

Entrepreneur motivations and its impact on entrepreneur intention among college students

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Abstract-Entrepreneurship is an initiative to start own business. It is said to the intention to become entrepreneur. An individual intention and decision is based on some motives. These motives and reasons either push or pull the individual to the entrepreneurial activities. Present study is an attempt to find impact of these underlying reasons on entrepreneurial intention. For this purpose self- structured questioner has been used for the study. Overall five motivation factors were identified namely family responsibility, dissatisfaction, innovation, money and independence. Further impacts of these factors were studied on entrepreneur intention.

Key words: - Entrepreneurship, Motivation, and Intention.

Introduction

Entrepreneur development is the process where individual and group of people seriously think to start own business and ready to take risk of establishing and running business venture. Entrepreneurship has been defined as willing full activity to pursue business opportunity (Shane, Locke and Collins, 2003). Entrepreneurship has been defined as “process of initiating organizing, managing, and controlling the affairs of a business unit that combines the factors of production to supply goods and services whether the business pertains to industry, trade or services” (Islam,2012).

India as a developing country has tremendous possibility for new business. In present time of Indian population comprise large number of young people. A big part of young people includes those individual studying in school and colleges. These people are energetic, young, creative and ready to take risk. Apart of having supply of sufficient number of talented and young people in country the spirit of being entrepreneur were found unsatisfactory.

People have their own reasons and motive to start their own business and become entrepreneur. Motivation factors has been found important determinant of entrepreneur intention (Solesvik, 2013). Theory of entrepreneurial motivation categorize motivation factor into two different forces namely pull and push factor (Kirkwood, 2009; Islam, 2012). Research on pull and push entrepreneur motivation also Categories motivational factor on the basis of opportunity and necessity entrepreneur (Verheul, et. al, 2010). Younger man and women are more willing and interested to start their own business because of internal factors, but at older age people involve in self-employment due to forces of external factors. Thus willingness to start business was influence two different motivation factors push and pull factors (Walker and Webster, 2006). At initially stage of career individual becomes entrepreneur to overcome their unemployment that means push factor affect individual entrepreneur intention but, letter on pull motivation such as money, prestige etc. were becomes more important. However there were individual those motivated by mixed of these motivation (Caliendo and Kritikos, 2009). It is important to find

whether our youth are motivated to start business by pull factor or it is the push factor that forces them to start their own business to survive. The intention of entrepreneurship affected by these two type of factors gives totally different result. People those start business to achieve something, to gain money and prestige (pull) are more oriented to growth, innovation and economic contribution. This type of entrepreneur not only gains profit but their business also beneficial for country. But people with push motivation start business just to survive and make themselves employed. Entrepreneur orientation is very important to understand current entrepreneurship scenario. Thus our current study is directed towards to find determinants of entrepreneur intention.

Literature review

Entrepreneurial intention is said to the intention to start own business. An entrepreneurial motivation was found positive related with intention. Effect of entrepreneurial motivation on entrepreneurial intention was mediated by attitudes, subjective norms, and perceived levels of behavioral (Solesvik, 2013). Study of entrepreneurship include Entrepreneurial motivation or reasons that influencing entrepreneurial intention. There were many motivational factors; these motivational influence individual decision to choose entrepreneurship as career (Bijaoui, 2012).

Individual's perception about self- consistent career was important factor that affect intention to start own business (Pillis and Reardon, 2007). Based on country level data from Global entrepreneurial monitor in 2005 it was found that basic motive of an entrepreneur to start-up their own business were to be independency or freedom to make decision (Hessels, Gelderen and Thurik, 2008). Along with that many factors such as need for achievement and self realization, financial need and professional autonomy, need for personal autonomy, need for affiliation and institutional power, need for continuity, social needs and personal power, and need for competition were some of the important determinants of entrepreneur intention (Barba-Sanchez, Atienza-Sahuquillo, 2011).

In developing country motivational factor were found to be genetic in nature, such as "To increase my income". In these countries achievement, independence, intrinsic factor and job security were the four most important motivational factor to start own business (Stefanovic, Prokic and Rankovic, 2010). Independence and to need for affiliation motive were found to be most important factors that motivate individual to star business (Singh and Rahman, 2013). But, due to personal and environment factor in different cultural of country, level of entrepreneurial motivation varies. In cross culture studies along with Independent motive and achievement achieve both intrinsic and extrinsic rewards were found the top motives to start won business (Malebana, 2014). In all these studies want to become Independence and freedom was found consistently an important determinant of entrepreneurial motivation.

Entrepreneurial motivation has wide dimension and exploring all those in one study is not possible for that reason my study use push and pull factor theory for motivational factors. Push factor could be personal or external factor those have negative connotation, but pull factor draw the people willingness to start new business as opportunity (Hakim, 1989). Push factor those that force individual to start own business and adopt entrepreneurship such as low income and weak job market were push factor in developing country (Benzing and Chu, 2009) pull factors were those motivation factor that enhance the individual desire to achieve something or realize something, such as to become independent is one of the pull factor (Kirkwood, 2009).

Entrepreneurial motivation were Categorized in push and pull factors. Push factor make necessity entrepreneur and pull factor make business entrepreneur. Individual becomes necessity or business entrepreneur was depend on the type of influence on interest and intention, whether the intention to start

business is pull inside or it is push due to external forces (Bijaoui, 2012). It is the intention and interest of candidate that important for business entrepreneur.

Research objectives

1. To find the determinants of entrepreneur motivation.
2. To study the impact of push motivation factors and pull motivation factors on entrepreneur intention

Research methodology

Research design

Present study is based on exploratory cum- descriptive research deign. Data has been analyzed on SPSS. Factor analysis and multiple regression analysis are used to achieve research objectives.

Sample design

Total 120 questionnaires were distributed on students and out of these overall 115 questionnaires were found complete and valid and same were used for data analysis. Data has been analyzed on SPSS.

Instruments

Primary data from the students has been collected through self-structured questionnaire. The overall questionnaire has tree section. Section one is about demographic information such as Gender, Education, Course specialization and Parental occupation. Section two includes five question to entrepreneur intention and section three have motivational variables. Entrepreneur intention and motivations are measured on five point likert scale.

Analysis

The first objective of this research paper was to find determinants of entrepreneur motivation. For this the data collected from college students through questionnaire were analyses on SPSS. Factor analysis has been applied to find factors that motivated students to start their own business. Before applying the factor analysis it is important to find the data adequacy through KMO and Bartlett's test. A table 1 show the result of KMO and Bartlett's test is 0.817 that means sample is adequate for factor analysis.

Table 1: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.817
Bartlett's Test of Sphericity	Approx. Chi-Square	999.548
	Df	171
	Sig.	.000

Source:-Primary Data.

Table 2 shows the result of rotated component matrix. In SPSS we used the principle component method to extract factors and used varimax rotation. Principal component method is one of the popular methods of factor extraction. In this method the most significant factor is extracted first and then next significant factor and so on. Thus the factors are extracted on the basis of their importance. In this table total five factors are found. All variables are loading to their respective factor. Such as MOT18, MOT20, MOT21

and MOT22 are included in factor 1. Factor 2 includes MOT11, MOT12, MOT13, MOT14 and MOT15. Factor 3 includes MOT27, MOT28, MOT29 and MOT30 variables and factor 4 includes three variables namely MOT7, MOT8 and MOT9. And the last factor 5 includes MOT1, MOT2 and MOT3. This table shows only variables those have significant high factor loading. All variables having factor loading below 0.5 were excluded from this result.

Table 2: Rotated Component Matrix

	Component				
	1	2	3	4	5
MOT1					.638
MOT2					.781
MOT3					.797
MOT7				.721	
MOT8				.864	
MOT9				.651	
MOT11		.712			
MOT12		.841			
MOT13		.627			
MOT14		.520			
MOT15		.548			
MOT18	.702				
MOT20	.834				
MOT21	.794				
MOT22	.725				
MOT27			.805		
MOT28			.801		
MOT29			.767		
MOT30			.644		

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Source: Primary Data

Table 3 shows the % of variance explained by all five factors in college students' motivation to start business or to become entrepreneurs. Overall five factors namely family responsibility, innovation, dissatisfaction, money and want be becomes independent explained total of 66.604 % variance of entrepreneur motivation.

Table :3 percentage of variance explained by each factors

Serial no.	Factors	Percentage of variance explained	Cumulative percentage
1.	Family responsibility	15.777	15.777
2.	Innovation	13.823	29.600
3.	Dissatisfaction from current job opportunity	13.788	43.388
4.	Money	11.981	55.368
5.	Independence	11.236	66.604

There are total five motivation factors were identified through factor analysis. On the basis of literature it is clear that out of five factors two factors namely family responsibility and dissatisfaction or lack of job opportunity are push factors for entrepreneur intention and three factors namely innovation, money and independent are pull factor that motivate to start own business.

Second objective of research was to study the impact of push factors and pull factors on entrepreneur intention. For this multiple regression analysis was carried out. Table 4 shows the model summary result of regression analysis. In this table R square value is 97% that means the model shows strong predictor of entrepreneur intention. This values shows that 97% variance in entrepreneur intention is explained by motivation factors (independent). Also the F value is significant that shows overall strong regression model. It is also seen from the table that difference between R square and adjusted R square are very minimum that means predictor variables are more significant to predict dependent variable that is entrepreneur intention.

Table 4: Model Summary

Model	R	R Square ^b	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.985 ^a	.970	.969	.70933	.970	709.034	5	110	.000

Table 5 shows ANOVA result of regression model that is significant. The P value is less than 0.05 that means independent variables are significant to predict dependent variable.

Table 5: ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	1783.773	5	356.755	709.034	.000 ^a
Residual	55.347	110	.503		
Total	1839.120 ^b	115			

Table 6 shows the regression coefficient. It is seen from the table that at 95% confidence level family responsibility (0.00) and dissatisfaction from current job opportunity (0.017) are both significant. Both these variables have p value less than 0.05. But the variable innovation (0.051), money (0.395) and independence (0.386) are insignificant in regression analysis as the p value is more than 0.05. That means entrepreneur intention are correlated and predicted by two variables namely family responsibility

and dissatisfaction from current job opportunity and variables like innovation, money and independence are not significant in prediction of entrepreneur intention.

Table 6: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
Family responsibility	.450	.112	.475	4.018	.000
Innovation	.210	.106	.222	1.972	.051
Dissatisfaction from current job opportunity	.326	.134	.333	2.424	.017
Money	-.095	.111	-.105	-.853	.395
Independence	.072	.083	.066	.871	.386

a. Dependent Variable: INTENTION

b. Linear Regression through the Origin

Source: Primary Data.

This is interesting to find the impact on push and pull factor on entrepreneur intention. Result shows only push factor have impact on intention to become entrepreneur and no pull factor are significantly impact on entrepreneur intention.

Discussion and conclusion

This paper aims to find the determinants of entrepreneur motivation and the impact of these determinants on entrepreneur intention. To achieve these objectives this study used factor analysis and multiple regression analysis. Through factor analysis five factors are identified that motivate students to start their own business or become entrepreneur. These factors are family responsibility, innovation, dissatisfaction from current job opportunity, money and independence. Out of these five factors two factors, family responsibility and dissatisfaction from current job opportunity are push factors or necessity factors that push individual to start their own business and three factors namely innovation, money and independence are pull or opportunity factors that motivate individual to become entrepreneur to achieve something (Bijaoui, 2012).

Another objective of this research was to find impact of these push and pull motivation factor on entrepreneur intention. The result of multiple regression analysis make it clear that only push factors (family responsibility and dissatisfaction from current job opportunity) leads to intention to becomes entrepreneur and no pull factors (innovation, money and independence) have any impact on entrepreneur intention. Thus it has been clear that individual want to start business because of family responsibility and he is dissatisfied with available job opportunities. Other motivation factors such as money, innovation and want to become independent are secondary. This result support the previous research of Benzing and Chu, (2009) that shows in developing country intention to start own business was more influence by push factors such as low income and weak job market.

This study contributes in understanding the root cause of intention to become entrepreneur among young students. People those start their business due to external forces such as unavailability of job are becomes necessity entrepreneur and those want to start business due to internal forces such as desire for money, self-dependency, power these type of people becomes business entrepreneur (Bijaoui, 2012).

Result of this study has clearly reveals that these students will becomes necessity entrepreneur not the business entrepreneur.

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