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ENTREPRENEURIAL MOTIVATION

ENTREPRENEURSHIP

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INTRODUCTION

Motivation refers to the urge by an Individual or a group of Individual to engage in one behavior. Entrepreneurial motivation, as the name suggest, is a process which transform people into successful businessman, who create opportunities and helps in maximizing wealth as well as economic development. To become an entrepreneur, one should identify their strengths and opportunities, to put their ideas into practice; motivation helps them accept and combat the potential risks and threats which they are likely to encounter. In this report, the entrepreneurial motivation is discussed to evaluate how the entrepreneurs are motivated and effected by such motivation.

FACTORS MOTIVATING ENTREPRENEUR

Three factors which motivate entrepreneur to start their own business are identified which includes; ambitious, compelling and finally facilitating factors. In another study, some factors are segregated into Internal and External regarding Indian Entrepreneurs. Internal factors include educational qualification, occupational Experience, desire to work independently, family background, to earn profits and possess wealth and to possess social prestige.

On the other hand, external factors include assistance from government (usually in case of exports), assistance from financial institutions, availability of technology/raw materials, demand of a particular product, to make excess money worthwhile and financial help from non-government sources. These factors can vary from person to person in which case one can be important from the other. Apart from this, there are some social goals which are in line with entrepreneurial motivation which are; achievement, power, affiliation, independence, existence, personal development and social achievement. However, these are the various means through which entrepreneurs have a desire to start their business. Next step involves polishing the skills of these people through training and experience, which rather brings the standard of excellence. This is known as achievement motivation.

In a research conducted on under developed countries, the result showed that entrepreneurship is a skill which is developed from a very young age. Therefore, efforts should be directed to introduce entrepreneurship in school curriculum as young minds are prone to change.

MODEL OF MOTIVATION

All human beings have the needs which arises due to dissatisfaction from present situation. To fulfill those needs, the person has the urge to do something to achieve their goals. This is the main motivation for them which gives them certain direction. As soon as the goal is achieved, the dissatisfaction is over and then another need arises as needs are infinite and ever changing. This is a continuous process and the level of each needs results in success and growth of business (Trivikram, 2016).

This can be traced back to Maslow's hierarchy of needs which suggests that there are five levels of needs; physiological, social, security, ego and self-actualization. This is built as a pyramid and the person slowly move towards self-actualization which is the highest level of satisfaction for a person. Entrepreneurs need to identify the level they

correspond to so that they can work towards self-actualization. Likewise, there are many other theories which talk about motivation and are built upon Maslow's hierarchy of needs.

PROBLEM STATEMENT

Starting up a company is a long and rigorous process and the entrepreneurs are faced with much obstacles at each level. Some of the main activities of starting business involves acquiring resources, hiring new personnel, strategic planning and hiring external management. Investing substantial amount of capital is the very first and foremost, crucial step to take even for venture capitalist. Critical thing to understand here is the importance of these drivers and how do they change.

ENTREPRENEURSHIP

There has been an increase in the start-up companies over recent years mainly due to technology bubble, changing market dynamics as well as lower barriers to entry. Entrepreneurship is important for every country mainly to a number of benefits attached to this which includes; it drives the local economy which brings a lot of technological progress, it helps fill the gap of demand and supply, it leads to introduction of new products and services, it creates employment which utilizes intellectual and human capital, Also, it helps boost trade if the products and services are sold outside the boundaries of the country.

THE EFFECTS OF CHANGE ON PEOPLE

As stated above, the skills of being an entrepreneur develops at a very young age which is part of our personality; but one changes a lot over time due to neurocognitive, cultural and social dynamics. This change has an effect on oneself which leads to change in behavior in the process of self-development. People need to accept this change positively and bring out the best in them which is self-actualization.

CULTURAL SHOCKS

With the onset of motivation, many women are also starting up their businesses; this is where the role of culture kicks in. In this paper, the culture is viewed as 'open-ended process of communication that shapes economics, politics and social institutions.' Women have a desire to start their own business due to push or pull factors with former being the most common one that includes; frustration, job dissatisfaction, deployment, divorce and boredom in their previous jobs.

In one of the reports by Dr. Renata Osowska, (2016) a survey was carried out with sample of four entrepreneurs from Poland. The test was carried out to check the motives behind entrepreneurship, the primary driver being Independence. The study has included wealth creation, life necessity desire for self-development and social status. It also stated that the growth of female entrepreneurs outweigh than that of male entrepreneurs in that years. However, this was followed by a decline as in most of the cultures, the images of entrepreneurship and entrepreneurs are linked with males of the society (Osowska, 2016). In Entrepreneurship as a field of research, it has been identified that entrepreneurship has

emerged as a field of research which has distinguish it from strategic management. This is a field which should be studied as it leads to development of human capital and enhancement of intellectual capital.

CURRENT PRESPECTIVE

SCIENCE BASED PRODUCTS

With the onset of advancement in technology, emerging industries have become more science based which includes nanotechnology and bio-medicine. These companies are mostly research based which leads to rapid growth in initial years. However, they are also highly risky due to substantial amount of capital involved due to which even banks are reluctant to lend them. Due to their specialized nature, they have some salient characteristic which requires some special resources: new technology or idea is needed, high specialized human capital with special skills and a high capital.

CHANGE IN MOTIVATIONAL DRIVERS

In a report by Filippa Dracke, Entrepreneurial motivation in change; the author sets a hypothesis that motivational drivers change over time with changing dynamics. This is because, activities change over time which triggers different needs. This is illustrated by Maslow as well as Herzberg in their theories about motivation. This is also seen by the fact that entrepreneurship is evolutionary as people require different products at different times. Starting a business involves a lot of risk, by which an individual is prepared that it might not be able to get a stable income at first. But they still pursue in hope of getting huge profits in future; this intersects with the Maslow's Hierarchy of security or physiological needs (Dracke, 2014).

EXAMPLES

Forbes has identified five young university graduates to be listed among under 30, who are successful entrepreneurs. One of them Jeremy Martin talks about how he was initially working at an investment bank and later became director of finance at a company. His journey of entrepreneurship motivation involves a lot of hard work and customer engagement. He used to love how customers give regard to their different product and adore them.

Another one includes Muzzammil Zaveri who was keen on investment side and had his capital invested in some companies. He did this out of passion which was developed at a very young age and he actually started making investments while still at university.

Sam Bernstein, who couldn't take the mismatch of environment at his workplace, decided to start his own online rental search site with the name of LoftSmart. He had already made a foundation for his business and accumulated enough capital during his university time. According to him, education is prone to change as students wants real life experiences especially in the field of entrepreneurship. His level of motivation involves taking risk which is worthwhile, and that even if doesn't work, the person will not lose much.

Chelsea Follet is currently working as managing editor of human progress. Her main motivation was her university courses which taught her to think critically about data and ideas behind human progress. Other than this, her internship experience gave her practical exposure about what she had been studying back in university. This means curriculum

plays a pivotal role in development of entrepreneurial motivation which gives them limelight about what they want to pursue them as career (Nicholson, 2017).

In another news by Brett Johnson, a biotech firm has collaborated with local high school to hire students for their side projects. The firm reported that these students are keen to work and are preferred over undergraduate students. This is because they are not driven by monetary compensation-rather learning is what attracts them at this stage. Undergraduate students are reported to work for covering up for their student loan and therefore they are always up for getting what will pay them the highest. On the other hand, high school students are willing to go an extra mile for getting the work done qualitatively and on time.

These students have a will to become a leader which will guide people in certain directions. Through this, we have seen that the transition has been enormous and the level of skills inbuilt in people are getting higher with lower age. Young minds are provided to learn more and depict entrepreneurial motivation. Other than this, Entrepreneurship development Program has been introduced at various levels including high school so that people get the right training at the right time. As with any other field, entrepreneurship gets along well with experience which is why students at high school are starting to get their internship as early as possible. Also, courses related to entrepreneurship has been offered to young minds as early as at college level so that students have a clear idea about what they want to pursue in future (Johnson, 2017).

IMPACT OF CULTURAL AND ECONOMIC ENVIRONMENT ON ENTREPRENEURIAL MOTIVATION

For understanding entrepreneurship, it is important to get hold of economic development and Institution. Entrepreneurship is an endogenous component of economics growth; this means there is a positive relationship between the two variables. The two hypothesis has been closely related with this relationship; economies have been shifted from managed to entrepreneurial which means business were not so attractive but now it is a very significant element of economic growth. Secondly, the level of economic growth determines importance of entrepreneurship for that particular economy. In small-economies, entrepreneurship have small effects, while in large economies, entrepreneurship has large impact on economic growth (Dejardin, 2016).

Klapper (2007) defines the business environment as the relative strength of the regulatory environment responsive to the operation of a business. This includes starting a business, dealing with licenses, employing workers, registering property, getting credit, protecting investors, paying taxes, trading across borders, enforcing contracts and closing a business. Entrepreneurs are also concerned about external conflicts that affect their host country as it effects their economic and political instability. This is because it increases uncertainty in trade and investment which further leads to decline in entrepreneurial activities. Higher risk implies higher risk premiums demanded by the investors which in turn reduces overall investments. In other words, political stability plays a significant role in investor's motivation in starting a business.

Taormina and Lao developed a research model on entrepreneurial motivation which discusses three independent variables; perceived importance of business environment, perceived importance of social status, and perceived importance of country's external conflict. A total of 200 MBA students were taken as a sample for answering questionnaires. As usual, males dominated the managerial positions as a whole. The result of the study showed business environment has a strong relationship with motivation to start a business. With regards to social status in line with motivation, correction analysis showed a positive relationship while multiple regression analysis displayed no such

relationship between motivation and social status. Lastly, importance of external conflict is significantly related to entrepreneurial motivation as international sanctions and military strikes negatively affects entrepreneurs to do business. The implications of this study is that government need to create favorable business environment by creating favorable business laws, offering tax reductions to small businesses, supporting small businesses, providing good opportunities for small business developments, willing to give government loans and reducing the steps for launching a business.

However, there are some limitations in this study firstly, being the sample; geographic limitations, which means the sample of students were limited to one region. Secondly, the study included few external variables for predicting entrepreneurial motivation (Nikbin, 2010). In response to changes in external environment, entrepreneurs undertake resource recombination as well as established companies also support entrepreneurial activities. This can help detect the effect of these activities on value creation for the new firms and businesses. Rather today, entrepreneurship is more about exploiting opportunities from the environment which is prone to change. Provided this, the economic environment today encourages start-ups as it boosts economy. Government is providing assistance to potential entrepreneurs by providing finance in easy installments, less interest rates, tax relaxation and polishing the skills with various training and development programs.

A more refined version with the onset of cultural transition has been International Entrepreneurship, which is defined as firm-level business which crosses national borders. Though previously excluded, governments and non-profit organizations have also started to operate on this basis. This is where, the links of neighboring countries are strong enough to boost trade and improve cross border links. Internationalization is another word for international Entrepreneurship which takes into account various factors; Growth orientation. Manager's motivation to achieve growth can influence a firm's international entrepreneurial activities. This was also validated by one of the test conducted which states managerial conduct can highly influence business. Environmental scanning brings information about the industry and potential foreign markets. Internationalization is strongly related to exposure to foreign markets which is consistent with strategic management research. Finally, financial strengths also played a key role, which is measured by ROE (return on equity) and debt leverage.

ANALYSIS

The current perspective of entrepreneurial motivation has broaden over the years with it being introduced as a curriculum at high school level. Not only this, these high school students are carrying out various activities which includes internships at various companies in their summers. It has also wide knowledge base by taking initiatives in science-based products which has brought out Internationalization.

As entrepreneurship has been directly related to economy of a country, the economic as well as social factors influence entrepreneurial motivation to a great extend as discussed by various theories of motivation. However, with changing market conditions, these theories also tend to change, if not completely, by minor differences.

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