



Motivational Factors Among Entrepreneurs in Mokokchung Town

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ABSTRACT

In regions with growing poverty and unemployment, the role and importance of entrepreneurs should not be undermined. Entrepreneurs not only contribute significantly to economic development but more importantly they serve as exemplary models for the next generation in practising self reliance. However for successful entrepreneurship to mushroom in an economy, motivation factor is imperative. This study was carried out as the role of entrepreneurs has gained significance in today's environment. The main purpose of this study is to examine the motivational factors that exist across different activities with regard to starting their business and to analyse the motivational factors and choice of business. The strongest motivating factor among the entrepreneurs is "Improve quality of life" followed by "personal characteristics".

KEYWORDS : Motivation, Entrepreneurs

Introduction

Entrepreneurship is been seen as a way to increase economic welfare and create employment. Studies regarding motivation of entrepreneurs rest on two important factors- internal and external factors. Internal factors focuses on economic, social and situational factors and the external factors on background and individual factors affecting entrepreneurship. Background factors affecting entrepreneurship are age, sex, education, work experience and role models. Especially role models have been considered to have a great impact on entrepreneurship: children of entrepreneurs are more likely to become entrepreneurs themselves (Rosa, 1993). (Shane & Venkataraman, 2000) defines entrepreneurship as the process by which "opportunities to create future goods and services are discovered, evaluated and exploited."

Motivation can be defined as "...the contemporary (immediate) influences on the direction, vigour and persistence of action (Atkinson, 1964). "...a state arising in processes that are internal or external to the individual, in which the person perceives that is appropriate to pursue a certain course of action (or actions) directed at achieving a specified outcome (or outcomes) and in which the person chooses to pursue those outcomes with a degree of vigour and persistence" (Rollinson, Edwards & Broadfield, 1998).

H. Sadhak (1989) evaluated the socio economic origins of first generation entrepreneurs who were defined as those who have taken entrepreneurship for the first time after independence. He found that nearly 70% of entrepreneurs were graduates and post graduates. Mistra and Bist (1995) in a study of 100 entrepreneurs in Nanital district of Uttar Pradesh found that availability of funds from the family members and friends was the most important motivational factor that influenced the entrepreneurship. Lakshmi Sha (2003) conducted a study to know the motivational factors of entrepreneurship. The study found that ambition may not alone make an entrepreneur. At times, the encouragement of family members, friends, EDPs etc., also facilitates the exercise of entrepreneurship.

Brush (1993) observes that a higher proportion of women are motivated by dissatisfaction with their current employment, and view business ownership as a job alternative that is more compatible with other aspects of their life. She also notes that women are motivated to a much larger extent to create businesses that allow flexibility to balance work and family. Buttner (1993), supporting this notion, argues that while men and women possess many similarities, women are influenced and motivated more by family needs and men by economic motives. Maysami and Goby (1999) found that female entrepreneurs in Singapore are motivated by freedom and flexibility, which help them to integrate their work lives with their personal lives and family obligations. Still and Timms (2000) propose that family considerations were especially important for women business owners, who did not rely on their business for the primary source of family income. Focus group interviews with 63 women small business owners in Australia revealed that women are motivated to start a business because

of lifestyle issues, i.e. flexibility and the ability to balance work with their relationships and family. It was also shown that money is not a measure of success for women, and this is because they are free from the obligation of being the primary breadwinner for the family. However, the women who were either widowed or divorced did indicate that money is a primary motivator.

Objectives of the study

The broad objective of this study is to find out the nature and types of business, ownership, profile of the entrepreneurs. However the study has the following specific objectives:

- (1) To examine the factors that motivates the entrepreneurs.
- (2) To analyse the motivation factors and choice of business.

Area of the study, Data collection and methodology

Mokokchung is one of the eleven district in Nagaland situated in the North Eastern part of India with a population of 1,94,622 persons (census 2011). All the administrative and commercial activities are centred in Mokokchung town. Mokokchung town is the biggest town in the district having a population of 35,875 (Census 2011).

The study is based entirely on primary data collected from in and around Mokokchung town. A set of 60 questionnaires was prepared and handed to the entrepreneurs who had already set up their enterprises. Out of the 60 questionnaires 42 (70 percent) responded positively of which 18 are male and 24 female. A five-point Likert's scale which ranges from "strongly agree" to "strongly disagree" (5 = 'Strongly Agree', 4 = 'Agree', 3 = 'Undecided', 2 = 'Disagree' and 1 = 'Strongly Disagree') is used to reflect the agreement of the respondents.

Findings

The data collected were analysed to find out the profile, types of enterprise, ownership pattern and motivational factors of the entrepreneurs. Mean derived from Likert's scale, standard deviation and percentages were constructed for the analysis.

Profile of the entrepreneurs

Out of the total 42 entrepreneurs, 18 are male and 24 are female. The age of entrepreneurs ranges from 21 years to 39 and above. There are 28 (67 percent) entrepreneurs above the age of 33 years and 15 (33 percent) entrepreneurs above 21 years and below 33 years. The study finds that 36 percent of the entrepreneurs have either attained class X or are below. There are 9 and 14 entrepreneurs who have attained class XII and graduated. The number of post Graduate entrepreneurs is 4 (10 percent). A comparison of educational qualification suggests that almost 50 percent of the female entrepreneurs have not graduated while for male it is only 10 percent. As for the training 5 females and 8 males had at least some kind of training or have attended workshops.

A study of marital status shows that of the 18 males, 8 are single and 10 are married while 5 female are single, 15 married and 4 are

divorced/widowed. It is interesting to find that the 13 entrepreneurs who are single have 10 dependents. Married persons have 46 dependents while those divorced have 9 dependents. For all those who are single and divorced/widowed their business is the only source of income and livelihood. As for the married persons apart from the business some of them have other sources of income.

Types and ownership pattern of business

Three types of business were identified from the respondents. The first sector is Agriculture and allied which includes floriculture, food processing and bakery. Agriculture and allied sector constitute 36 percent of the total activities followed by trade and services (43 percent). Activities under trade and services include shops engaged in selling groceries, stationery, household products, hotels, motor repair centres etc.. The third is the manufacturing sector. Under this sector, activities include tailoring and weaving, leather products, furniture, handicrafts and fabrication. The manufacturing sector constitutes 21 percent of the total business. Out of the 42 enterprises 6 operate from their own houses or are home based.

A study of the type of ownership suggests that 36 enterprises (86 percent) are solely owned or sole propriety and 6 enterprises (14 percent) are jointly owned. Almost all the units are micro enterprises and are financed by themselves and not a single entrepreneur applied for government assistance or from any other financial institutions.

Motivational factors

Four factors were identified for the study using Mansor's (2005) motivational factors. The first motivational factor is the Family influence. Family influence in this context refers to inheritance, pressure from family etc. Only 4 entrepreneurs (9 percent) started the business because of family influence of which all are inherited from the parents. The second is the psychological factor (personal dissatisfaction and experience) and under this 24 percent of the entrepreneurs either had experience (84 percent) or was dissatisfied (26 percent) with the previous job. Money is the most important factor that motivated the entrepreneurs. Desire to earn extra income (38 percent) is one of the most influential factors that motivated entrepreneurs followed by environmental factors- education, training and role model (31 percent). Attaining higher level of education and training are the factors that most motivated the entrepreneurs. All 13 entrepreneurs had done some training/course and 9 entrepreneurs are graduate and above. Table 1 presents the factors that motivate the entrepreneurs to start the business.

Table 1. Factors influencing the entrepreneurs

Factors	Frequency	Cumulative frequency	Cumulative percentage
Family	4	4	9.52
Psychological	10	14	33.33
Finance	15	29	69.04
Environment	13	42	100.00
Total	42		

Eight factors were used to analyse the motivation of the entrepreneurs. Table 2 shows the mean and standard deviation of the factors.

Table 2. Mean and standard deviation of motivational factors

Factors	n	Mean	sd
Requires less capital	42	3.3571	1.3761
Personal characteristics	42	3.9524	0.9615
Government support	42	1.9762	1.2588
Type of business most people do	42	2.7381	1.2109
Relatively high risk	42	3.4286	1.0852
Less employees	42	3.6905	1.0704
Peculiar to your family	42	3.3810	1.1251
Improve quality of life	42	4.2857	.80504

The strongest motivating factor is "Improve quality of life" with a

mean of 4.2857 and standard deviation of .80504. Almost 96 percent of the entrepreneurs felt that through the business their standard of living would be improved while the other 4 percent disagreed with this view. The next strongest item is "Personal characteristics" with a mean of 3.9524 and standard deviation of 0.9615. Possession of skills, abilities, intelligence and training required for the business strongly motivated the entrepreneurs. Other factors like "Relatively high risk", "Peculiar to your family", and "Requires less capital" has slightly influenced the entrepreneur. The weakest item among the motivation is "Government support" with a mean of 1.9762 and standard deviation 1.2588. The entrepreneurs choose the business knowing that government is not assisting the type of business. Out of the total, only 26 percent of the entrepreneurs were motivated to choose the type of business because of government support. The second weakest item is "Type of business most people do" with a mean of 2.7381 and standard deviation 1.2109. Only 38 percent of the entrepreneurs choose the type of business knowing that there will be competition and 62 percent choose to avoid competition and ventured into new business.

Female entrepreneurs differ from male entrepreneurs in the motivation to start a new business in that the females more frequently stated that their dislike for their boss drove them to start their own business Zapalska (1997). Although the survey found no differences in personality attributes between men and women entrepreneurs, female entrepreneurs were more oriented to long-term financial goals, while males were more focused on short-term financial goals.

Table 3. Motivation factors between male and female

	Strongest motivating factors	Mean	sd
Male	Improve quality of life	3.9444	0.9983
	Personal characteristics	3.8333	0.9851
Female	Improve quality of life	4.5416	0.5089
	Personal characteristics	4.0416	0.9545
Weakest motivating factors			
Male	Government support	1.8333	1.1504
	Type of business most people do	2.2777	1.1274
Female	Government support	2.0833	1.3486
	Type of business most people do	3.0833	1.1764

Table 3 highlights the motivational factors between male and female entrepreneurs. There are no differences between men and women entrepreneurs on motivating factors to start the enterprise. Both men and women wanted to improve their quality of life and they started the business as they possessed the skill and ability. For both men and women government support is the weakest motivating factor. They wanted to avoid competition and choose business that was not done by many.

Motivation and choice of Business

Table 4 shows the factors that motivated the entrepreneurs to choose a particular type of business.

Table 4. Motivation and choice of business

Sectors	No. Of units	Strongest motivating factors	mean	sd
Manufacturing	9	Improve quality of life	4.4444	0.5270
		Personal characteristics	4.4444	0.5270
Agriculture	15	Improve quality of life	4.6	0.5070
		Less capital	4	0.9258
Trade and services	18	Improve quality of life	3.9444	0.9983
		Personal characteristics	3.8333	0.98515

"Improve of quality of life" is considered to be most influential or strongest motivating factor in all the sectors. For manufacturing sector "improve quality of life" and "personal characteristics are the two equally strongest motivating factor with a mean of 4.4444 and standard deviation of 0.5270. Having the skill, knowledge, trait and interest about the field, also strongly motivated entrepreneurs under trade and services sector with a mean of 3.8333. As for agriculture sector "improve quality of life" is the strongest factor with a mean of 4.6 fol-

lowed by "less capital" with a mean of 4. The weakest factor in all the sectors is "Government support". Under manufacturing sector "government support" had a mean of 1.6666 and standard deviation of 1. Likewise the mean of "government support" under trade and services and agriculture sector are 1.8333 and 2.333 respectively.

Conclusion

Till 1990's there were hardly any well established local entrepreneurs in the town and the entire commercial activities were dominated by people from outside the state for a very long time. With the initiatives of the State Government, NGO's and the public a conducive business environment was created whereby first generation entrepreneurs grew in numbers. With the objective to further the knowledge and spirit of entrepreneurialism, Mokokchung Entrepreneurs Consortium (MEC) was established in 2011. MEC is a conglomerate of established entrepreneurs having members from an array of enterprises operating across Mokokchung district and membership to the consortium is only through invitation. The main objectives of MEC is to organise educational and social events at which the knowledge and skills in organising, operating and assuming the risk of a business venture can be obtained, and to establish the network that have been critical to success in the business world.

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