

THE EFFECT OF VETERAN'S ENTREPRENEURIAL LEADERSHIP FACTORS ON ENTREPRENEURIAL SUCCESS IN MALAYSIA

Hapzarizal M.Napi

University Putra Malaysia, Malaysia

ABSTRACT

This paper examines the effect of veteran's entrepreneurial leadership factors (e.g; strategic, motivational, personal and communicative) on entrepreneurial success in Malaysia. The theoretical underpinnings and methodology to examine the effect of veteran's entrepreneurial leadership factors on entrepreneurial success also been discussed. The gap in theoretical and practise, also been highlighted in order to justify the significance of this study. The result shows that the entrepreneurial leadership factors such as strategic, personal and communicative are positively related to entrepreneurial success while the motivational factors are not positively related to entrepreneurial success. In addition, the contribution of this study to the progression of theories and literatures related with entrepreneurial leadership and entrepreneurial success, will also contribute to the practise for policy maker and Malaysian government respectively.

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Corresponding Author's Email Adress: kpthap9697@gmail.com

INTRODUCTION

The purpose of this study is to examine the effect of veteran's entrepreneurial leadership factors on entrepreneurial success. Specifically, entrepreneurial success perceived by veteran entrepreneurs in Malaysia in terms of profit, sales turn over, number of employee and remaining in bussiness more than 3 years. Since the important of entrepreneurship is to enhance veterans socio-economic in Malaysia (PERHEBAT, 2013), therefore, it has been observed that is worth of detailed investigation on the concept of entrepreneurial success and how success should be measured (Bosma et al., 2000; Lao, 2007; Dafna, 2008; Perez, 2009; Rao et al., 2013; Sarasvathy et al., 2013).

In the context of factors that may affect the entrepreneurial success among veterans, the leadership factor is justified to be examined, since it have been linked with military in many literatures (Earnhart, 2008; Hope et al., 2011 ; Cochran, 2014). However, not much attention has been devoted to study the effect of leadership capabilities as entrepreneurial success factors precisely among veterans, as a result leaving a distinct gap in literatures. For instance, according to Krumm (2009), further research in studying veterans's entrepreneurial success are to collect a bigger sampel and asking more question in personality survey. Asking more questions would allow to examine a more subtraits compared to their short 60 questions survey. Consistently, previous studies by Agbim et al. (2013), on leadership capabilities, revealed the importance of leadership capabilities or personality traits in the development of business enterprise in the achievement of entrepreneurial success. Moreover, Arham et al. (2013) stated that knowledge about leadership and its impact on organisational performance is still lacking despite the finding that leadership behaviours of leaders contribute to the success of the firm.

Thus, this paper is organized as follows. The brief literature review of veterans, entrepreneurial success and entrepreneurial leadership factors are presented in section 2. Section 3 discusses the methodology and the data which are used for in the study. Section 4 discusses the Structural Equation Modeling (SEM) analysis of the variables and entreprets the empirical result. Finally, Section 5 concludes.

A BRIEF LITERATURE REVIEW

Veterans

In Malaysia, the government attention to veterans was marginal prior to 1990's. However, the establishment of PERHEBAT in 1994, with a mision to enhance veterans socio-economic in Malaysia are considered the major drive to assist the pre-exit and transition period of veterans from military to civilian life. The issue associated with veterans' policy is not only the result of military experience but also a consequence of social and political

processes. Today, the future of veterans in Malaysia is seen optimistic, with considerable potential for further growth over the the next few year (PERHEBAT, 2012).

Approximately, 8,000 armed forces personnel will leave the service every year in Malaysia. They are facing the same issue that significantly associated with transition from military to civilian life (Statistic Dept JRP, 2012). According to Carnevale (2006), many military members join the military with thoughts of another occupation after their service. Depending on their age upon entry, some military members may retire from service between the ages of 40 and 50 years and begin to look toward a new occupation (Wolpert, 2000). However, transitioning military members may not understand the lack of employer loyalty in an "at-will" workforce or the fluctuation of the job market (Wolpert, 2000). Wolpert (2000) stated, "If the family was heavily involved and reliant on the military community, they too took on the status of the military member, and they too may feel loss when they move into a community where that status has little or no meaning" (p. 109). Thus, transition from a military to civilian career may be difficult for both the service member and their support system, such as family members (Robertson, 2013).

According to PERHEBAT Annual Report (2012), only 4 % veterans entrepreneur's were identified as successful entrepreneur which leave a distinct gap for further investigation. Moreover, many incentives from government (e.g; entrepreneurship programs, funds and loans) allocated for veterans to assist veterans to become success in entrepreneurship, but still the result is unsatisfactory. In addition, only 35% from 1037 veterans specifically in retailing program actively involved as entrepreneurs, while others remain in the section of not become entrepreneurs. Therefore, the government expectation to produce 2000 veteran entrepreneurs every year would become unachievable (PERHEBAT, 2013).

In the context of financial implication, Malaysian government has allocated 30 millions ringgit grants for the purpose of operation and training of veterans. Consistently, 10 millions ringgit were allocated for the entrepreneurship development program each year (PERHEBAT, 2013). However, the ratio of successful veterans entrepreneurs with the veterans who have attended the entrepreneurship program relatively small.

Previous Study of Veterans in Entrepreneurship

Relatively, many studies associated with veterans in entrepreneurship are from western military perspective while leaving a distinct gap from eastern military perspective. However, these studies would be a good foundation for present study to examine the veteran entrepreneurs from eastern military perspective respectively.

According to Waldman Associates & REDA International (2004), found that a new veteran entrepreneur and current veteran business owners reported that they had gained skills from active duty service that were directly relevant to business ownership, but that prior business ownership and employment experience had an even greater positive effect than military experience. The study also found that about 22 percent of veterans in the U.S. household population were either purchasing or starting a new business or considering purchasing or starting one. Another study by Open Blue Solutions (2007), used the Bureau of Labor Statistics' (BLS) Current Population Survey data to examine the self-employment choices of veterans and service-disabled veterans and how computer technology affects veteran self-employment found that service-disabled veterans are self-employed at lower rates than those without disabilities and that the substantial differences between disabled and non-disabled veterans result from the service-connected disabilities themselves, not demographic or other differences. Controlling for the effects of service-related disabilities results in nearly identical labor force participation among disabled and non-disabled veterans. The study also found that computer use is correlated with higher employment rates for all veterans.

Subsequently, Haynes (2007) examined the changes in income and wealth from 1989 through 2004 of veteran and non-veteran households, veteran households with and without small business owners, and small business owning households with and without veterans. The study examined the likelihood that a household would be classified as high-income or high-wealth. Using the Federal Reserve Board's 1989 through 2004 Surveys of Consumer Finances (SCF), the study found that the overall number of veteran households and the percentage of small business owners in the population of veteran households declined. In addition, Moutray (2007) used the Panel Study of Income Dynamics, a longitudinal database administered by the University of Michigan's Institute for Social Research, to examine the relationship between educational attainment and self-employment. Using univariate statistical comparisons and multivariate logit modeling, he found educational attainment to be an important determinant of self-employment, with more schooling correlating with a higher likelihood of starting one's own business. The logit analysis also found that, of the variables observed, prior military service had the largest positive impact on self-employment.

Mid-Atlantic Research (1984) used a survey administered to business school graduates to examine whether or not military service, particularly combat service, affects entrepreneurial motivations and behavior. The survey sample classified respondents as either entrepreneurs or non-entrepreneurs and either veterans or non-veterans. They found that some factors contributing to selection into self-employment among respondents include

dissatisfaction with previous jobs, exposure to entrepreneurial role models, a strong sense of independence, and being a risk taker. The survey also found that entrepreneurs in the sample were more often male, older, better educated, and earned higher incomes. However, they found that, while veterans had a higher rate of entrepreneurship than did non-veterans, the survey results suggested that this was more the result of demographic distinctions between veterans and non-veterans than the experience of military service. For example, veterans are predominantly male, which is a characteristic associated with entrepreneurship in many studies.

Krumm (2009), found that military veterans possess greater entrepreneurial personality characteristics than those who are not veterans. In addition, a greater percentage of veterans have received training than non-veterans giving them a competitive edge over their peers. These findings definitely support the argument that veterans have a competitive edge simply based on being in the military. However, The success rate of veterans versus non-veterans is very different to conclude. A lot of veterans own sole proprietorships and as a result this study cannot base their success on the number of employees alone. With years in business, non-veterans have an advantage over veterans because they have had longer to set up their business. A factor to take into account, particularly in this sample study, is the veteran sample has spent several years on active duty while the non-veteran sample had already set up their business and was expanding.

Finally, a study by Hope et al. (2011), found that that military service is highly correlated with self-employment probability. The study shown that veterans are more likely to be self-employed, but we did not find any evidence in the veteran or military retiree samples that would suggest that it is military training, education, or culture that predisposes individuals toward entrepreneurship. Consistently positive self-employment effects with respect to military service are limited to variables related to length of service, age, and membership in the Marine Corps. One explanation for this may be that those who enter the military and have an entrepreneurial predisposition toward self-employment may tend to leave the service earlier, rather than continue their career in a large organization with many bosses.

Entrepreneurial Success

Ideally speaking, the aim of any entrepreneurial is to be successful, no matter how the concept of entrepreneurial success is defined. In order to define this, it is first necessary to identify the most relevant success criteria, as perceived by entrepreneurs. The accurate measurement of success entrepreneur is by the success of the firm (Bosma et al, 2000). Likewise, Bosma et al. (2000) suggest that it is equally important for all entrepreneurial success, measures the amount of human capital for determining duration and profit, while financial capital is especially related to employment.

However, according to Krumm (2009) suggest that success rate of veterans versus non-veterans is very different to conclude. A lot of veterans own sole proprietorships and as a result the study cannot base their success on the number of employees alone. With years in business, non-veterans have an advantage over veterans because they have had longer to set up their business. In other hand, some scholars suggest that the achievement of entrepreneurial success can be both subjectively and objectively determined. Schumpeter's motivators for engaging in entrepreneurship, suggest that for the gain of *personal* profit, underscore that entrepreneurial success cannot simply be objectively measured (Schumpeter, 2004). Furthermore, the determinants of entrepreneurial success differ according to the level of analysis applied, such as individual, firm, small organisation or large organisation (Rauch *et al.* 2000).

However, consistent with argument by Bosma et al. (2000), Sarasvathy et al. (2013) stated that the firm successes and failures determine the successes and failures of entrepreneurs. In fact, the previous study contends that entrepreneurs can use firms as instruments to increase the probabilities of their own success (Sarasvathy et al. 2013). Another study by Makbul (2011), suggest that successful business is a venture that has been operating for at least 3 years. Additionally, according to Dafna (2008), suggest that the measure of success entrepreneurs is by measuring the success of his business longevity, turnover from sales and increase in numbers of employees.

In view of the above arguments, this present study will opt for the use of financial and the sustainability of business for more than 3 years as a measures of entrepreneurial success. The reason is because the data available that obtained from PERHEBAT is the list of entrepreneurs which are successful entrepreneurs in term of financial and their are running business more than 3 years.

Entrepreneurial Leadership

The development of entrepreneurship across cultures, economies and continents is an essential feature of economic change (Wright and Marlow, 2012). To date, entrepreneurship has become one of the major topics of discussion in the literature as it continues to grow both as a distinct academic discipline, and a recognised career (Alstete, 2008).

According to Arham et al. (2011), stated that the acknowledged of an enterprise requires entrepreneurship, but what is needed to maintain the operation and guide an enterprise to success is the leadership that exists within the organization. In the area of SMEs for example, the understanding of leadership behaviours of the leaders of SMEs is crucial to ensure further development of SMEs in the country (Abu Kassim & Sulaiman 2010). In conjunction with the argument, the various studies have been conducted to identify the critical success factors and the reasons for failures among SMEs and the findings of these studies have been discussed in many books and journal articles (i.e. Perry, 2001; Ghosh et al., 2001; Beaver, 2003; Hung et al., 2010).

These argument not solely discussing in SMEs area, but in veterans entrepreneurship as well. According to Krumm (2009), another idea for future research would be to ask more questions in the personality survey, precisely in personality traits of the veterans entrepreneur. In addition, according to Hope et al. (2011), suggest that one possible explanation in veterans is that military service imparts some useful training, education or intangible psychological qualities (e.g., self-discipline and leadership) that make veterans more capable of successful self-employment. Since the successful veterans entrepreneur rate in Malaysia is relatively small (PERHEBAT, 2013), it leads to the question of veterans leadership's capabilities in running their business.

In general, several researchers (Cogliser & Brigham, 2004; Bryant, 2004) have identified that leadership has been receiving greater attention in the entrepreneurship literature since it has been recognised that entrepreneurs cannot successfully develop new ventures without the presence of effective leadership behaviour. But, recent findings show that there is still no clear understanding on the form of leadership behaviours among business leaders in Malaysia (Mohd Sam et al., 2012). Bass (1997) reinforced that leadership is a universal phenomenon. He concluded that there is universality in the transformational-transactional leadership paradigm and presented cross-continental supportive evidence collected from organisations in business, education, the military, the government as well as independent sector. Since the military leadership mentioned several times in previous literatures (Bass, 1997; Earnhart, 2008 ; Cochran, 2014) , therefore for the purpose of this research, the applicability of transactional and transformational leadership theory will be observed as the main leadership behaviours (Lo et al., 2009), while team oriented leadership and value oriented leadership theories will be utilized as a new leadership scale in four main sets factors including strategic, communicative, personal and motivational factors (Hejazi et al., 2012).

In terms of leadership measurement scale, Hejazi et al. (2012), suggested the four main sets of factors including strategic, communicative, personal and motivational factors as a new entrepreneurial leadership scale by combining three theories including transformational leadership, team oriented leadership and value oriented leadership theories and utilizing experts' perspectives. In addition, the strategic dimension is focused on strategic thinking indicators such as assigning vision for followers, predicting future problems and crises, holistic view and avoiding details, flexibility in decisions, opportunism in dealing with threats, economic intuition in business decisions, being prepared to deal with unforeseen circumstances, identifying sources of competitive advantages. Finally, according to Hope et al. (2011), suggest that one possible explanation in veterans is that military service imparts some useful training, education or intangible psychological qualities (e.g; self-discipline and leadership) that make veterans more capable of successful self-employment. Furthermore, having the right leadership behaviours can have a unique impact and can enhance the possibility of entrepreneurial success (Arham et al., 2013). Many empirical researchers have quantified the relationship between leadership and firm performance or success, in large and small firms. Since the military leadership mentioned several times in previous literatures (Bass, 1997; Earnhart, 2008 ; Hope et al., 2011; Cochran, 2014), this study will try to examine the influence of entrepreneurial to the veteran's entrepreneurial success.

Based on previous studies by Krumm (2009), Valdeserri and Wilson (2010), Hejazi et al. (2012) and Arham et al. (2011; 2013), the focus to examine the effect of leadership on entrepreneurial success within veteran entrepreneurs seems justified given the prevalence of debates in policy and academic about the existence of leadership among veteran entrepreneurs. By contrast, not much attention has been devoted to the emergence of an leadership among veterans entrepreneurs despite the fact that the latter has been identified as a key element affecting the performance of them during enlisted.

Since the early studies of leadership are believe associated with military organization (Bass, 1997; Earnhart, 2008; Hope et al., 2011 ; Cochran, 2014) however, not a single of the studies related specifically on veteran's entrepreneur leadership with entrepreneurial success. Therefore, leaving a distinct gap in how the leadership exactly affect on veteran's entrepreneurial success. These argument justified this study to examine the effect of leadership factors on entrepreneurial success. Based on the foregoing argument, this research has led into the following four hypotheses:

- H1a: Entrepreneurial leadership factor (strategic) is positively related to entrepreneurial success.
- H1b: Entrepreneurial leadership factor (motivational) is positively related to entrepreneurial success.
- H1c: Entrepreneurial leadership factor (personal) is positively related to entrepreneurial success.
- H1d: Entrepreneurial leadership factor (communicative) is positively related to entrepreneurial success.

DATA AND METHODOLOGY

Methodology

Research Designs, Population and Sampling

This study has conducted as a result of descriptive research, survey method and hypothesis testing (Sekaran, 2003). A descriptive research involves observing situations and events, and a description of variables as they distributed throughout a population (Babbie, 2004; Royse, 2004). While the quantitative research design deal with statistical or numeric descriptive data how variables are distributed among members of population, such as frequencies, mean, standard deviations, surveys, and classification research (Sekaran, 2003; Hair et al., 2003;2010), a hypothesis testing in the other hand, is needed to examine the relationship between independent variables and dependent variables. The argument purposely will achieve the aim of this study which is to test the entrepreneurial leadership factors as independent variables that influence entrepreneurial success as dependent variable.

The populations in this study are the veteran entrepreneurs who currently operating in Malaysia. The sampling frame for this study consisted of the 640 veterans entrepreneurs who have attended entrepreneurship training at PERHEBAT and have identified by PERHEBAT as an active entrepreneurs. In this study, the focus is veteran entrepreneurs who are responsible for entire of their business process and progress. As the result of the definition of entrepreneurial success which were the profit, sales turnover, number of employee and business running more than 3 years (Bosma et al., 2002; Dafna, 2008; Makbul, 2011). Therefore, the main use of inferential statistics in this study is to use the obtained information from the selected sample out of the 640 veteran entrepreneurs in Malaysia (Hair et al., 2010).

Data Collection Process

In this study, the primary data for statistical analysis was collected through questionnaire design among veteran entrepreneurs in Malaysia. A self-completed structured questionnaire was utilized as primary means and the questionnaire has been developed according to the objectives and hypothesis of the research. The questionnaire consisted of entrepreneurial leadership factors was developed and validated by Hejazi et al. (2012). The author reported the reliability of each factor tested by Cronbach's Alpha value from 0.76 to 0.92. The 35 items measuring entrepreneurial leadership with five-point Likert scale have been used, allowing ratings from 1 (strong disagree) to 5 (strongly agree). While the questionnaire consisted of entrepreneurial success was developed and validated by Chandler and Hanks (1993) who reported overall consistency of Cronbach's Alpha 0.77. Since the participants are Malaysian veterans with most of them not fluent with English, the survey items that were originally in English have been translated into Malay language using a back translation technique.

Pilot Study

To establish the reliability of the selected measurement instruments before the collection of the main empirical study, this study has conducted a pilot study with the use of convenience sample of 40 veteran entrepreneurs. Based on this pilot data, the researcher calculated the reliability for each of the measurement instruments.

According to Hair et al. (2010) and Byrne (2010) a major criteria for selecting past instruments is their individual internal consistency obtained through the calculations of Cronbach's Alpha reliability coefficients. Below is Table 1 that shows the Cronbach's Alpha depicts a detailed list of results for reliability as obtained from the pilot study. The reliability estimates actually ranges from .80 to .88 more than the required 0.7 cut off criterion that is generally regarded as sufficient for empirical research (Nunnally & Bernstein, 1994), indicating that the selected scales are relatively reliable.

TABLE 1. CRONBACH'S ALPHA RESULT FOR RELIABILITY OF PILOT STUDY

Construct	Cronbach Alpha Pilot Study
Entrepreneurial Leadership (Strategic)	.877
Entrepreneurial Leadership (Motivational)	.802
Entrepreneurial Leadership (Personal)	.882
Entrepreneurial Leadership (Communicative)	.885
Entrepreneurial Success	.845

Follow-up Procedures

For a study that entirely depends on the completed questionnaires as its means of data collection, there is need for a well structured follow-up procedure. Part of the follow-up procedure that researcher has employed include but not limited to email and telephone call to each veteran entrepreneurs after two weeks of delivering questionnaires. The data collection process started from November 2015 until January 2015. It was quite fortunate that the total numbers of returned questionnaires was 360, a response rate that up to 56% from targeted 640 veteran entrepreneurs.

Data Analysis Strategy

To achieve reliability in data analysis and hypotheses testing, the researcher has made used of several statistical tools from version 19 of SPSS software and AMOS 22 software. Among the various tests conducted are test of nonrespondent bias, data screening and preliminary analyses for missing data, outliers and normality. Others are factor and reliability analyses to test for goodness, validity and reliability of measures, correlational analysis to assist in describing the relationship that exist between entrepreneurial leadership factors (e.g; strategic, motivational, personal and communicative) and entrepreneurial success variable and finally, multiple linear regression analyses to test the theorized impact of entrepreneurial leadership factors on entrepreneurial success. All these test were conducted in three level of Structural Equation Modeling (SEM) analysis which are Confirmatory Factor Analysis (CFA), Measurement Model and Structural Model.

DATA ANALYSIS AND FINDINGS

Data Screening and Preliminary Analysis

To establish the assumption of psychometric properties before applying necessary data analysis techniques; this study employed a series of data screening approach among which includes; detection and treatment of missing data. This is because the data distribution and the selected sample size have a direct impact on whatever choice of data analysis techniques and tests that is chosen (Byrne, 2010).

CFA for Individual Construct

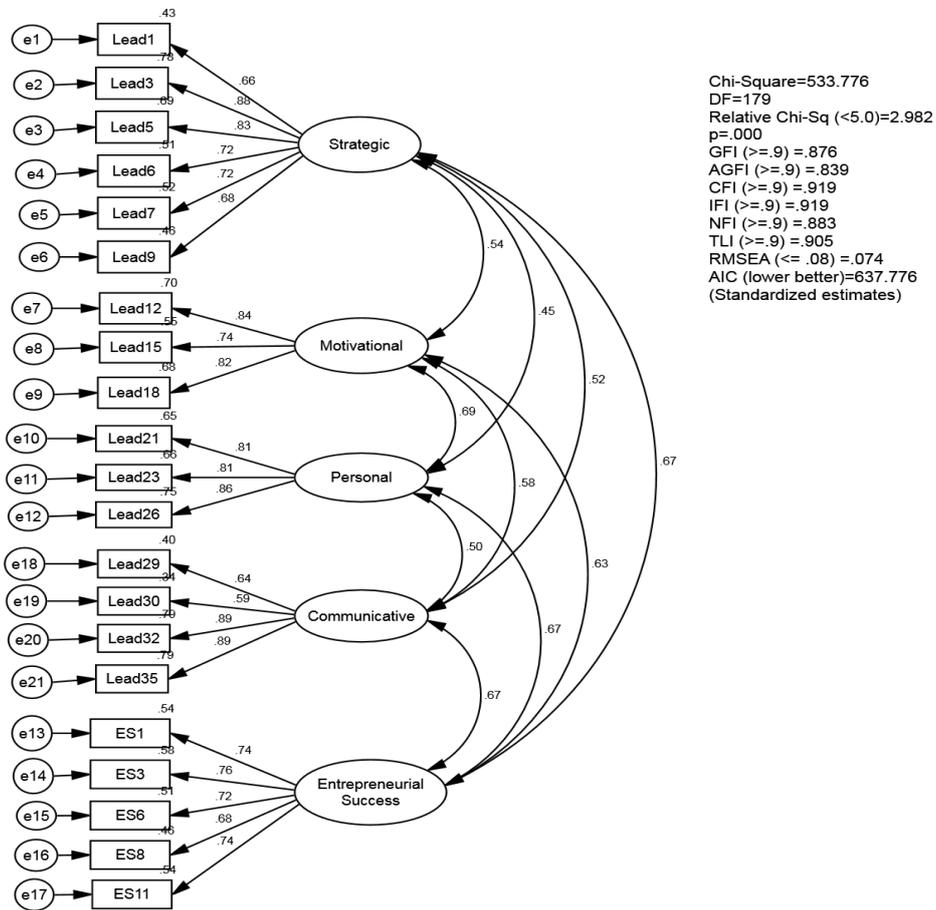
SEM is a technique that allows software such as AMOS to be used for testing CFA and establishing a measurement model that is correctly specified before going into the real evaluations of the structural model (theoretical linkages), which will assist in validating the hypothesized model (Byrne, 2010; Hair et al., 2006). CFA is the first step in data preparation in SEM and it is employed to test individual construct for three major purposes: 1) Test for model fit; 2) Convergent validity; and 3) Construct reliability. According to Hair et al. (2010) and Bryne (2010), suggested 3 to 4 fit indices to establish model fit and standardized factor loadings more than 0.5, positive and not more than 1.0. The deletion of indicator that does not meet the requirements was established for each individual construct for entrepreneurial leadership factors (e.g; strategic, motivational, personal and communicative) and entrepreneurial success construct. After the model are fit for every individual construct, they were tested for convergent validity. Convergent validity refers to a set of indicators that presume to measure a construct (Kline, 2005). According to Brown (2006) defines convergent validity as internal consistency of a set items or indicators. It represents the strength of relationships between items that are predicted to represent single latent construct. Convergent validity can be tested using factor loading and Average Variance Extracted (AVE). Construct Reliability (CR) in other hand is comparable to Cronbach alpha and according to Hair et al. (2010), instrument with CR is more than 0.70 is considered reliable. After the process of CFA for every individual construct, only 16 items or indicators from 35 indicators of entrepreneurial leadership factors and 5 indicators from 12 indicators of entrepreneurial success construct were remaining in the model.

Measurement Model

Measurement model represent the second level in SEM analysis after CFA. In this model, all latent construct were entered without assignment to exogeneous or endogenous. The purpose of measurement model: 1) To test for model fit; 2) Discriminant validity; 3) Normality; and 4) Outliers. Discriminant validity refers to the extent in which a construct is truly distinct from other constructs and involves relationship between a particular latent construct and other constructs of a similar nature (Brown, 2006). Discriminat validity can be assessed thru two methods which are correlation coefficient and AVE for the two construct against their squared correlation

(Bryne, 2010). In the measurement model, the model fit indices are established based on Chi-Square more than 5.0, RMSEA less than 0.08, and one of GFI, AGFI, CFI or TLI is more than 0.9. Figure 1 shows the entrepreneurial leadership factors (e.g; strategic, motivational, personal and communicative) and entrepreneurial success measurement model that established the model fit.

FIGURE 1. ENTREPRENEURIAL LEADERSHIP FACTORS AND ENTREPRENEURIAL SUCCESS MEASUREMENT MODEL



In correlation coefficient, r value that more than 0.9 indicates high correlation between two constructs and thus violates the discriminant validity (Hair et al., 2010). According to Bryne (2010), the discriminant validity is valid if AVE for the two factors are greater than squared correlation coefficients. In Table 2 shows the AVE on the diagonal and Squared Correlation Coefficients on the off-diagonal that is valid for discriminant validity of this study.

TABLE 2. AVE AND SQUARED CORRELATION COEFFICIENTS FOR CONSTRUCTS

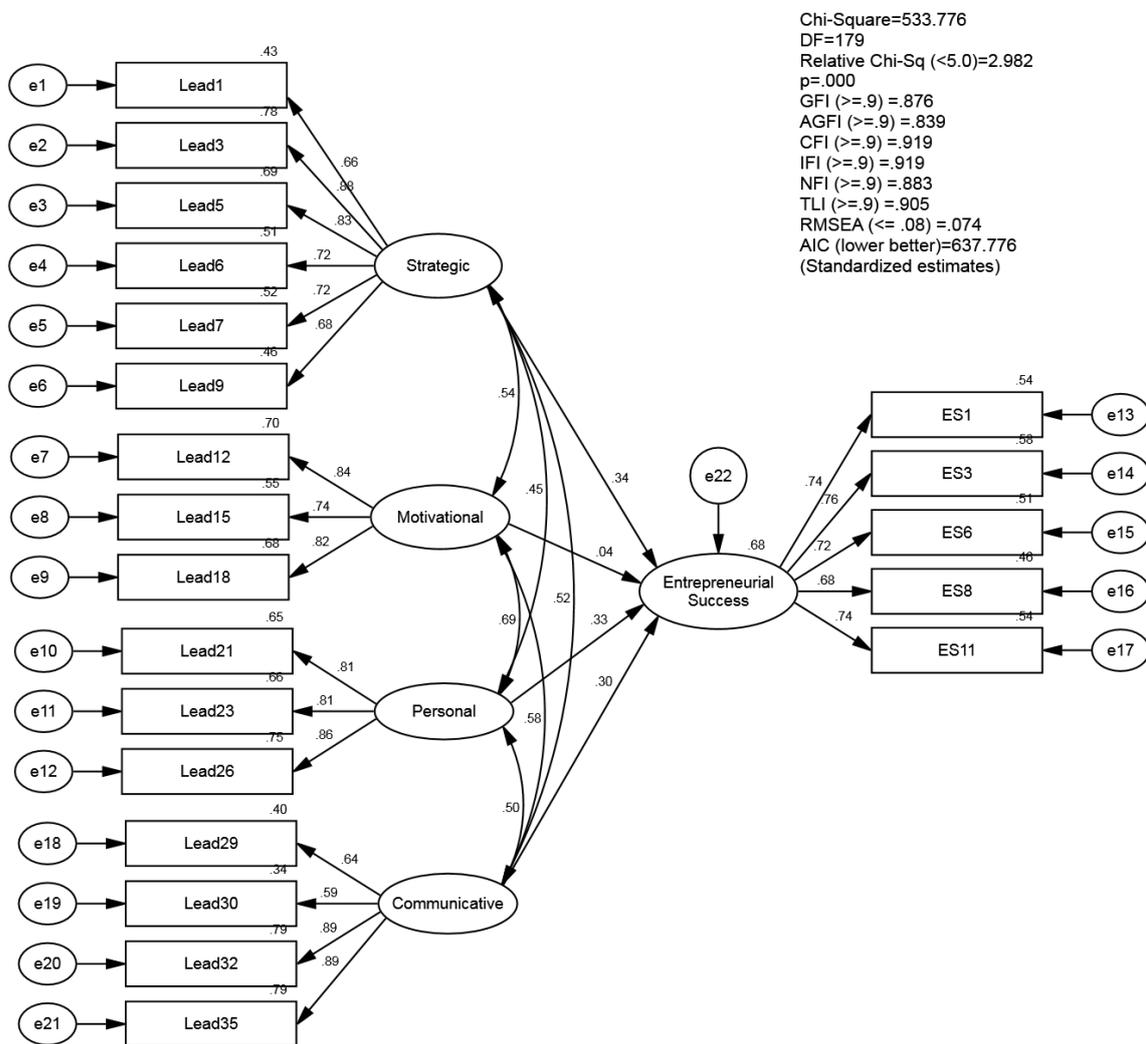
Construct	S	M	P	C	ES
Strategic (S)	.559**				
Motivational (M)	.291*	.645**			
Personal (P)	.202*	.476*	.686**		
Communicative (C)	.270*	.336*	.250*	.577**	
Entrepreneurial Success (ES)	.448*	.396*	.448*	.488*	.528**

Note: **AVE *Squared Correlation Coefficients

Structural Model and Hypothesis Testing

Structural model represent the theory with a set of structural equations and is usually depicted with a visual diagram. It's also represents set of one or more dependence relationship linking the hypothesized model's constructs. This model is most useful in representing the interrelationships between exogenous and endogenous variables. In this study, the entrepreneurial success factors (e.g; strategic, motivational, personal and communicative) represents the exogenous variable and entrepreneurial success as endogeneous variable. The purpose of structural model: 1) To test for model fit; 2) Test hypotheses on individual path and regression weights; 3) To describe coefficient of determination. Figure 2 shows the entrepreneurial leadership factors (e.g; strategic, motivational, personal and communicative) and entrepreneurial success structural model that established the model fit.

FIGURE 2. ENTREPRENEURIAL LEADERSHIP FACTORS AND ENTREPRENEURIAL SUCCESS STRUCTURAL MODEL



The second purpose in structural model is to test for hypotheses on individual path and regression weights. In order to achieve this is to test the effect of individual exogeneous variables on the endogeneous variable by comparing the slope of multiple linear regression. Subsequently, to test the hypothesis is by basis of decision on Beta, Critical Ratio (CR) and sig. or p-value. Table 3 shows the result of SEM on effect of entrepreneurial leadership factors on entrepreneurial success.

TABLE 3. RESULT OF SEM ON EFFECT OF ENTREPRENEURIAL LEADERSHIP FACTORS ON ENTREPRENEURIAL SUCCESS

Construct	<i>B</i>	<i>SE</i>	<i>Beta</i>	<i>CR</i>	<i>p</i>
Strategic	.359	.062	.345	5.773	***
Motivational	.038	.072	.039	.528	.598
Personal	.318	.065	.333	4.913	***
Communicative	.311	.064	.298	4.849	***

Note:*** *p* value <0.05

Based on the result of the square multiple regression, the value is .667 which means the value of coefficient of determination is 44.5. In other words, 44.5 percentage varians of entrepreneurial success is explained by 4 exogeneous variables (strategic, motivational, personal and communicative).

For hypothesis testing, based on the result from Table 3, it is clear indicates that entrepreneurial leadership factors such as strategic, personal and communicative are positively related to entrepreneurial success with *p* value is less than 0.05 respectively. Therefore, null hypothesis are rejected. In other hand, the motivational factors is fail to reject the null hypothesis with *p* value is .598 more than 0.05 which means the motivational factor is not positively related to entrepreneurial success.

CONCLUSIONS

To conclude, this study presents the theoretical underpinnings and methodology to examine the effect of veteran's entrepreneurial leadership factors on entrepreneurial success. This paper finds that the entrepreneurial leadership factors such as strategic, personal and communicative are positively related to entrepreneurial success while the motivational factors are not positively related to entrepreneurial success.

The finding of this study will contribute to the progression of theories and literatures related with entrepreneurial leadership factors and entrepreneurial success among veterans entrepreneurs in Malaysia. Moreover, this study has the potential to add new knowledge to the field of veteran entrepreneurship from eastern veterans perspective, since majority of the studies are focusing on the western veterans perspective.

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