

ENTREPRENEURIAL MOTIVATION

Entrepreneurship is a state of mind, an attitude and a decision. The term motivation has been derived from the word “motive”. Motive is defined as drive or impulses within an individual. It implies something within a person which prompts action. Motives are expression of a person’s needs or wants and hence they are personal or internal. Motives or needs start and maintain activity and determine the behavior of an individual. It provides direction to human behavior as they are directed towards certain conscious or sub conscious goals.

A goal is an outward stimulus for the motive to work. The process of satisfying the needs and motives of an individual in order to inspire him to work efficiently for desired ends is called motivation. Motivation involves stimulating a person to work in particular names. It includes internal and external factors which induces a person to take a particular course of action.

Motivation is an internal psychological feeling which produces goal directed behavior. Motivation can be positive or negative. It’s positive when a person is inspired to act for earning some rewards and benefits e.g. an entrepreneur who sets up an enterprise to gain prestige and power is positively motivated. However, negative motivation arises from fear of failure or frustration. It causes a person to seek protection.

NB: Negative motivation can turn to positive motivation.e.g. A person who loses his/her job and work hard in setting up his own enterprise as a source of livelihood. It becomes a positive motivation when he succeeds in establishing his/her business and growth.

Motivation is a complex forces inspiring a person to willingly use his capacities for the accomplishment of certain objectives. It impels a person into action and continues him in action with enthusiasm. It’s an inspirational process which impels the members of a team to pull their weight effectively to give their loyalty to the group, to carry out properly the tasks that they have accepted and generally to play an effective part in the job that the group has undertaken.

NATURE OF MOTIVATION

By definition is the process of attempting to influence others to do your will through the possibility of gain or reward. (Filippo) motivation has the following characteristics:

1. Motivation is a personal and internal feeling:

It's a psychological phenomenon that arises in the mind of an individual when his needs and wants are satisfied. Motivation is related to need satisfaction because all conscious or motivated behavior on the part of human being is directed towards the satisfaction of needs.

2. Motivation is a continuous process:

Human needs are unlimited and a person always feels a need. Satisfaction of one need leads to feeling of another and the process goes on. "Man is a wanting animal"

3. Human needs are interrelated:

They influence human behavior in different ways. A person cannot be partly motivated, as he is a self-contained and inseparable unit.

4. Motivation causes goal – directed behavior.

Feeling of a need creates tension. A person works for the goals to obtain rewards that satisfies his needs. When need is satisfied, tension is removed and the person feels motivated to work for the common goals.

MOTIVATION PROCESS

Motivation is the result of an interaction between human needs and incentives. A person feels motivated when available incentives lead to the satisfaction of his motives or needs.

The following are steps in the process of motivation

1. Awareness of needs

Needs or motives of a person are the starting point in the motivational process. Motives are directed towards the realization of certain goals which in turn determine the behavior of individuals. This behavior leads to goal directed behavior.

NB: Awareness of unsatisfied needs creates tension in the mind of a person.

2. Search for Action:

To relieve the built tension by unsatisfied needs, the individual look fo a suitable action. He develops certain goals and makes an attempt to achieve them.

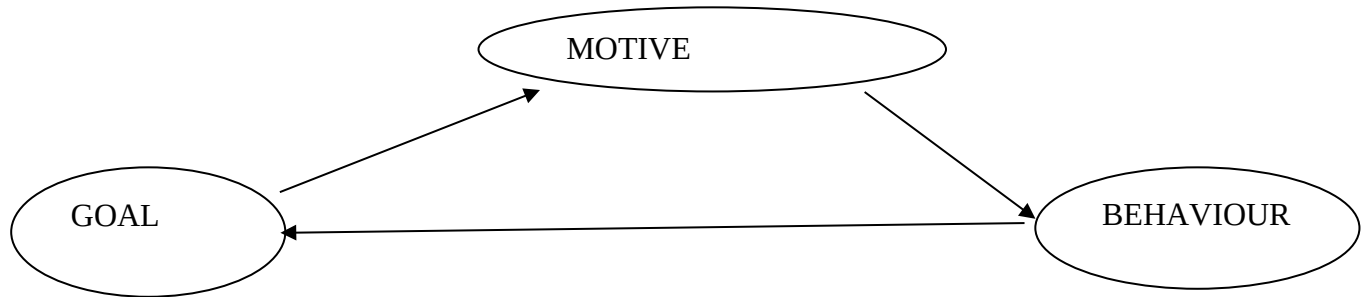
3. Fulfillment of need

If need is satisfied the person feels motivated. If the attempt is unsuccessful the need remains unsatisfied and individual engages himself in search for new action. The new action could be constructive as defensive behavior.

4. Discovery of a new Need

When need is fulfilled, some other need will emerge and the individual will set a new goal. This is due to the fact that human needs are unlimited.

PROCESS OF MOTIVATION



THEORIES OF MOTIVATION

People behavior can be explained by several theories. Prominent of these theories which are relevant to entrepreneurship are: -

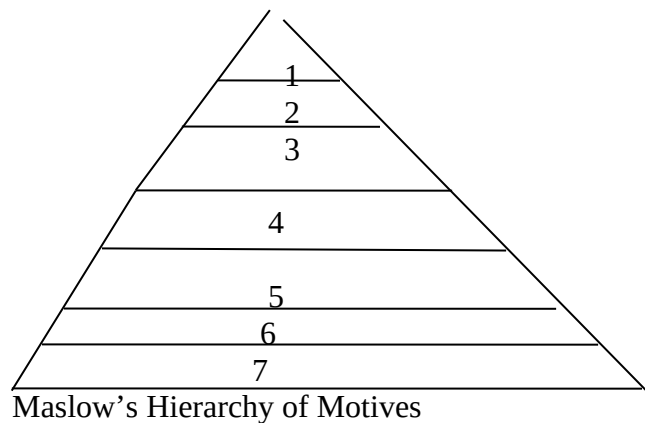
- (i) Maslow's Need Hierarchy Theory
- (ii) Mc Clelland's acquired Needs Theory

He identified five sets of human needs arranged in a hierarchy of their importance and priority. He concluded that when a set of needs is satisfying it ceases to be a motivating factor and the next set of need in the hierarchy takes its position. The hierarchy of needs can be compared to a pyramid. At lowest level there is the first set of needs, which are basic and universal in character.

MOTIVATION

The theory is based on the following assumptions

- a) Man is a wanting "wanting being" and his wants are growing continuously even when some are satisfied.
- b) Needs have a definite hierarchy of occurrence
- c) A satisfied need is not a motivation
- d) As one is satisfied, another replaces it.



The basic needs as identified by Maslow are:

1. Psychological Needs

They are basic needs for sustaining human life e.g. food, shelter air, rest, sleep and sexual satisfaction. They have priority over all other needs. These needs cannot be postponed for a long time.

2. Security (safety Needs)

Safety could be related to danger, sickness, etc. they also include safety net against accidents/illness and other adverse impacts.

3. Belongingness and love needs

These needs mean, the need to be accepted by others, need to belong, need to receive attention from others; in absence of these elements, many people become susceptible to loneliness, social anxiety and clinical depression.

4. Esteem needs

It implies self-confidence and self-respect. It also requires recognition and/or status. It presents the normal desire to be accepted and valued by others. Deprivation of the above needs can lead to an inferiority complex, weakness and helplessness.

5. Cognitive needs

It is the need for knowledge and information. The person seeks to get a better understanding of the world in which he/she lives.

6. Aesthetic needs

It's a need for beauty, order and symmetry in our world.

7. Self-actualization needs

It's the highest level of needs in Maslow hierarchy. It becomes a motivator when all other needs have been reasonably fulfilled.

At this level the entrepreneur seeks challenging assignments that allows for creativity and opportunities for personal growth and advancement. Self-actualized person is creative and independent.

Mc Clelland's acquired Needs Theory

According to David Mc Clelland a person acquires three types need at any time. These are: -

- a) Need for achievement
- b) Need for power
- c) Needs for affiliation.

Needs for achievement refers to the desire to accomplish something with one's own effort.

ENTREPRENEURIAL PROCESS

Entrepreneurial process refers to the process through which a new business unit is created by an entrepreneur.

An entrepreneur should identify and evaluate a business opportunity to create new venture.

STAGES IN ENTREPRENEURIAL PROCESS

1. Identification of business opportunity

The business opportunity can be generated through various techniques such as: -

- Market research – the entrepreneur finds out needs and problems of the potential customers.
- Discussions with business minded individuals
- Consultation with business consultants or advisors
- Brainstorming sessions with existing employees
- Discuss with existing customers or dealers
- Observations at market place.

2. Evaluation of opportunities

Every business idea must be evaluated for successful business to realize the entrepreneur objectives. The entrepreneur must conduct cost benefits analysis of each and every idea. The costs can be measured in terms of resources required to implement the opportunity and the benefits can be measured in sales, profits, good will etc.

NB:

To evaluate the opportunity, the entrepreneur needs to find answers to the following questions

- Do the consumers need such a product?
- Would the consumer understand the idea behind such new product?

- Can the existing set up handle the new product?
- Will it require additional resources? If so the means of getting such resources?
- When it would possible to break even in sales?
- What are the substitutes or competing products available in the market?
- What competition exist in the market?
- What would be the reaction of the competition in the market?

3. Selection of the best opportunity

The entrepreneur should short list all possible feasible projects and conduct a thorough analysis. The entrepreneur then, on the basis of facts select the cardinal idea that would provide maximum possible returns at minimum possible costs.

4. Decision of location

Location is key to any business. The following factors should be considered before locating a business unit: -

- Law and order (security)
- Labor relations
- Infrastructure facilities
- Incentives from the government
- Proximity to the market
- Skilled workforce

5. Develop a business plan

- Business plan describes the future direction of the business. A sound business plan is important in determining the resources required, obtaining them and effectively managing the business venture.
- The business plan is a written document prepared by the entrepreneur or consultant that describes all the relevant internal and external elements involved in starting a new business unit.
- It integrates all the functional plans such as marketing finance, production and personnel. It's a road map for entrepreneur.

6. Determine resources required

The entrepreneur should determine the resources required to undertake the business venture.

- The resources can be broadly divided into three groups
 - o Financial resources
 - o Human resources
 - o Physical resources

7. Manage the enterprise

- The entrepreneur or top manager's needs to give effective directions to the employees in all functional areas to accomplish the objectives. An appropriate control system must be adopted by the organization.

8. Periodic review

- There must be a period review to monitor the new business venture- periodic reports are obtained from the employees to find out the performance of the new project.
- The actual performance must be compared against the planned targets to find out the progress of the project.
- If any deviation is found the cause must be identified and adequate measures must be undertaken to correct the deviations.