

ENTREPRENEURIAL MOTIVATION IN SMALL SCALE INDUSTRIES IN MADURAI

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ABSTRACT

New venture start-up is an interactive process between individuals and their environments. We thus propose and empirically test a model of the entrepreneurial process that examines the dynamic relationships between entrepreneurs' personality characteristics and environmental conditions. Findings reveal that entrepreneurs' achievement motivation significantly and positively relates to performance regardless of the munificence level in the environment. However, risk-taking propensity is only negatively associated with performance at low munificence level.

KEYWORDS: Entrepreneurial Process, Dynamic Relationships Between Entrepreneurs' Personality, Achievement Motivation Significantly

INTRODUCTION

Motivation is derived from the word motive. A motive is an inner state that energizes, activates or moves and directs or channels behavior toward goals. People are said to be motivated positively when they are shown a reward and the way to achieve it. Such reward may be financial or non-financial. The main objective of the motivation is the to exploit the unused potential in people they are to be motivated. Needless to say that such exploitation results in greater efficiency, higher production and better standard of living of the people, every human action is the result of a need or desire. One experiences a sort of mental discomfort as long as that need remains unsatisfied is him. The moment the action is initiated he makes an attempt to get over the discomfort. So what causes an action is the need or desire. What causes a need is called the stimulus therefore the manager's duty is to create the stimulus that causes a need which initiates action that leads to satisfaction. This should be a repetitive process for the action to continue. All this is called motivation in management.

REVIEW OF LITERATURE

Only a few studies investigate relationships among the different motivations, with an emphasis on entrepreneurial motivation in relation to growth ambitions. Studies relating aspects of opportunity and necessity motivation to growth ambitions conclude that wealth-seeking links to growth ambitions, while seeking independence and autonomy does not (Levie & Autio 2013). This pattern seems to hold both on the individual-level and for studies examining the prevalence of entrepreneurial motivation across countries. An example of the latter is Hessels et al. (2008) study, which finds that growth ambition is negatively related to the rate of necessity entrepreneurs and independence-motivated entrepreneurs, but positively related to the level of entrepreneurs motivated to increase one's income. A report by the Center for High-Impact Entrepreneurship (2011) underlines this link between income-generation motivation and growth ambition (based on GEM data pooled over multiple years and countries).

However, this report also suggests that there may be a positive link between independence motivated

entrepreneurship and growth ambitions in high- income countries. Presumably, entrepreneurs in high-income countries associate larger businesses with greater possibilities to enjoy their autonomy. Yet their report is largely descriptive and does not control for potential confounding factors. On the individual-level, Reynolds and Curtin (2008) report similar positive associations between opportunity motivation and growth ambitions, and negative associations between necessity motivation and growth ambitions. They similarly link growth ambitions to wealth-seeking, but also to achievement motivations. Despite these associations, seeking independence and autonomy is still the most important motivation proclaimed in the group of nascent entrepreneurs most likely to create high-impact, growth-oriented businesses, followed in importance by wealth creation. They also confirm the link between financial, wealth-increase motivation and growth ambitions. However, they also find this group to have only a moderate determination to stay in business, and show relatively poor business performance.

Reluctant, necessity-motivated entrepreneurs show the lowest growth the links across the different motivation typologies (opportunity-necessity, dimensions of motivation and growth ambitions) have received only scarce attention to date. Given the diversity of entrepreneurial motivation, it would be useful to gain further insights under which conditions different types of entrepreneurial motivations link with growth ambitions. Furthermore, Jaywarna et al.'s (2011) findings suggest that the growth ambitions of wealth-motivated entrepreneurs could be born out of their poor business performance - a so-called deprivation effect where individuals increase the importance they attach to goals that are particularly difficult to attain for them. The positive link between wealth-motivated entrepreneurship and growth ambition does not seem to bode well for enhancing business growth in developed economies such as the UK, where independence-motivation is a key driver of entrepreneurial activity, neither is this good news when it comes to the scaling up of social entrepreneurs. Social entrepreneurs show characteristically low wealth-seeking motivations (Lukes & Stephan, 2012). Taken together, this calls for future research investigating how growth may be framed to raise ambitions among other than the wealth-seeking.

It is often said that a person cannot win a game that they do not play. In the context of entrepreneurship, this statement suggests that success depends on people's willingness to become entrepreneurs. Moreover, because the pursuit of entrepreneurial opportunity is an evolutionary process in which people select out at many steps along the way, decisions made after the discovery of opportunities—to positively evaluate opportunities, to pursue resources, and to design the mechanisms of exploitation—also depend on the willingness of people to "play" the game. In this paper, we argue that human motivations influence these decisions, and that variance across people in these motivations will influence who pursues entrepreneurial opportunities, who assembles resources, and how people undertake the entrepreneurial process.

In recent years, entrepreneurship research has focused largely on the environmental characteristics influencing firm- foundings (Aldrich, 2000) and the characteristics of entrepreneurial opportunities (Christiansen, 1997). Although this focus has greatly enhanced our understanding of the entrepreneurial phenomenon, it ignores the role of human agency. Entrepreneurship depends on the decisions that people make about how to undertake that process. We argue that the attributes of people making decisions about the entrepreneurial process influence the decisions that they make. Although previous researchers have rightly criticized much of the existing empirical research on the role of human motivation in entrepreneurship (Aldrich & Zimmer, 1986; Carroll & Mosakowski, 1987), we argue that inadequate empirical work does not negate the importance of understanding the role of human motivation in the entrepreneurial process.

We also believe that these criticisms have resulted in insufficient consideration of the role of the human

motivation in the entrepreneurial process in recent entrepreneurship research. Consequently, we are left with theories of entrepreneurship that do not consider variation in the motivations of different people. We believe that such an omission is problematic because, as Baumol (1968,) eloquently argued, the study of entrepreneurship that does not explicitly consider entrepreneurs is like the analysis of Shakespeare in which "the Prince of Denmark has been expunged from the discussion of Hamlet.

RESEARCH DESIGN

The study is descriptive in nature. Descriptive study is one which attempts to discover answers to the questions who, what, when, where and sometimes how. This research study on Problems and Prospects of SSIs attempts to diagnose the problems of SSIs in SIDCO Industrial Estate and the help extended by SIDCO.

Sampling

The basic objective of the study is to draw the inference about the population. Sampling is a tool, which helps to know the characters of the population by examining only a small part of it. But the units under working condition are only 42. The researcher has taken up for the study all the 42 units. Hence census study is followed.

Sampling Size

The size of the sample is 42 units.

Sampling Area

The sampling area is restricted to small scale units in SIDCO Industrial Estate, K.Pudur, and Madurai.

Sampling Unit

- The sampling unit in this research study is the unit holders in SIDCO Industrial Estate.

Data Collection

Collection of data is an integral part of a project work. Utmost care has to be taken while collecting data because data constitute the foundation on which analysis is done. The required data has to be collected, grouped and analysed. The data must be accurate and adequate. While collecting data two important things to be considered are:

- Methods of data collection
- Sources of data collection

Data is obtained through primary and secondary source.

Primary Data

Primary data are the first information, which are obtained by a study specifically designed to fulfill the data needs of the problem at hand. Primary data are original in character. The various methods of primary data are as follows:

- Direct personal interview
- Observation

Primary data for the current study were collected by the researcher using Direct Structured Personal Interview technique, to collect in – depth information about the problems of small scale industries in SIDCO Industrial Estate and details regarding the help rendered by SIDCO. Under this tool, a list of questions pertaining to the survey was prepared and given to the respondents to be filled in. The questionnaire was designed to get response from the respondents using free response, dichotomous response, multiple choices and rating questions. Structured Questionnaire pose define, concrete, and preordained question, that is, they are prepared in advance and not constructed on the spot during the questioning period.

MOTIVATING FACTORS TO BECOME AN ENTREPRENEUR

In this part of analysis, the factors influencing the individual to become an entrepreneur are studied by taking into ten motivating factors. The motivating factors are consolidated from review of literature and with the help of expert advice. Further, the factors are analyzed by means of level of Agreement in percentage. The data relating to ten factors have collected from the respondents directly through the structured questionnaire. To draft this chapter, books, journals and magazines have been referred to.

The following ten variables have been taking into account as Motivating factors:

- Ambition to become an entrepreneur.
- Desire to be independent.
- Previous experience.
- Technical qualification.
- Good market potential.
- Small investment.
- Economic need.
- Government concession.
- Family business.
- Desire to earn more.

AMBITION TO BECOME AND ENTREPRENEUR

Aims, ambitions, desires and drives motivate a person to achieve the destination. So, ambition to become an entrepreneur is considered as one of the factors influencing the respondents to become an entrepreneur.

The researcher has met 42 respondents and collected information regarding the factor (i.e.) Ambition to become an entrepreneur. It is rated and shown in Table 1

Table 1: Ambition to Become and Entrepreneur as a Motivating Factor

Sl. No.	Rating	No. of Respondents	Percentage	Points	Score
1.	Highly agree	37	88.1	5	185
2.	Agree	5	11.9	4	20
3.	Neither agree nor disagree	-	-	3	-
4.	Disagree	-	-	2	-
5.	Highly disagree	-	-	1	-
Total		42	100		205

Table 1 indicates that 88.1% of respondents have highly agreed to the statement (i.e.) Ambition to become an entrepreneur as a motivating factor to become an entrepreneur. 11.9% of respondents have agreed to the above statement. None has disagreed with it.

From the Table 1 the qualitative results have been converted into quantity with the help of Scaling Technique (Likert's five point Scale).

- Average Score = $205/42=4.88$
- Level of agreement in Percentage = $4.88/5 \times 100 = 97.6\%$
- Table 1 reveals that 97.6% of respondents have agreed to this statement (i.e.) Ambition to become an entrepreneur as a motivating factor to become an entrepreneur.
- The level of agreement regarding this factor is more than 50%. So, it can be concluded that ambition to become an entrepreneur is definitely a motivating factor to become an entrepreneur.

DESIRE TO BE INDEPENDENT

Desire to be independent induces a person to start / run an enterprise. So, the researcher has made an attempt to know whether desire to be independent is one of the motivating factors.

The data relating to this factor (i.e.) Desire to be independent have been collected from the respondents and presented in Table 2

Table 2: Desire to Be Independent as a Motivating Factor

Sl. No.	Rating	No. of Respondents	Percentage	Points	Score
1.	Highly agree	34	80.9	5	170
2.	Agree	5	11.9	4	20
3.	Neither agree nor disagree	1	2.4	3	3
4.	Disagree	2	4.8	2	4
5.	Highly disagree	-	-	1	-
Total		42	100		197

Table 2 discloses that 80.9% of respondents have highly agreed to this statement (i.e.) Desire to be independent as a motivating factor to become an entrepreneur. 11.9% respondents have agreed to the above statement. 4.8% respondents have disagreed to the above statement.

The qualitative results have been converted into quantity with the help of Scaling Technique (Likert's five point Scale).

Average Score = $197/42=4.7$

Level of Agreement in Percentage = $4.7/5 \times 100 = 94\%$

Table 2 disclose that 94% of respondents have agreed to this statement (i.e.) Desire to be independent as motivating factor to become an entrepreneur. The level of agreement regarding this factor is more than 50%. So, it is concluded that desire to be independent is definitely a motivating factor to become an entrepreneur in the present study.

PREVIOUS EXPERIENCE

Experience gives self – confidence to a person to start an industrial undertaking. Through experience, a person learns a lot. So, previous experience is considered as one of the motivating factors to become an entrepreneur in the present study.

The data relating to this factor (i.e.) previous experience have been collected from the respondents and present in Table 3

Table 3: Previous Experience as a Motivating Factor

Sl. No.	Rating	No. of Respondents	Percentage	Points	Score
1.	Highly agree	18	42.9	5	90
2.	Agree	9	21.4	4	36
3.	Neither agree nor disagree	-	-	3	-
4.	Disagree	15	35.7	2	30
5.	Highly disagree	-	-	1	-
Total		42	100		156

Table 3 Shows that 42.9% of respondents have highly agreed to this statement (i.e.) previous experience as a motivating factor to become an entrepreneur. 35.7% of respondents have disagreed to the above statement.

Average Score = $156/42 = 3.7$

Level of agreement percentage = $3.7/5 \times 100 = 74\%$

Table 3 reveals that 74% of respondents have agreed to this statement (i.e.) previous experience as a motivating factor to become an entrepreneur. The level of agreement regarding this factor is more than 50%. So, it is concluded that previous experience is definitely a motivating factor to become an entrepreneur in the present study.

TECHNICAL QUALIFICATION

Technical qualification makes a person, a proficient in his / her field. It motivates a person to start a venture. So, technical qualification is considered as one the motivating factors in the present study.

The data relating to this factor (i.e.) Technical qualification have been collected from the respondents and presented in Table 4.

Table 4: Technical Qualification as a Motivating Factor

Sl. No.	Rating	No. of Respondents	Percentage	Points	Score
1.	Highly agree	9	21.4	5	45
2.	Agree	4	9.5	4	16
3.	Neither agree nor disagree	-	-	3	-
4.	Disagree	29	69.1	2	58
5.	Highly disagree	-	-	1	-
Total		42	100		119

Table 4 reveals that 30.9% of respondents have agreed to this statement (i.e.) Technical qualification as a motivating factor to become an entrepreneur. Out of 30.9% of respondents, 21.4% of respondents have highly agreed to the above statement and 9.5% of respondents have agreed to the above statement. 69.1% of respondents have disagreed to the above statement.

$$\text{Average Score} = 119/42 = 2.8$$

$$\text{Level of agreement in Percentage} = 2.8/5 \times 100 = 56\%$$

Table 4 reveals that 56% of respondents have agreed to this statement (i.e.) Technical qualification as a motivating factor. Since it is greater than 50% it is concluded that Technical qualification is definitely a motivating factor.

CONCLUSIONS

Although substantial research has sought to identify the entrepreneurial process as an interaction between the individual and the environment, this research represents an initial attempt to draw on the concept of entrepreneurial munificence to empirically test an interactive model of entrepreneurship. Even though the model proposed in this study requires further validation, these preliminary results suggest that practitioners, educators, and policymakers should be aware of the importance of environmental resources in order to boost new venture performance.

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