

LECTURE SESSION FOUR

ENTREPRENEURIAL MOTIVATING FACTORS

Lecture Outline

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1.1 Introduction

Welcome to this fourth lecture in Entrepreneurship Skills. In this lecture, we shall discuss the concept of Motivation in Entrepreneurship. We shall also discuss the general motivating factors for Entrepreneurship and finally look at why most people engage in entrepreneurship.



1.2 Learning Outcomes

At the end of this lecture, you should be able to:

1. Discuss the concept of Motivation in Entrepreneurship.
2. Explain the Motivating factors for Entrepreneurship.
3. List the activities linked with Entrepreneurial self concept.

1.3 The Concept of Motivation in Entrepreneurship.

Let us start our discussion by asking ourselves this question.



In text Question 1: Define Motivation?

Well done. I believe you have said that Motivation is the word derived from the word “motive” which means needs, desires, wants or drives within the individuals. It is the process of stimulating people to actions to accomplish the goals. Now we can go to our discussion of Concept of motivation in Entrepreneurship.

2.1.1 Meaning

- Motivation is the way in which urges, drives, desires, aspirations, striving or needs direct control or explain the behaviour of human being. It is process of attempting to influence others to do your will through the possibility of gain or reward.
- Motivation is an internal psychological feeling, which produces goal directed behaviour. It is an ongoing process since human needs are never completely satisfied. A person is stimulated to act in a particular manner. Thus, it inculcates all internal and external factors that induce one to take a particular course of action. Entrepreneurship is a product of motivation.



Motivation: Change from can't to I can--Motivation

2.1.2 Characteristics of Motivation

- *Personal and internal feeling.* Psychological phenomenon, which arises in the mind of an individual when his/her needs and wants are satisfied.
- *Continuous process.* Human needs are unlimited and a person always feels a need. Satisfaction of one need leads to a feeling of another and the process continues.
- *Human needs are interrelated and influence human behaviour in different ways.*



Human needs: In Life are Diverse and interrelated

A person cannot be partly motivated, as he/she is a self-contained and inseparable unit.

- *Causes goal directed behaviour.* Feeling of need creates tension. One works for the goals to acquire rewards that satisfy his/her needs. When the need is satisfied, tension is removed and the person feels motivated to work for the common goal.

2.1.3 Motivation Process

- Motivation results from interaction of human needs and incentives. One feels motivated when available incentives lead to the satisfaction of his/her motives or needs. Thus, the steps in the process of motivation are as follows:
 - i) *Awareness of needs.* Motives are directed towards the realization of certain goals, which in turn determine the behaviour of individuals. This behaviour leads to goal directed behaviour.
 - ii) *Search for action.* One develops certain goals and makes an attempt to achieve them in order to relieve tension and satisfy his/her needs.
 - iii) *Fulfilment of need.* If one is successful in his/her attempt, his/her need is satisfied and s/he feels motivated. In case of unsuccessful attempt, the need remains unsatisfied and the individual engages him or herself in search of a new action. S/he will engage him or herself in constructive or defensive behaviour.
 - iv) *Discovery of new need.* Once one need is fulfilled, some other need will emerge and the individual will set a new goal. This process continues to work within an individual because human needs are limited.

2.1.4 Theories of Motivation



Support and Help: Depicting what theories of motivation Envision

a) Maslow's Hierarchy of Needs

- Abraham Maslow (1908 – 1970), an American psychologist who is credited to be the father of modern management psychology, by conceptualizing hierarchy of human needs. He suggested that human motivation is driven by five need, which are:
 - a) Physiological needs such as air, food, water, sex, sleep, clothing and shelter.
 - b) Security/safety needs that include personal security, financial security, health and wellbeing.

- c) Belongingness and love needs (social needs) which comprises of friendship, acceptance, family, sexual intimacy.
- d) Esteem needs that involve self-esteem, confidence, achievement, and respect by others.
- e) Self-actualization and self-fulfillment that involve aesthetic needs (such as symmetry, order, beauty) and cognitive needs (such as knowledge, understanding and novelty).
- For this theory to hold, the following assumptions should exist.
 - a) Man is wanting being, his/her wants are growing continuously even when some are satisfied
 - b) Needs have a definite hierarchy of occurrence
 - c) A satisfied need is not a motivator
 - d) As one needs is satisfied, another replaces it.

b) McClelland's Acquired Needs Theory

- David McClelland derived the theory called acquired needs theory. A person acquires these types of needs at any time. These are:
 - 1) Need for achievement. Desire to accomplish something with one's own efforts. The urge to succeed or will to do well. According to McClelland, this need is classified highly among many entrepreneurs.
 - 2) Need for power. Desire to dominate and influence others by controlling their actions and use of physical objects.
 - 3) Needs for affiliation. Desire to establish and maintain friendly and warm relations with others.
- Others are:
 - 4) Need to succeed
 - 5) Need to grow

c) Alderfer's ERG Theory

- Alderfer's theory is about existence, relatedness and growth. One acquires these aspects namely,
 - 1) Existence Needs. Includes basic needs and safety needs.
 - 2) Relatedness Needs. Needs are satisfied by personal relations and social interactions.
 - 3) Growth Needs. Includes self-actualization needs.
- For the proper development of entrepreneurship, relatedness and growth needs are more important.



Take Note

The term **Motivation** is the drive that propels behavior

Having looked at the Concept of Motivation in Entrepreneurship, we shall now turn our attention to discuss the motivating factors for Entrepreneurship.

MOTIVATING FACTORS FOR ENTREPRENEURSHIP

2.2.1 General Motivating Factors for Entrepreneurship

- Several research studies have been conducted to identify the factors that inspire entrepreneurs. Some of these factors include:
 - a) Desire to succeed
 - b) Desire to achieve
 - c) Educational background
 - d) Occupational experience

- e) Family background
 - f) Desire to manufacture goods
 - g) Desire to work independently
 - h) Assistance from financial institutions
 - i) Endowment factors such technology and raw material abundance
 - j) Favourable business environment
 - k) Stable political climate
- The above factors can be categorized into categories namely internal and external motivating factors to entrepreneurship.

2.2.2 Internal Motivating Factors to the Entrepreneur

- d) Desire to achieve
- e) Desire to succeed
- f) Family background

2.2.3 External Motivating Factors to the Entrepreneur



Team Group People: Depicting External influence on a matter

- These are factors that are externally driven. Most of these factors are as a result of the environment the entrepreneur occupies. These factors include:
 - a) Assistance from the government
 - b) Assistance form nongovernmental organizations such as financial institution, donors
 - c) Profit margin

- d) Unstable units available at a cheap price
- e) Heavy demand
- f) Encouragement from large businesses
- g) Accommodation in industrial estates
- h) Availability of technology
- i) Availability of raw material.



Activity

Outline the Motivating factors that motivate people to venture into agribusiness.

Well done. You have been able to list FIVE factors that motivates people to venture into agribusiness.. This leads us to our last two subsection in this lecture on Entrepreneurial Motivating factors.

2.3 REASONS FOR ENTREPRENEURSHIP

The internal and external motivating factors to entrepreneurship mentioned above are reasons why most people engage in entrepreneurship. They are factors behind entrepreneurial growth and can be classified in three categories:

- a) Entrepreneurial ambitious: these are also known as pull factor. Specifically, they include pleasant life events, which can attract someone into entrepreneurship. They include:
 - To make money
 - To fulfill desire to self and family
 - To continue family business
 - To secure self-employment/independent living

- To gain social prestige
- Making of decent living
- Desire to do something creative
- Provide employment.

b) **Compelling Reasons:** Also referred to as push factors. These are unpleasant life experiences and events, which push or compel someone into becoming an entrepreneur. These include:

- Unemployment
- Dissatisfaction with the job
- Make use of funds
- Make use of the technical skills/professional skills
- Maintenance of large families.

c) **Facilitating Factors:** These are supportive factors that enhance or supports one to be an entrepreneur and they include:

- Previous association
- Previous employment in the same or other line of activity
- Success stories of other entrepreneurs
- Property inherited
- Advice or influence

Other associations.

2.4 ENTREPRENEURIAL SELF CONCEPT

Entrepreneurial self-concept is linked with activities such as:

- a) Generation of business idea
- b) Identification of investment opportunities
- c) Making decisions towards exploiting such opportunities
- d) Formulating organizational objectives

- e) Conducting market research and survey
 - f) Putting together scarce resources (human, financial, and physical)
 - g) Establishing and enterprise
 - h) Starting off the actual business operations
 - i) Distributing and promoting and enterprise's commodities
 - j) Organizing and managing the human and material resources for the attainment of the objective of the enterprise.
 - k) Bearing of risks and uncertainties
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1.6 Summary

The session looked at the concept of Motivation in Entrepreneurship, motivating factors for entrepreneurship and reasons for entrepreneurship. This whole session was geared towards making students appreciate that a driving force has to exist to propel one into business.



1.7 Review Activity

- i) Explain the "Concept of Motivation in Entrepreneurship"
- ii) Briefly describe the Motivating factors in Entrepreneurship.



1.8 References and Further Reading

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Process and Practice, 10th Edition. Boston, MA, USA:
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- iii) Scarborough,M.N.(2015). Essentials of Entrepreneurship
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