

ENTREPRENEURIAL MOTIVATION, SUPPORT SYSTEMS AND BUSINESS VENTURES

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Introduction

Motivation can be defined as an internal process in which its essence is fuelled by a persistent goal-oriented behaviour, which when activated in an individual causes them to take some sort of action (Souders, 2021). Motivation involves a collection of beliefs, perceptions, values, interests, and actions that are all closely knit. Various approaches to motivation can focus on cognitive behaviours (such as monitoring and strategy use), non-cognitive aspects (such as perceptions, beliefs, and attitudes), or both (Lai, 2011). Entrepreneurship is about human activity and Shane et al (2003) opine that the process of entrepreneurship happens due to the fact that people act to pursue various opportunities. They also argue that the differences amongst people and their willingness to pursue opportunities has a significant effect on the entrepreneurial process; this is because people differ in their willingness to act on these opportunities because of individual differences.

There are a variety of reasons why different business ventures are created and these businesses thrive when they cater to market demands. However, entrepreneurs who create these businesses have various motives and characteristics that motivate them (BBC Bitesize, 2021). Entrepreneurial motivation can be explained as an important predictor on why an individual partakes in the entrepreneurial process (Carsrud and Brannback, 2011). People who do not have entrepreneurial motivation may not be able to partake in certain actions that can make them entrepreneurs (Miller et al, 2012).

This assessment is set out to understand the various perspectives that lead to entrepreneurial motivation, examine how business start-ups can get prejudiced by the current economic and cultural environment and recommend support systems that start-ups can make use of. It was observed that there are various internal and external factors that motivate an entrepreneur to start a business. They also have various support systems within the UK which can help them in the proper execution of their businesses. However, the rise in digital entrepreneurship especially during this pandemic season gives thought to see if a formal classification like 'digipreneurs' can be created for this class of entrepreneurs and how they can contribute their quota back to the economy in terms of taxation.

Entrepreneurial motivation

Entrepreneurial motivation is said to have developed along a path close to organizational psychology and this has advanced from static content-oriented theory to dynamic process-oriented theory (Carsrud and Brannback. 2011). This is defined by Sinha (2021) as a process that motivates an entrepreneur to increase their efforts so that they can achieve their entrepreneurial goals; it is what drives an entrepreneur internally because an entrepreneur who is motivated will be enthusiastic about putting in some level of effort (intensity) for a particular duration of time (persistence) in order to achieve a certain goal (direction). Chaudhury, Datta and Ghosh (2012) also state that an entrepreneur to be someone who is led by motives which in turn encourages opportunity identification, they also select suitable products or services, implement resources adequately and generate revenue which is important to the long-term success of the business venture. Furthermore, Pittaway and Cope (2007) argue that entrepreneurial motivation is shaped by the perceptions of start-up barriers, ethics and their environment.

According to Stephan et al (2015), entrepreneurial motivation can be divided into three dimensions:

- Necessity versus opportunity motivation
- Multi-dimensional typologies of entrepreneurial motivation such as Independence and autonomy, achievement, challenge and learning, recognition and status amongst others
- Growth intentions

Necessity versus opportunity motivation

Here, Stephan et al (2015) state that entrepreneurship can be an employment choice based on necessity instead of the option to harness an opportunity. However, Williams and Williams (2014) argue that saying an entrepreneur's originating condition is the cause of their motivation is quite misleading, due to the fact that motivations change over time and these same entrepreneurs are constantly motivated by necessity and opportunity factors. Langevang et al (2012) also state that third world nations tend to have higher levels of entrepreneurial activity; this is as a result of the fact that individuals

are victims of circumstance when they become entrepreneurs due to structural factors in their nations such as unemployment and poverty – this makes entrepreneurship a survival strategy. Based on the above, it can be argued that the necessity and opportunity theories are not a one shoe fits all approach as the environment in which the entrepreneur finds themselves has an integral part to play in the discharge of their entrepreneurial duties. While some people have the innate ability to become entrepreneurs and are pushed by their passion and resilience, others simply become entrepreneurs because they have no other choice to cater for their needs.

Growth Intentions

This can be explained as the ambition of an entrepreneur to increase their business capacity from the aspect of employee growth and boost in sales (Stephan et al, 2015). Another study by De Silva (2010) stated that growth can be motivated by a need for achievement, the identification of an opportunity and the desire to create wealth. Murnieks et al (2019) argue that when entrepreneurs are central to their sense of self, they are more passionate and this results in increased levels of self-efficacy and positive behavioural changes. This means that when passion is involved, entrepreneurs put in the extra effort needed to grow their businesses.

The coronavirus pandemic and business start-ups

Important drivers of economic growth and job creation have been attributed to start-ups and they are usual catalysts for innovation. Despite the coronavirus crisis, these business ventures still play an integral part within economies. A number of ventures have been quick to react flexibly to the pandemic, helping other nations in the massive migration towards digital and agile working in various sectors of the economy as well as providing innovation in medical goods and services (OECD, 2020). It has been said that the pandemic affected many businesses globally, leading to employees either losing their jobs, being made redundant or getting furloughed. However, some individuals used the pandemic to create business ventures.

An interview conducted by BBC (2020) followed some women who started their own businesses during the pandemic shed a spotlight on Caroline Haegeman, 25, PhD student in London. At the onset of the pandemic, her course was put on hold for three months and she had to be home-bound. The eureka moment came one day when she and her partner realised that many couples were stuck at home and needed some sort of fun and exciting date night concepts for their relationships to thrive since the whole world was on standstill. This thought motivated her to create a subscription box service called Box42 which she believed would ignite romance back in relationships. These boxes have two fun activities following a theme, some drinks, snacks, candles and curated playlists. She attributed the new business to the fact that she saw a gap in the market especially during the lockdown, and it created the perfect opportunity for her to commit because time was a hinderance in executing any of the numerous business ideas she had. Caroline's actions can be further linked to the academic concept of opportunity-centred entrepreneurship.

'People are able to identify, discover and explore opportunities, to select and make decisions on them, to relate them to their personal and social goals, and to plan and work with others to act and accomplish them' (Rae, 2001, xii).

COVID-19 Specific Support systems available for a business start-up

Coronavirus has caused severe disruptions to economies globally and this may cause various long-term effects. There was a global output decline of 3.4% in 2020, however economic growth is likely to rebound in 2021 by 5.6%. This is contingent on the spread of the variants of the virus as well as the effective distribution of the vaccines (OECD, 2021). Various palliative measures have been put in place for business start-ups within the UK so they do not have to close down as a result of the pandemic. Below are some of the measures specific to mitigate the impact of coronavirus on business ventures:

£20 million business grant in England

The UK government in July 2020 announced a grant that was made available in order to help small businesses in England survive the effects of the pandemic. These small and

medium-size businesses had access to grants ranging from £1000 - £5000. Simon Clark MP who is the minister of Regional Growth and Local Government was quoted saying:

“We have always said that we would stand behind our businesses and communities as we rebuild following the coronavirus pandemic. This new funding does exactly that. Businesses will be able to use these new grants to pay for the expertise, equipment and technology they need to adapt, recover and rebuild. Small and medium sized businesses are the beating heart of communities; they provide employment and contribute significantly to local economies and we are determined to give them the support they need to continue to thrive.” (UK Government, 2020).

£1 million funding for Scottish businesses

Another funding was made available to businesses in Scotland and this was administered by the Aberdeen City Council to make available grants within £1000-£1500 to support business ventures that were affected by temporary measures in Scotland (Scottish Government, 2020). By 2021, many business ventures had benefited from the over £1.9 billion grants made available by the Scottish government since the onset of the pandemic. Funding included different sectors like the wedding sector businesses, independent brewers and ski centres. Another £40 million was disbursed to newly self-employed individuals and mobile close contact service producers like hairdressers and beauticians. The Finance Secretary of Scotland, Katie Forbes had this to say:

“We know the last year has been extremely difficult for many of Scotland’s businesses, not least those in the retail, hospitality and leisure sectors closed by law since December. Throughout this crisis we’ve done everything in our power to protect people’s livelihoods. Nobody wants businesses to be closed for a moment longer than absolutely necessary. These figures show that, as of mid-March, businesses have directly benefited from the majority of more than £3 billion allocated for business support since the start of the pandemic. I hope the support we have provided since the start of the pandemic – coupled with continued business rates relief and the prospect of April’s restart grants – will help them to weather the coming months as we gradually and safely remove restrictions.” (Scottish Government, 2021).

Other support systems available for business start-ups in the UK

Growth hubs

The UK government has put in place local growth hubs to help support businesses with relevant information. These network of 38 growth hubs are a mix of public and private sector partnerships that undertake various activities to drive economic growth and job creation, and also improve infrastructure and provide workforce skills in their designated locations (LEP Network, 2021).

Tax relief

Business ventures within the technology and manufacturing sector are able to access support in form of tax relief or credit from the HMRC. It is likely that a business venture can receive up to 30% of research and development expenditure back when applying for tax relief (Sheldon, 2018).

New Enterprise Allowance

Adults in the UK who receive benefits are eligible to apply for the New Enterprise Allowance. This is a scheme by the UK government to support budding business owners or new entrants into the entrepreneurship scene. This scheme includes a mentor to provide professional advice and support. This can be accessed via the Jobcentre Plus work coach (Musa-Green, 2020).

Innovator and start-up visas

The UK government has visa options available for foreign entrepreneurs who would like to set-up business ventures within the UK. Individuals can apply for this visa if they have innovative businesses they want to set up and their business had been approved by an endorsing body within the UK (UK Government, 2021).

Recommendations for a start-up business

This recommendation will be for Box 42, the dating subscription box mentioned above which is to help relationships in these uncertain times. Since the business is online at the

moment, the owners can subscribe to the growth hubs provided by the government to see what relevant information they can get from the hub. Box 42 can also subscribe to the E-business 2 programme which provides IT advice and training for businesses in London. Here, the owners will be able to tap into available resources that can help build their online business. This programme provides support for websites, content and design, search engine optimization and further expanding on other social media platforms to attract people to the site (UK, Government, 2017). A longer-term plan can be to see the possibility of opening a physical space post-pandemic to be able to invite couples to partake in these games in a conducive environment. This would require a comprehensive business plan that details the location, modus operandi, number of employees needed, marketing plan alongside other important aspects. This can also receive support through the various enterprise structures set up by the UK Government to ensure businesses thrive.

Conclusion

This assessment set out to understand various factors that contribute to entrepreneurial motivation citing an example of a business that started during the coronavirus pandemic; it also sought to make recommendations on how this enterprise can thrive with existing support accessible to it. It was observed that motivation itself can be internal or external and this is what encourages an individual to create an enterprise. Another point to note is that entrepreneurs are created because of necessity and opportunity, not necessarily one or the other and there are various factors like independence, autonomy, status amongst others that encourage them to start up business ventures.

The impact of the pandemic is still reverberating across nations and a number of nations like the UK have responded positively to this, pumping funds to ensure businesses are sustained and new ones created so as to sustain the economy. This is a laudable initiative as reports have also mentioned that the pandemic has given rise to many entrepreneurs especially online (OECD, 2020). This gives thought to see if the rise of online entrepreneurs will now be formally referred to as 'digipreneurs' or they will still be classed as online enterprises. Another thought worthy of consideration is if there is any concrete legislation guiding digital entrepreneurs and if they are to pay tax. Whilst there

is a classification of tax payers called self-employed, it is rather a broad category and maybe needs to have a sub-category that adequately caters to how online business ventures are able to remit tax returns. This however is subject to further empirical research and government regulations.

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