Entrepreneurial Motivation: a Conceptual Analysis

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The changing scenario is demanding a new class of people on a large-scale who can convert the available resources into good of the society. They are "Entrepreneurs". They are the ones who can, with innovative ideas, transform the economy. They are the real converters and many a time their deeds and actions go unnoticed. However, today their services are fully recognized. Behind any successful enterprise there will be one outstanding entrepreneur. Imagination, one of the qualities of an entrepreneur, is inherited by birth, but "foresight" also an innate quality can be improved by experience. Entrepreneurial quality is innate. It is inborn. It has some of the creative qualities are also acquired in the process of execution of a task. In spite of having entrepreneurial qualities, one may not come forward for starting any enterprise, if proper motivation is not there. Thus, while we are thinking of unleashing the entrepreneurship in India, we must not forget the entrepreneurial motivation part. That's why, the paper focuses on conceptual analysis of entrepreneurial motivation.

Key Words: Entrepreneurship, Motivational Factors, Barriers

Introduction

The term entrepreneur can only be understood with a bearing on economic, psychological, sociological and cultural bearings. The social responsibility is essentially a part of an entrepreneurial outlook. The importance of an entrepreneur also lies in the risk he undertakes. There are several types of risks. Some are insurmountable and some are not. An entrepreneur takes uninsurable business risks like exposure to new technology in the production, introducing new products, changing the marketing strategies according to consumer behaviour, taking financial risk etc.,. These risks may favour or may not favour the entrepreneur. However, he tries to overcome these risks by adopting his skill. In fact, risk and uncertainty bearing is the chief character of an entrepreneur. Entrepreneurship is not just a way to increase the level of innovation and productivity of organisations, although it will do that. More importantly, it is a way of organising vast business so that work becomes a joyful expression of one's contribution to society. The concept of entrepreneur and entrepreneurship incorporates basic qualities of leadership, innovation, enterprise, hard work, vision, and maximisation of profits. He is an able motivator and brings in change for the betterment of the society. All his socio-economic, organisational and managerial qualities are always directed towards the well being of the society/community. He is committed to progress. He is a catalytic agent of development and change. Personal satisfaction and monetary rewards are blended with social betterment and welfare of mankind. The concept of entrepreneur and entrepreneurship has been investigated from economic, social, political, cultural and managerial points. Essential ingredients of entrepreneurship are entrepreneurs and the spirit they possess and the bold ventures they embark upon.

Industrial Revolution in England has changed the concept of 'Entrepreneur'. This period marked the innovative spirit. Innovation engaged them in doing new and useful things or old things in improved ways. E.g. Colour

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Television and Photography. The innovators came to be known as entrepreneurs. The term "Entrepreneur" is subject to number of definitions. The entrepreneur is often thought of as risk-taker. Schumpeter argued that his sole function was innovation. Arthur Dewing conceptualised the function of the entrepreneur as one who promotes ideas into business. Evans views entrepreneur as person who takes the task of determining the kind of business to be operated. Danhof, an entrepreneur is a person who makes decisions under alternative courses of action.

According to Francis A Walker, the true entrepreneur is one who is endowed with more than average capacities in the task of organising and coordinating various factors of production. He should be a pioneer and captain of the Industry. The supply of such entrepreneur is however quite limited and enterprise in general consists of several grades of organisational skill and capacity. The more efficient entrepreneurs receive a surplus reward over and above the managerial wages and this sum constitutes true profit ascribable to superior talent. The entrepreneur should possess following qualities: Generates Profits, Development, Marketing, Production, Motivation, Technical Know How, Arrange Initial Capital; then he has take Industrial Licences, Risk-Taking, Exploration, Profitable Investment, Innovation, Perception.

Entrepreneurial Motivation

Traditionally, reasons for starting a firm (the entrepreneurial goal) have been considered to be economic (Schumpeter 1934). In the 19th century, Jean Bertrand Say defined the entrepreneur as a person who does something for economic gain, and that notion has persisted since (Carsrud and Brännback 2009). Recent insights that there may be other motives for a person to create a venture have emerged in the area of social entrepreneurship. Here, the social gains are the primary motivators. It also is acknowledged that lifestyle entrepreneurs are driven by goals and motives, which may indeed be economic, but not necessarily to maximize economic gains. We also know that whereas artists or craftsmen certainly hope to make a living based on their art or crafts, they may not define themselves as entrepreneurs but rather by what motivates them to do what they do (Elfving 2008). Take, for example, a musician who really wants to play music and is prepared to pursue this goal at any cost. As Elfving (2008) has shown, motivations and goals may change over time. The musician who initially would play his or her music at any cost may become motivated to play his or her music increasingly for economic reasons over time as a result of initial commercial success and acclaim by an audience. Initial success is the proof of "I can do it," and that provides further encouragement to lift the aspiration level, thus changing ones goals.

The motivational factors combined with individual skills, knowledge, and vision give rise to entrepreneurial activity. McClelland is regarded as the father of the study of Entrepreneurial Motivation, states individuals are motivated by three types of needs as stated below:

**Manifested Needs**
1. Need for Achievement (N-Ach)
2. Need for Power (N-Pow)
3. Need for Affiliation

In the first stage (N-Ach), gaining excellence, beat competition, achieve personal goals and overcome Problems taken care of. This concept is clearly acknowledged in the research domain of personality traits and entrepreneurial development. According to McClelland nAch are generally goal oriented and set Realistic and achievable goals. This view is supported by Mr. Johnson in 1990.

In the second stage, N-Pow's people, according to McClelland are authority oriented and likely
to become influential and effective. They have leadership roles and eager to present their thoughts and ideas freely. They are committed towards maintaining their own personal status and goodwill.

In the third stage, N-Aff’s people, according to McClelland focused on building interpersonal relationship with others. They become popular and best team players.

**Motivational Factors**


5. Goal setting

6. Independence

7. Egoistic Passion = all these factors club together Entrepreneurial Activity.

1. **Risk Taking Ability**: According to McClelland risk taking ability of individual is very crucial as the entrepreneurial process involves taking risks and facing uncertainties. Mr. Atkinson in 1957 argued that individuals with higher achievement motivation prefer to engage in activities of intermediate risk because these activities involve challenging goals yet attainable. A recent evaluative study shows that entrepreneurs have a higher inclination to risk than the members of general population, but those entrepreneurs do not perceive their actions as risky. It is combined with efficacy.

2. **Tolerance for Ambiguity**: This factor that motivates one to become entrepreneur. The trait tolerance for ambiguity serve added unpredictable nature is motivating factor for entrepreneur. Mr. Budner in 1982 states it is attractive rather than threatening. It is indispensable character. This view is held by Mr. Schere in 1982, Mr. Miller and Mr. Drodge in 1986.

3. **Locus of Control**: It is based on the belief of individuals on their actions or personal characteristics. It is external and internal. The external people believe that outcome of the event is out of their control. The Internal people believe their personal action directly affect the outcome of an event. Mr. Rotter 1966 who asserted that individual with an internal locus of control are more likely to seek entrepreneurial roles as they believe in their action and feel that they can control the outcome of the event.

4. **Self-efficacy**: An individual with high self-efficacy is likely to exert more efforts for longer time, persists through set backs, set and accept higher goals, and make better plans and strategies to accomplish the task. This leads to persistence, planning and positive attitude. They are fit for entrepreneurial activity.

5. **Goal Setting**: These people set goals in their area like financial performance, growth and innovation. In this process corresponding quantitative goal helps growth of any enterprise. This is crucial characteristic.

6. **Independence**: This is the base for any entrepreneur. He wants to be boss of his own destiny. They believe in their own judgment and thrust for independence necessitates entrepreneurial activity.

7. **Egoistic Passion**: It is the prime factor. Passionate, self love for work, with greater dreams is the central theme of entrepreneurs. Mr. Shane states Ego incites individual to establish an entrepreneur and make it profitable. Also it makes them to do something that is of their interest. It had direct effect on enterprise’s growth.

**Entrepreneurial Barriers**

Entrepreneurial barriers are of two types; 1. Economic Barrier and 2. Non-Economic Barrier

1. **Economic Barrier**: It has direct effect on the demand of products and services. It takes into consideration major economic trends such as gross national product; prevalent market wages rates, real per capita income, prices of goods and services, and financial policies, before starting