dissemination in the Middle East, as prior research suggests that theories and findings in the Western world may not apply to the East (Barkema et al., 2015; Bruton et al., 2008). Moreover,

in the face of lack of replicability of prior findings facing different management fields, there have been increasing calls for more replication studies (Aguinis et al., 2018; Aguinis & Vandemberg, 2014; Bergh et al.., 2017; Bettis et al., 2016) Bosco et al., 2016; O'Boyle et al., 2017). Accordingly, we conduct a replication of prior studies of entrepreneur's personality to examine the relationship between founder personality and new venture success using a sample from the Arab region. Overall, the motivation for this paper was the lack of research on entrepreneurship using samples from the Arab region, along with the calls for more replication studies. Specifically, we test the relationship between founder's personality and new venture performance in Kuwait, an oil-rich country in the Middle East.

Our article makes several contributions. First, we examine whether our knowledge on founders' traits is applicable to the Arab region. Specifically, we focus on four personality traits that have received most attention in entrepreneurship research: proactive personality, need for achievement, entrepreneurial self-efficacy, risk-taking propensity For example, is not clear for educators in the Arab world, what traits they might focus on when teaching entrepreneurship courses. Similarly, it is not clear for researchers in the region what traits are most relevant in examining mediators between founders and venture success. Second, we look at the "dark side" of risk-taking and self-efficacy (Miller, 2015). Specifically, the too much of a good thing effect in management suggest that independent variables such as personality traits that are generally thought to result in positive outcomes can also lead to negative outcomes at extreme levels (Pierce & Aguinis, 2011). Accordingly, we also examine the effects of extreme levels of self-efficacy and risk-taking propensity on new venture success. Of we focus on extreme levels of risk-taking propensity and self-efficacy based on prior evidence that such traits may be detrimental at high levels (Baron et al., 2016; Nieß & Biemann, 2014; Pierce & Aguinis, 2013).
From a practical perspective, examining the role of personalities in venture success in the Arab region is important for government policy on how to train and motivate entrepreneurs. For example, the government of Kuwait has emphasized a policy of supporting new ventures to succeed, in an attempt to create new jobs and diversify the economy. A reflection of Kuwait's policy of focusing on entrepreneurship is the creation of the National Fund for Small and Medium Enterprises (Baksh, 2015; World Bank, 2016). Despite these governmental efforts, there is a lack of scientific and academic studies conducted on what makes entrepreneurs succeed in the Arab region. Therefore, to better train entrepreneurs, it is important to understand what characteristics influence new venture success.

LITERATURE REVIEW

Personalities in the Middle East

Before reviewing the literature on entrepreneurs' personality traits, we begin by discussing why we might expect the relationship between entrepreneurs' personality traits and outcomes to differ in the Arab region, compared to other regions. First, Institutional factors (high bureaucracy, high regulation) can impose limitations on a venture's ability to grow, such as when a new and innovative company attempts to disrupt the market (Barkema et al., 2015). Moreover, political pressures and high regulation, such as a policy that restricts new ventures from acquiring talent from abroad can impact the venture's ability to grow.

Second, transaction costs (lack of public data, political instability) means there is a lack of public information to help entrepreneurs make informed decision (Hoskisson et al., 2000; Wright et al., 2005). This lack of information and the possibility of laws changing overnight,

negatively impacts the efficiency of strategic decision making and resource allocation decisions, and thus the role of personality such as proactive personality trait and self-efficacy in the face of uncertainty may be even more important.

Third, societal factors (norms and cultural values, a socialist economy) impact the characteristics of entrepreneurs in this region (Barkema et al., 2015; Hoskisson et al., 2005). Cultural norms, beliefs, and values of entrepreneurs in this region may differ. For example, almost 90% of the Kuwaiti population is employed by the government (IMF, 2017). Kuwait's social welfare system provides tremendous benefits and subsidies to Kuwaitis, including guaranteed and high paying government jobs, subsidies for working in the private sector, subsidies for being a full-time entrepreneur, no taxes, free education and health care and subsidized energy. While the safety net available to the majority of Kuwaitis (e.g., availability of steady income) may increase entrepreneurs' risk-taking, cultural values of fear of failure may also reduce the amount of risk-taking in general (Hertog, 2010; Yoon & Solomon, 2017). Similarly, the financial comfort and the availability of alternatives can reduce the need for achievement and the motivation to grow the venture, as many entrepreneurs are able live financially comfortable lives without needing the venture to achieve significant growth. Overall, individual entrepreneurs' characteristics and their impact on performance in this region may be different from other contexts (Barkema et al., 2015; Hoskisson et al., 2000; Wright et al., 2005).

Personality as a Human Capital Resource

Research interest in founders' personality stems from upper echelons theory. The upper-echelons theory suggests that member human capital characteristics can be important firm-level resources that influence firm performance (Jin et al., 2016; Ployhart et al., 2006; Unger et al., 2011). Human capital characteristics include both KSA's as well as non-cognitive (O's) characteristics (personalities, values, interests). Member psychological characteristics are therefore important firm resources (Oh et al., 2015; Ployhart et al., 2006; Ployhart & Molilterno, 2011).

Upper echelons theory explains why member psychological characteristics are expected to relate to new venture performance. Upper echelons theory is built on the premise of bounded rationality, which refers to limitations in accessing, processing, and using information (Holmes et al., 2011). The core argument of upper echelons theory is that the top management team's experiences, values, and personalities… affect their choices (Hambrick, 2007), which in turn, influence firm performance. Psychological characteristics such as personality, are a disposition that influences performance, as it affects what information top management teams pay attention to (where they look for information), how they perceive the information (what they notice and what they ignore), and how they interpret the information (how they attach meaning to information and how they evaluate strategic options) regarding themselves, their firms, and the environment (Finkelstein et al., 2009; Nadkarni & Herrmann, 2010; Wang et al., 2016) Entrepreneurs prevail in the face of bounded rationality due to such differences in decision making (Mitchell et al., 2007). Therefore, psychological characteristics are important to upper echelons theory as they are valuable human capital resources (Carpenter et al., 2004; Colbert et al., 2014; Ployhart & Moliterno, 2011; Oh et al., 2015; Wang et al., 2016).

There is substantial evidence that founders' psychological characteristics are a valuable resource as reflected by prior research relating individual entrepreneurs' personality traits to firm success (Rauch & Frese, 2007; Zhao et al., 2010). Table 1 (below) provides a non-exhaustive review on the relationship between a lead entrepreneur's psychological characteristics and two

dependent variables: entrepreneurial status (who is an entrepreneur) and entrepreneurial success. Brandstätter (2011); Frese & Gielnik (2014), review meta-analytical findings to demonstrate the importance of entrepreneurs' psychological characteristics in predicting success. The highest correlations in the meta-analyses include: achievement motivation (r =0.30), proactive personality (r =0.27), self-efficacy (r =0.25; Rauch & Frese, 2007; Zhao et al., 2010). In contrast, risk-taking propensity (r =0.10), another trait considered one of the hallmarks of entrepreneur personality (Begley & Boyd, 1987; Ciaverella et al., 2004; Vecchio, 2003), shows comparatively lower effect sizes in terms of venture success.

Despite the somewhat limited effect of psychological characteristics on firm performance, the observed relationship is higher than the focus on individual cognitive (knowledge, skills, and abilities) human capital (r =0.10), and equivalent to the effect of individual social capital (r =0.21) on firm performance (Stam et al., 2014; Unger et al., 2011). Therefore, research at the individual level suggests that an entrepreneur's psychological characteristics such as personality can be an important contributor of firm success. In this study we focus on four founder traits that have received the most attention: proactive personality, self-efficacy, need for achievement, and risk-taking propensity.

Table 1
INDIVIDUAL LEVEL ENTREPRENEURSHIP PSYCHOLOGICAL CHARACTERISTICS RESEARCH

Study	Independent Variable	Mediator	Dependent Variable	Sample	Key Findings
Baron, Franklin, and Hmieleski (2016)	Psychological capital (hope, optimism, resilience, self-efficacy), perceived stress, age		Subjective well-being and subjective ratings of performance (revenue and employment growth)	170 founders who are also CEOs of U.S. new ventures (M = 5.31 years)	There is a positive relationship between psychological capital and firm performance.
Baum and Locke (2004)	Traits (passion, tenacity, new resource acquisition)	Vision, self-efficacy, sales, and employment growth goals	New venture growth (compounded annual sales and employment growth rate)	229 CEOs of North American architectural woodwork venture (1993–1999) from two to eight years	There are indirect effects of traits on venture growth through communicated vision, entrepreneur's goals, and self-efficacy. Self-efficacy had the strongest direct effect on new venture growth.
Baum, Locke, and Smith (2001)	Tenacity, proactivity, passion	Self-efficacy, vision, goals, skills	New venture growth (sales, profit, and employment growth), from 1993–1995	307 CEOs of North American architectural woodwork venture (1993–1999) from two to eight years	Traits influence performance through motivation (e.g., self-efficacy) and skills.
Becherer and Maurer	Proactive personality		Firm performance	215 small businesses in	Proactive personality

(1999)	(entrepreneurs vs. managers)		(subjective measures of sales and profit). Entrepreneurial orientation.	large, Midwestern, metropolitan area (M = 15 years)	correlated with higher EO (r = 0.33), and higher sales (r = 0.17). Entrepreneurs score higher than managers in proactive personality.
Begley and Boyd (1987)	Need for achievement, locus of control, risk-taking propensity, tolerance for ambiguity, type-A personality		Founders versus non-founders of small businesses, financial performance (revenue growth rate, return on assets, liquidity)	239 Members of the Small Business Association of New England (M= 21 years)	Founders score higher on need for achievement, risk-taking, and ambiguity tolerance. Moderate risk-taking is associated with increased return on assets.
Ciaverella, Buchholtz, Riordan, Gatewood, and Stokes (2004)	Big five personality traits		Likelihood of long-term survival (eight years or more), life-span of new venture (years in operation)	Students graduating from university (1968-1973) that owned an independent business (1995)	Conscientiousness is positively related to survival and venture life-span. Openness to experience is negatively related to survival and venture life-span.
Collins, Hanges, and Locke (2004) / Johnson (1990) / Stewart and Roth (2007)	Achievement motivation		Entrepreneurial career choice and entrepreneurial performance (variety of measures)	Meta-analysis	Collins: Entrepreneurs rate higher than managers (r = 0.21) and entrepreneurial performance (r = 0.18). Johnson: Achievement motivation explains 7% of variation in entrepreneurial performance. Stewart & Roth: Founders vs. managers (d = 0.64).
de Jong, Song, and Song, 2013	Big five personality traits	TMT task & relationship conflict	New venture performance (gross margin and subjective rating of sales	323 new ventures from a random sample (M= 4- 6 years)	Openness has both direct and indirect positive effects on performance.

			growth and profitability)		Neuroticism has a negative indirect effect through relationship conflict, but a positive direct effect on performance. Agreeableness has an indirect a positive effect on performance through task conflict. Conscientiousness has a positive indirect effect on performance through relationship conflict, but a negative indirect effect through task conflict.
Hmielski and Baron (2008)	Self-efficacy, optimism, environmental dynamism		New venture performance (revenue and employment growth)	59 founders who are also CEOs of U.S. new ventures (M = 7.81)	Self-efficacy is positively related to firm performance, while optimism is negatively related to firm performance.
Hmieleski and Corbett (2008)	Self-efficacy, improvisational behavior		New venture performance (sales growth) and entrepreneur satisfaction	159 founders who are also CEOs of U.S. new ventures (M=7.81)	Self-efficacy is positively related to sales growth and the entrepreneur's satisfaction.
Korunka, Frank, Lueger, and Mugler (2003)	Need for achievement, internal locus of control, risk propensity, proactivity		New venture performance (survive for two years minimum, growing employee numbers, subjective rating of success)	627 new business owners in Austria and Germany (M< 2 years)	Those who are successful are characterized as strong in need for achievement, internal locus of control, proactive personality, and medium risk-taking.
Korunka, Kessler, Frank, and Lueger (2010)	Need for achievement, internal locus of control, risk propensity		Success (medium- and long-term survival over eight-year period)	373 Austrian small business owners from the Vienna entrepreneurship studies (zero to eight years)	High risk-taking reduces the chances of survival.

Krauss, Frese, Friedrich, and Unger (2005)	Individual-level entrepreneurial orientation (proactivity, achievement, risk-taking)		Firm performance	248 southern African business owners	Individual-level proactivity, achievement, and risk-taking are related to firm performance.
Nieß and Biemann (2014)	Risk-propensity		Self-employment entry (2005) and self-employment survival (from 2004-2009)	684 individuals from German socio-economic panel rated as self-employed in 2004 or 2005	High risk-propensity predicts self-employment entry, but only moderate risk propensity is related to survival.
Peterson, Walumbwa, Byron, and Myrowitz (2008)	Positive psychological traits (optimism, hope, resilience)	Transformational leadership.	Firm performance (achieved target net income for the year)	49 new Technology startups in southwest United States (M < 5 years)	Transformational leadership fully mediates the positive impact of positive psychological traits on firm performance.
Poon, Ainuddin, and Junit (2006)	Internal locus of control, generalized self-efficacy, achievement motivation	Entrepreneurial Orientation	Firm performance (self-reported market share, sales volume, profit, growth)	96 small companies (M < 7 years)	Internal locus of control has a direct effect on performance, while self-efficacy has an indirect effect through entrepreneurial orientation.
Raffiee and Feng (2014)	Risk-aversion, core self-evaluation, cognitive ability, entrepreneurial experience	Full-time self-employed, part-time self-employed	Survival (firms still in existence from 1994–2008)	1,093 members in the National Longitudinal Survey of Youth	Individuals who are risk averse and low in core-self-evaluation choose part-time entrepreneurship, and these individuals are three times more likely to succeed compared to those who choose direct entry into full-employment.

Rauch and Frese, 2007	Achievement motivation, risk propensity, innovation, autonomy, stress, locus of control, self-efficacy, proactive personality		Entrepreneurial status	Meta-analysis	Entrepreneurial status: Achievement motivation (r = 0.22), risk propensity (r = 0.10), innovativeness (r = 0.24), stress tolerance (r = 0.10), autonomy (r = 0.31), locus of control (r = 0.19), generalized self-efficacy (r = 0.38). Entrepreneurial success: Achievement motivation (r = 0.30), proactive personality (r = 0.27), risk propensity (r = 0.10), innovativeness (r = 0.27), stress tolerance (r = 0.20), autonomy (r = 0.16), locus of control (r = 0.13), generalized self-efficacy (r = 0.25)
Stewart and Roth (2001)	Risk propensity		Manager vs. entrepreneur (income-oriented vs. growth-oriented)	Meta-analysis	Risk propensity is highest for growth-oriented entrepreneurs (d = 0.35).
Tomczyk, Lee, and Winslow (2013)	Personal values (other-caring terminal values and other-caring instrumental values)	Firm compensation practices (number of benefits)	Firm performance (growth in sales, number of employees)	117 founders of Entrepreneur Magazine's 500 fastest growing companies (not all were CEOs)	Terminal value is negatively related to firm performance. Instrumental values are positively related to sales growth. Number of benefits is positively related to firm performance. There is no mediation effect.

Zhao and Seibert (2006)	Big five personality traits		Entrepreneurial status (entrepreneur vs. manager)	Meta-analysis	Entrepreneurs are higher on conscientiousness (r = 0.22) and openness to experience (r = 0.18), and lower in agreeableness (r = -0.08) and neuroticism (r = -0.18).
Zhao, Seibert, and Lumpkin (2010)	Big 5 personality traits, risk propensity		Entrepreneurial intentions (EI) and venture performance (survival, relative growth, profitability, operational performance)	Meta-analysis	Entrepreneurial Intent: Risk propensity (r = 0.40), conscientiousness (r = 0.19), openness to experience (r = 0.24), emotional stability (r = 0.22), extroversion (r = 0.16). Entrepreneurial Success: Conscientiousness (r = 0.19), openness to experience (r = 0.21), emotional stability (r = 0.18), extroversion (r = 0.09)

HYPOTHESES DEVELOPMENT

Proactive Personality

Proactive founders display higher scanning of strategic issues, are more acute of problems and ways of solving them, are more likely to put forth new ideas and suggest ways to improve work and current processes (reduce costs or improve customer service), and are more likely to plan and act on these initiatives (Bindl et al., 2012; Fuller & Marler, 2009; Parker & Collins, 2010; Williams et al., 2010).

Moreover, the proactive personality trait is linked with several of the skills necessary for success in entrepreneurship, such as innovation (Parker & Collins, 2010; Seibert et al., 1999; Seibert et al., 2001), creativity (Zhou & Hoever, 2014), problem solving (Parker et al., 2010; Parker & Collins, 2010; Parker et al., 2006), taking charge (Fuller & Marler, 2009; Parker & Collins, 2010), communicating ideas, suggestions, concerns, and information about work-related issues to bring about improvement and change (Fuller & Marler, 2009; Morrison, 2014; Parker & Collins, 2010; Seibert et al., 2001) and the ability to build networks (Fuller & Marler, 2009; Lambert et al., 2006; Thompson, 2005).

In general, a founder's proactive personality is key for new venture performance (Baum, Locke & Smith, 2001), because to perform well in an unpredictable and uncertain context, individuals need to anticipate and act on future problems, and improve current work structures (Bindl et al., 2012). Proactive individuals are more likely to take actions towards shaping the environment according their goals by improving work processes, acquiring resources through networking, and anticipating changes in market demand (Crant, 2000; Williams et al., 2010). Therefore, the role of proactive personality of founders' in Kuwait is particularly important due to transaction costs, lack of transparency, and high bureaucracy.

H1: There is a positive relationship between an entrepreneurs' proactive personality trait and new venture success.

Risk-Taking Propensity

Risk propensity is defined as the tendency of a decision maker to take or avoid risks (Jackson, 1976; Jackson, 1994; Sitkin & Pablo, 1992; Sitkin & Weingart, 1995). Specifically, risk-propensity is an individual personality trait that reflects the willingness of individuals to make decisions or pursue actions involving uncertainty regarding success or failure outcomes (Zhao et al., 2010). Overall, risk taking has important implications for decision making and firm performance (Li & Tang, 2010).

Risk-taking is one of the most controversial entrepreneurial personality traits. Research at the individual level has shown that risk taking propensity has weak to no effect on firm performance (r =0.11), as risk-taking is also associated with greater outcome variance (Rauch & Frese, 2007; Zhao et al., 2010). Some studies argue that taking high levels of risk could have a negative impact on firm performance (Begley & Boyd, 1987). Studies show different relationships between entrepreneur's risk propensity levels and new venture performance (Begley & Boyd, 1987; Korunka et al., 2003; Korunka et al., 2010; McClelland, 1965; Nieß & Biemann, 2014). While another meta-analysis shows no relationship between risk-propensity and venture success (Zhao et al., 2010). Yet, given that Kuwait' government subsidies and support minimize the risks associated with starting a new venture, entrepreneurs' tendency to take risks may be influential in making decision making and gambling of resources (Zhao et al. 2010). Accordingly, we expect a positive relationship between risk taking propensity and new venture performance.

H2: There is a positive relationship between an entrepreneurs' risk-taking propensity and new venture success.

The too much of a good thing effect (Pierce & Aguinis, 2013) suggests that high levels of risk propensity in individual entrepreneurs can be detrimental to venture performance (Nieß & Biemann, 2014). Studies show that entrepreneurs are most likely to survive at moderate levels of risk propensity (Begley & Boyd, 1987; Korunka et al., 2003; Korunka et al., 2010; Nieß & Biemann, 2014). Accordingly, we expect a negative relationship between extreme levels of risk-taking propensity and new venture performance.

H3: There is a negative relationship between an entrepreneurs' extreme level of risk-taking propensity and new venture success.

Need for Achievement

Need for achievement reflects an individual's desire for superior performance, motivation in the pursuit of goal accomplishment, an aspiration to achieve success through one's effort (Costa & McCrae, 1992). In general, need for achievement reflects individual differences in motivation (Sackett et al., 2017). Prior research has shown a positive relationship between an individual entrepreneur's need for achievement and new firm performance (r = 0.31 and r = 0.26; Rauch & Frese (2007); Collins et al. (2004), respectively).

Individuals with high levels of need for achievement are more aggressive in goal-achievement (Steers, 1975). The desire for superior performance and the pursuit of goal achievement suggests founders that score higher on need for achievement are better able to execute their strategies in pursuit of financial performance (Colbert et al., 2014). Overall, we expect a positive relationship between need for achievement and new venture success.

H4: There is a positive relationship between an entrepreneurs' need for achievement and new venture success.

Self-Efficacy

Entrepreneurial self-efficacy refers to the degree to which people perceive themselves as having the capability to successfully perform the various roles and tasks required to create and manage a business (Chen et al., 1998; Hmieleski & Baron, 2008; Shepherd et al., 2013). An entrepreneur's self-efficacy has been positively linked to new venture performance (Baron et al., 2016; Baum & Locke, 2004; Baum et al., 2001; Forbes, 2005; Hmieleski & Corbett, 2008; Hmieleski & Baron, 2008), as it leads them to choose more difficult goals (Locke & Latham, 1990) and to persist longer, since they have a greater belief that their actions will be successful (Cardon & Kirk, 2015; Griffin, Parker, & Mason, 2010; Lent, Brown, & Larkin, 1986).

Based on social cognitive theory, the higher the individual's self-efficacy regarding the performance of a task, the more resources (time and effort) they allocate towards goal attainment (Halper & Vancouver, 2016; Liu et al., 2014; Schmidt & DeShon, 2010), since they have a stronger belief that persistence and the allocation of resources will result in the successful achievement of their goals (Kozlowski & Illgen, 2006; Schmidt & DeShon, 2010; Vancouver & Kendall, 2006). Therefore, self-efficacy is relevant in assessing goal progress and the pursuit of future goals (Kozlowski & Bell, 2006; Schmidt & DeShon, 2010; Schunk, 1991; Vancouver & Kendall, 2006; Wanberg et al., 2010).

Moreover, self-efficacy allows founders to overcome setbacks, failures, stressors, and skeptical and critical social reactions. While self-worth and satisfaction are reduced by the failure to accomplish challenging tasks they associate with self-worth, individuals high in self-efficacy are less likely to be deterred by such setbacks given their belief in their ability to succeed (Bandura, 1989; Bandura, 2006; Bandura & Locke, 2003; Baron, et al., 2016; Chen et al., 1998; Markman et al., 2002; Shepherd et al., 2013; Shepherd et al., 2009). In the pursuit of difficult goals, people have to override a lot of dissuading negative feedback if they are to realize what they seek (Bandura & Locke, 2003). Individuals who have a greater belief that they can successfully complete their tasks are better positioned to persevere even when the conditions are overwhelming (Hmieleski & Corbett, 2008; Sitzman & Yeo, 2013), while those with low self-efficacy are more easily dissuaded by obstacles and setbacks, since they have fewer

psychological resources to help them deal with these challenges (Bandura, 1991; Shepherd, 2003; Shepherd et al., 2013).

Specifically, high self-efficacy is important for the success of entrepreneurs as it influences perseverance, resilience, level of effort, and reaction to failure (Markman et al., 2002; Zhao et al., 2005), while low self-efficacy can induce members to exit their venture early (Baron et al., 2016; Shepherd et al., 2015).

Hypothesis 5: There is a positive relationship between an entrepreneurs' self-efficacy and new venture success.

While moderate to high levels of self-efficacy might be beneficial, "too much of a good thing" effect suggests that high levels of self-efficacy could be detrimental to the firm (Pierce & Aguinis, 2013; Rapp et al., 2014). Extreme levels of self-efficacy have been linked to failure, since entrepreneurs can stretch themselves into opportunity overload, unreachable escalation of commitment, and unrealistically challenging goals (Baron et al., 2016; Cardon & Kirk, 2015; Hmieleski & Baron, 2009), causing burnout and feelings of discouragement (Baron et al., 2016; Shepherd, Covin, & Kuratko, 2009). In addition, extreme levels of self-efficacy can result in complacency and hinder learning due to belief that their effort will eventually lead to success (DeRue et al., 2010b; Vancouver; Rapp et al., 2014; Thompson, & Williams, 2001).

H6: There is a negative relationship between entrepreneurs' extreme levels of self-efficacy and new venture success.

METHOD

A passive observation study (cross-sectional field study) based on data collected using survey materials was used. The sample and data collection method is discussed first. Second, the specific measures that were collected and used in the online surveys are listed. Third, the data-analytical procedures used to test the relationships between the measures and examine the research questions proposed are outlined.

Identifying the Sample

In line with prior research, the sample of new venture firms included firms less than ten years old (Batjargalm Hitt et al., 2013; Baum et al., 2001; Beckman, 2006; Souitaris & Maestro, 2010; Zahra, 1996). Firms more than ten years old may begin to look like established firms, while ventures less than one year old are considered early start ventures and may have different goals and dynamics.

Sampling Frame

A random sampling frame was used to increase the number of firms. Using a random sampling procedure (Dehlen et al., 2014; DeTienne et al., 2015; Hmieleski & Baron, 2009) controls for external variables (industries), increases generalizability, and facilitates greater data collection given the relatively small size of the Kuwaiti economy

Survey

Surveys were distributed online in both Arabic and English. Respondents had the option to choose from the Arabic or English survey. To create the Arabic version of the survey,

translation and back-translation was applied utilizing two independent professional translation companies (Brislin, 1980). Both companies translated the survey from English to Arabic, and back to English. Moreover, the first author is fluent in both Arabic and English, and has intimate knowledge of the local culture, so he reviewed both translations to ensure consistency.

While respondents had the option to choose from both the Arabic or English survey, all respondents included in our sample chose to do the survey in Arabic, of which only two were included in the final analysis. The majority chose to do the survey in English as it is the second language in Kuwait, and many are more comfortable with English in business settings. English is a mandatory second language in schools, is the official language of universities in Kuwait, and is the most widely used language in business. Nonetheless, in addition to using back-translations, a pilot study of 30 Kuwaitis was conducted to ensure measures were validity before conducting the study. Moreover, confirmatory factor analysis (CFA) was conducted to determine the validity of the measures (Kirkman & Law, 2005).

Data Collection

Several data collection methods were used to increase representation. Data collection efforts continued over a five-month period. Personal knowledge of the Kuwaiti market helped in identifying ventures to contact at the start of the data collection period. First, known new ventures in Kuwait were contacted through Instagram. Instagram is a social media platform that is popular tool for advertising businesses in Kuwait (Social Media in Kuwait). One of Instagram's features is to recommend similar pages to a followed page. This means that by following a certain new company in Kuwait, Instagram suggested other local businesses to follow. Following Instagram's suggested businesses, we were able to contact other companies via direct message on Instagram, or through e-mail, if provided. Second, using existing government data-bases, we gathered information on 100 new businesses, including company name, founder name, founder e-mail, and founder phone number. We contacted every founder on that list via phone and asked for their participation in filling out the online survey. Two founders refused, three companies had the wrong contact information, while 95 founders out of the 100 on the list agreed to participate in the survey.

In total, during a five-month period, we contacted 653 business owners in Kuwait and received responses from CEOs of 112 new ventures in Kuwait (18% response rate). We deleted 8 responses due to missing data and were left with a final sample of 104 founders.

Measures

The measures selected have all been shown to demonstrate good reliability and validity in prior studies that both translated and used the original English scales. Meta-analyses (when available) that provided suggestions on which scales have higher validity were used to select a measurement scale when more than one was available for a given construct. While the use of translation-back translation and reporting reliability via Cronbach Alpha is common practice to demonstrate validity of translated measures (Barnes et al., 2015; Cole et al., 2008; Ferris, et al., 2016; Hirst et al., 2015) we also conducted a CFA on the psychological measures to ensure validity in line with recommendations by Kirkman and Law (2005). CFA analysis was conducted using Amos software in SPSS. Analysis of measures' validity was conducted on the 192 individuals to increase the sample size.

Proactive Personality

Seibert et al. (1999) 10-item Proactive Personality Scale (PSS) was used to assess proactive personality (reliability alpha= 0.77-0.94, Fuller & Marler, 2009). Respondents rated how much they agreed with each item on a seven-point Likert scale ranging 1 (strongly disagree) to 7 (strongly agree). A sample item would be: I am always looking for better ways to do things. Cronbach Alpha was 0.80, ICC(1) =0.07, ICC(2)= 0.70, *F* (30,899)= 3.30, p=0.00). ICC (2) of 0.70 relatively high, indicating that the team level variables was reliable. The root mean squared error of approximation (RMSEA) = 0.11, standard root mean squared residual (SRMR) = 0.08, comparative fit interval (CFI) = 0.83, Tucker-Lewis Index (TLI)= 0.78.

Risk-Taking Propensity

Previous meta-analyses (Stewart & Roth, 2007) and reviews (Hoskisson et al., 2017) point to the variety and poor reliability of old measures of risk-taking propensity (the risk-taking scale, Jackson, 1976). Therefore, we used the measure of risk-taking propensity by Nieß & Biemann, 2014, whereby 3 items relevant in the context of entrepreneurship were used to assess risk propensity. Specifically, respondents were asked about their risk-taking propensity in general, in their job, and in their financial matters, on a seven-point Liker scale ranging from 1 (very unwilling to take risks) to 7 very willing to take risks.

The three-item scale's Cronbach alpha was 0.72, indicating adequate internal consistency. The results of the CFA showed that thee three items loaded with a factor loading of 0.79 (general risk), 0.79 (risk in job) and 0.68 (risk in financial matters). The RMSEA = 0.08, SRMR = 0.02, CFI = 0.99, TLI= 0.98. ICC(1)= 0.16, ICC(2) 0.63, *F* (30,248)=2.70, p=0.00). While ICC (2) of 0.63 is not high, because the focus was on the pooled average of individual members' risk-taking propensity, rather than the risk-taking propensity of the team as a whole, this measure was kept at mean level.

Need for Achievement

In line with previous research (Zhao & Seibert, 2006), need for achievement was measured using a 10-item scale from the International Personality Item Pool (IPIP) (Goldberg, 1992). The full set of items can be obtained from http://ipip.ori.org/newNEOFacetsKey.htm. Respondents rated how much they agreed with each item on a five-point Likert scale ranging 1 (very inaccurate) to 5 (very accurate). The IPIP was used to measure need for achievement due to criticism regarding the reliability and validity of the Thematic Appreciation Test (TAT) scale (Johnson, 1990; Stewart, 2007). Sample item (reverse coded) included I am not highly motivated to succeed. Cronbach alpha was 0.76. ICC(1) =0.09, ICC(2)=0.74, (*F* (30,899)= 3.30, p=0.00). ICC (2) of 0.74 relatively high, indicating that the team level variables were reliable and distinguish the ventures. The RMSEA = 0.12, SRMR = 0.09, (CFI) = 0.79, TLI =0.73.

Self-Efficacy

The eight item-general entrepreneurial self-efficacy scales by Chen et al. (2001) were used. The general entrepreneurial self-efficacy scale asks individuals to rate their belief in their general ability. Respondents rated how much they agreed with each item on a seven-point Likert scale ranging 1 (strongly disagree) to 7 (strongly agree). A sample item includes: I will be able to

achieve most of the goals that I have set for myself. Cronbach Alpha was .83, ICC (1) =0.17; ICC (2)= 0.83, *F* (30,713)=5.95, p=0.00). ICC (2) of .83 indicated that the team level variables were reliable. The RMSEA =0.14, SRMR =0.07, CFI =0.86, TLI =0.81.

Dependent Variable

Firm performance

Consistent with prior research the indicator of firm performance used in this study is employment growth, which is seen as the most important indicator and most reliable measure of new venture success (Derbyshire & Garnsey, 2013; Crawford et al., 2015; Hmieleski & Baron, 2009; Unger et al., 2011). Also, given the importance of new venture's contribution to the economy in terms of employment from a government policy perspective, employment growth was prioritized as a dependent variable. To measure employment growth, we used absolute change in employment. Absolute change was used as a measure of employment growth due to the fact that many of the ventures included in the sample were young and small in nature with zero employees in the first years of operations.

To measure growth in employment, employment figures were collected from CEOs. Collecting data from entrepreneurs is a common practice in the field of entrepreneurship and has been shown to be a reliable measure of objective performance (Anderson & Eshima, 2013; Batjargal et al., 2013; Baum et al., 2001; Baum & Locke, 2004; Lumpkin & Dess, 2001; Stam & Elfring, 2008; Wiklund & Shepherd, 2005). Moreover, it was not possible to collect objective data because many new ventures lacked formalization and objective documents indicating employment, especially since new ventures in Kuwait did not need to pay taxes or health insurance to employees, making these documents even less necessary.

CEOs were asked to report the number of employees from the year 2014 to 2017. The year 2014 was used as a starting point for employment data, and was used to get a better picture of the trend of employment compared to a focus on growth in the last year only.

Control Variables

Founder age, gender, number of businesses

Member age and gender were included as control variables. In a male dominant culture, females may be at a disadvantage, and thus it might be easier for males to achieve venture success compared to females. Prior research shows that age is a proxy for human capital (knowledge) and experience. Thus, we expect a positive relationship between age and venture success, such that the older the entrepreneur the higher the venture growth. In terms of number of businesses, we also expect a positive relationship as entrepreneurs with more businesses have greater entrepreneurial experience and thus are more likely to have high venture success.

Firm industry type, firm age, firm size

Firm age, defined as the number of years since the firm was established, is often used as a measure of firm size (Wei & Wu, 2013). Firm age can reduce the amount of growth a firm experience (business life cycle) as well as the level of formalization and structure that exists in the firm. Thus, firm age is controlled for as older firms might experience less growth and member influence on firm performance is expected to be weaker in older firms.

Industry type is an important context that influences firm performance such as level of competition, or barriers to entry (Cassar, 2014; Baron & Tang, 2011; Tang et al., 2012). We used a dummy variable to account for industry type controlling for five industries (Manufacturing, =1, Retail =2, Services =3, other =4). We also controlled for firm size (number of employees at start of data period) to measure growth in employment.

RESULTS

Table 2 includes correlations and descriptive statistics for all variables included in this study. To avoid issues of multicollinearity, we used standardized variables in all our independent variables. Table 3 includes results of our hierarchical regression analysis. We entered the control variables in the first step, the standardized independent variables in the second step, and the quadratic terms in the third step.

Table 2
DESCRIPTIVE STATISTICS AND CORRELATIONS FOR ALL VARIABLES

Variable	M	SD	1	2	3	4	5	6	7	8	9	10	11
1. Business Industry	2.26	0.48											
2. Firm Age	3.29	2.61	0.03										
3. Firm Size	7.69	14.76	-0.08	0.22*									
4. Founder Age	32.71	6.41	0.03	0.44**	0.1								
5. Founder Gender	1.41	0.5	-0.29**	0.07	-0.19	0.16							
6. Number of business started	2.35	2.03	0.12	0.04	0.24*	0.01	-0.33**						
7. Proactive personality	5.96	0.65	0.11	0	-0.1	0.04	0.11	0.12					
8. Entrepreneurial Self-efficacy	5.87	0.73	0.07	0	-0.23*	0.06	0.14	0.09	0.55**				
9. Risk-Taking propensity	5.53	0.97	0.12	0.16	0.17	-0.02	-0.34**	0.26*	0.27**	0.24*			

10. Need for achievement	4.31	0.47	0.14	-0.02	-0.16	0.12	0.11	0.21*	0.52**	0.52**	0.22*		
11. Growth in Employment	8.91	16.65	-0.04	0.1	0.45**	0.02	-0.16	0.09	0.12	0.03	0.20*	-0.08	0
**p< 0.01 level. * p< 0.05 level. N= 104 founders													

Table 3
MULTIPLE REGRESSION ANALYSIS OF PERSONALITY CHARACTERISTICS PREDICTING NEW VENTURE PERFORMANCE

Variable	Step 1	Step 2	Step 3
Control Variables			
Business Industry	-0.021	-0.035	-0.061
Firm Age	0.021	-0.003	0.025
Firm Size	0.442**	0.458**	0.025
Founder Age	-0.022	-0.008	-0.027
Founder Gender	-0.092	-0.097	-0.104
Number of businesses started	-0.092	-0.097	-0.104
Predictor variables			
Proactive personality		0.183	0.148
Proactive personality		0.104	0.01
Proactive personality		0.077	0.074
Need for achievements		-0.137	-0.097
Entrepreneurial self-efficacy[2]			-0.282*
Risk-Taking propensity[2]			0.07
R^2	0.213	0.267	0.322
ΔR^2	0.213	0.267	0.056
F Change	4.366**	1.721	3.73*

*p < 0.050, **p<0.01
N = 104
Note: Standardized coefficients reported

Hypothesis 1 predicted a positive relationship between entrepreneur's proactive personality and new venture success. As seen in Table 3, we did not find a statistically significant relationship between founder's proactive personality and new venture success (β =0.183, p= n.s., 95% CI= [-0.77, 6.91]). Therefore, hypothesis 1 was not confirmed.

Hypothesis 2 predicted a positive relationship between risk-taking propensity and new venture success. As seen in Table 3, we did not find a statistically significant relationship between founder's risk-taking propensity and new venture success (β =0.077, p= n.s., 95% CI= (-2.22, 4.78)). Therefore, hypothesis 2 was not confirmed. Hypothesis 3 predicted a negative relationship between extreme risk-taking propensity and new venture success. We did not find statistically significant results to confirm Hypothesis 3. Hypothesis 4 predicted a positive relationship between need for achievement and new venture success. We did not find statistically significant results to confirm Hypothesis 4. Hypothesis 5 predicted a positive relationship

between entrepreneurial self-efficacy and new venture success. As seen in Table 3, we did not find a statistically significant relationship between founder's entrepreneurial self-efficacy and new venture growth performance (β =0.104, p= n.s., 95% CI= [-6.10, 1.52]). Therefore, Hypothesis 5 was not confirmed. Finally, Hypothesis 6 predicted a negative relationship between extreme entrepreneurial self-efficacy and new venture success. As seen in Table 3, we found a statistically significant negative relationship between founder's entrepreneurial self-efficacy and new venture growth performance (β =-0.282, p= 0.008, 95% CI= [-5.87, -0.883). Thus, Hypothesis 6 was confirmed.

DISCUSSION

This study sought to explore the role of founders' personality traits in new venture success using a new and relatively understudied region. With few empirical studies conducted in the Arab world, the practical goal of this study was to understand why some founders are more successful than others in terms of employment growth, which is a primary concern for Kuwait's government in response to pressures to diversify the economy away from its oil dependence in the face of a young and growing population.

Our results indicate that founder's with extreme levels of entrepreneurial self-efficacies are less likely to achieve higher new venture performance in terms of absolute change in employment. The negative relationship between extreme self-efficacy and new venture performance confirms findings of prior research using non-Arab samples. The finding indicates that extreme levels of self-efficacy might hinder learning and lead to unachievable goals. In the context of Kuwait, the government aid and subsidies might cause many entrepreneurs to underestimate the difficulty in growing a business.

At the same time, results of our study seem to indicate that personality traits do not to show a strong relationship with performance in our sample. Given the paucity of research conducted in the region, we can only speculate on reasons why personality traits did not show strong relationships with our outcome variables. First, our study may suggest that characteristics other than personality traits are more important in this region of the world. For example, much like China's Guanxi, Kuwait has a business culture that is strongly influenced by social connections known as wasta- providing privileges and favours to people within your social network (Hutchings & Weir, 2006; Smith et al., 2012). This means that other member characteristics such as extraversion, social status, or external social capital resources may be more important in explaining new venture success.

More studies should be conducted in this region, as replication of such studies may help develop our understanding of new venture teams in the Arab world, and what characteristics of the entrepreneur play a more important role in this region.

From a government policy perspective, the results of this research suggest that entrepreneurs need to gain knowledge about the difficulties and challenges of growing a business. These results are particularly relevant to Kuwaiti government organizations interested in promoting new businesses. Government organizations supporting new venture teams may conduct training and tests on entrepreneurs' beliefs about what it takes to succeed. For example, Kuwait's government provides many benefits to entrepreneurs including financial compensation and large funding amounts are available, yet funding continues to remain low (IMF, 2017). One of the reasons actual funding is low is that many applying to the fund are attracted to entrepreneurship as a career choice due to the benefits provided by the government to start a

business, without adequate understanding of the challenges inherent in growing a business. Nonetheless, as indicated by the results here, success in entrepreneurship requires perseverance. The safety net provided by the government through different social programs, and guaranteed financial compensation through high paying government jobs, may cause extreme levels of self-belief without adequate understanding of the challenges inherent in growing a business. For example, self-employed Kuwaitis represent a little more than 1% of the total work force, 23% of the workforce are employed by SMEs, which is less than half that of emerging and developed economies, and many employees prefer to work at high paying government jobs than in new ventures (Berkeley Research Group (BRG), 2017). The effect of availability of easy to access alternatives may cause many entrepreneurs to underestimate the difficulty of growing a business.

LIMITATIONS AND FUTURE DIRECTIONS

It is important to provide some context to the setting of this study. The new venture teams included are all from Kuwait, which limits the generalizability of the findings. Nonetheless, one of the motivations behind this study was to study entrepreneurship in a relatively unexplored region. There are several limitations in this study. First, the scales used were in English, yet respondents were native Arabic speakers. This means that the context of Kuwait may alter the meaning of items and scale reliability and validity. Nonetheless, many Kuwaitis are fluent and more comfortable in English. Kuwaitis are well versed in English as they learn it growing up and use it as the primary language when conducting business. Moreover, tests of scale reliability and validity were conducted and minimized threats of validity of measures. While most studies often use back-translation and report validity using Cronbach Alpha only, the results here further demonstrate what Kirkman & Law (2005) suggested, that back-translation is not enough to demonstrate validity. Second, the study is cross-sectional and so causality cannot be established. Ideally, lagged performance data would be collected in years to come.

Fourth, the study used subjective rather than objective indicators of performance, causing concern for common method bias. The use of subjective measures of performance was unavoidable as many entrepreneurs expressed that they did not have any official documents regarding the number of employees. Moreover, there were no public data bases available to collect objective measures, as the government of Kuwait does not share such information, considering it as private information. The use of subjective measures however, is widely used in entrepreneurship research, and has been shown to correlate with objective measures (Anderson & Eshima, 2013; Batjargal et al., 2013; Baum et al., 2001; Baum & Locke, 2004; Lumpkin & Dess, 2001; Rosenbusch et al., 2011; Stam & Elfring, 2008; Wiklund & Shepherd, 2005; Vissa & Chacar, 2009). In addition, all members of the new venture team reported employment numbers to ensure accuracy of information. This, along with specific calls to CEOs, when possible, was made to further verify the accuracy of employment numbers given.

Future research should further explore the relationships between member characteristics and new venture performance in the Arab world. As entrepreneurship is experiencing a boom in the region, the number of high growth new ventures is increasing. Therefore, future research will benefit from studying these success stories to develop a more nuanced understanding of what makes new ventures succeed. It would be most interesting and beneficial to study outliers, those "star" ventures that have achieved great success (O'Boyle & Aguinis, 2012). As the entrepreneurship ecosystem continues to grow in Kuwait, such future studies would be possible and offer new and valuable insight. Future studies in the Middle East may also consider other characteristics that are relevant in this context. For example, due to the relationship-based

society, characteristics that tap into social capital, such as social networks, extraversion may be more relevant in this context.

Moreover, given that this research attempted to study entrepreneurs in a relatively untested part of the world, in the midst of adverse conditions, we offer recommendations for future researchers interested in conducting studies in the Arab world. The lack of publicly available information limits the ability to use secondary resources to conduct research, which most researchers on new venture teams rely on. This introduces a further hurdle for future research in the region. While we contacted several government institutions, and private entrepreneurship incubators to gather data, many entrepreneurs were unwilling to share information. Therefore, focusing on nascent entrepreneurs who are part of training programs, and including survey materials as part of training programs may provide access to greater data resources.

CONCLUSION

Despite the rise of entrepreneurship in the Middle East, and growing interest to support and develop entrepreneurs, we still know very little about entrepreneurs in the Middle East. Given the paucity of research on entrepreneurs in the Middle East, this study replicated prior studies on the role of founder's personality on new venture success to determine what makes entrepreneurs in the Middle East more successful than others. Our results show that proactive personality plays an important role in venture success, while other personality traits did not show any relationship with venture success. This may indicate that factors other than personality traits may be more important in determining success of entrepreneurs in the Middle East. It is our hope that more studies be conducted in the Middle East to advance our limited knowledge on entrepreneurship in the region.

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