



Motivational Factors Influence of Entrepreneurs Towards Entrepreneurship: A Study of Chittoor District In Andhra Pradesh

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ABSTRACT

In this article, we have classified several human motivation factors that make influence the entrepreneurial process and entrepreneurship in Chittoor district Andhra Pradesh. The socio-economic, psychological and cultural factors of one's milieu naturally influence one to be an entrepreneur. In this process, we consider that all human action is the result of motivational factors, however, environmental factors (such includes the status of the economy, the availability of venture capital, the actions of competitors, and government regulations) also play a role that being held constant, but the human motivation plays a critical role in the entrepreneurial process. To this end, we suggest more ways, how human motivation influences the entrepreneurial process to develop entrepreneurship.

Keywords: Entrepreneurship, Motivation, Ambition

Introduction

Entrepreneurship is an important process by which new knowledge is converted into products and services. The socio-economic, psychological and the cultural factors of one's environment naturally influence one in his/her effort to be an entrepreneur. A congenial industrial environment can certainly foster entrepreneurship and flourish the entrepreneurs. But entrepreneurship requires one to have courage, ambition, optimism, and ability to take risks. However, the acquisition of these characteristics is to some extent conditioned by one's environment where in he/she wants to pursue business.

Entrepreneurs are motivated to start a business/ enterprise because of the factors like ambitious factors, compelling factors and others. Entrepreneurship is a way of life, a habit of mind. A number of factors contribute in motivating the entrepreneurs to venture and emerge successful. Being entrepreneurial means being able to identify, start, and maintain a viable and profitable business, particularly a small enterprise. A number of factors help motivate, encourage and influence entrepreneurs to set up and grow their businesses (Eduardo Morato, 2005). Whatever may be the reason, it can be said that in most of the times of the history of human civilization, there were entrepreneurs who did independent business and this trend of history still continues. For the last few decades in all over the world, entrepreneurs are regarded as value adding people to the society. The common man thinks that people go into business and become entrepreneurs solely to make money. The desire to earn money is no doubt an important motivating force. But entrepreneurs are motivated not for profits alone.

Entrepreneurship and Human Motivation

Entrepreneurship is pivotal for economic progress of any nation. Development of entrepreneurs leads to rapid industrialization and thus paves the way for the prosperity and fortune of a country. Entrepreneurial activity is a vital source of innovation, employment and economic growth. The wealth and growth of a nation depends on the excellence of its people. If they are enterprising, ambitious and courageous enough to bear the risk, the community or society will develop quickly. Such people are identified as entrepreneurs and their character reflects entrepreneurship. Entrepreneurship drives

innovation and technical change, and therefore generates economic growth (Schumpeter, 1934). As the Austrian economists have explained, entrepreneurial action is the process through which supply and demand are equilibrated (Kirzner, 1997). Entrepreneurship has become an important vocation and we need to understand its role in the development of human and intellectual capital (Zahra & Dess, 2001).

Shane and Venkataraman's (2000, p. 218) defined entrepreneurship as the process by which "opportunities to create future goods and services are discovered, evaluated, and exploited". As these authors have explained, this definition does not require viewing entrepreneurs as the founders of new organizations. As, this definition shows that entrepreneurship is a creative process by rearranging resources in a new way, entrepreneurs engage in creative activity. Entrepreneurship involves human agency. The entrepreneurial process occurs because people act to pursue opportunities. People differ in their willingness and abilities to act on these opportunities because they are different from each other. We argue that the variation among people in their willingness and ability to act has important effects on the entrepreneurial process.

Motivational differences also influence the entrepreneurial process. For example, such things as variation across people, in their perceptions of risk and places, for selecting opportunities to influence entrepreneurial decisions (Shane & Venkataraman, 2000). People vary in how they view the risk of expending resources before knowing the distribution of outcomes. Similarly, we consider the people variation in motivation to be important to the entrepreneurial process. While it is clear the factors how motivation is related to entrepreneurship, it is less clear how opportunities affect this relationship.

Review of Literature

Several research studies have been conducted to identify the factors that inspire entrepreneurs. James. T. Mc. Crory (1956) observed that the dream of entrepreneurs appears to be to 'get big' is not unfounded. He felt that the ambitions like continuing family business, seeking self-employment, fulfilling the desires of self/parents/spouse, improving one's status are more suggestive of getting big rather than getting rich.

Gangadhara Rao (1978) in his book studied 81 entrepreneurs operating in 13 industrial estates of coastal Andhra Pradesh. He evaluated the impact of the industrial estates programme on the emergence of entrepreneurship and the growth of small units in the sample estates. He also found that educational and income levels are the most important factors in motivating small entrepreneurs to establish units in the estates. The author also felt that of all motivating factors the desire to get gainfully occupied was the most important factor of entrepreneurs.

Akhouri (1979) in his short essay stressed that the basic features of entrepreneurship are propensity to take risk, strong need for achievement, economic insight, and management skill. These influence immensely entrepreneurial development.

Kabir (2004) in his study identified the internal motivating factor such as 'desire to work independently' emerged as the main motivating factor, while 'occupational experience' got the second highest preferences from the entrepreneurs. The external motivating factors comprising 'assistance from government and financial institutions' and the 'availability of technology and raw materials' acted as the less important inducing factors for adopting entrepreneurial activities irrespective of different geographical locations. Surprisingly 'educational qualification' as an internal motivating factor had little to do with their emergence as the entrepreneurs.

Manickavasagam (2007) concluded in their work that 'family members, friends and relatives' influenced to start the entrepreneurial activity. In addition to the above, the study highlighted the difficulties for launching the enterprises in the study area are lack of training, lack of awareness, limited support from family members, lack of guidance and counselling, lack of finance and marketing are the initial problems of entrepreneurs.

Research Methodology

The present article makes an attempt to study on entrepreneurs motivational factors influence towards entrepreneurship in the Chittoor district of Andhra Pradesh. The Chittoor district comprises three revenue divisions. Viz., Chittoor, Madanapalli and Tirupati. And the data were collected from all divisions in the study surveyed.

Objectives

The present study has two specific objectives such as:

1. To enquire into the factors those motivated the entrepreneurs to launch an enterprise, and
2. To examine the reasons that might have compelled the entrepreneurs to pursue entrepreneurship

Sample Design

Due to non-availability of up-to-date statistics and large number of Micro and Small enterprises in Chittoor district, a representative sample of 120 entrepreneurs drawn through the convenience sampling method comprises of entrepreneurs/business owners who have started their own businesses or enterprises in Chittoor district of Andhra Pradesh.

Sources of Data

The sample entrepreneurs' comprises owners, partners, or managing directors of the enterprises were considered as the main sources of primary data. And the primary data were collected through a structured schedule. The schedule contains profile of the entrepreneurs and enterprises and motivational factors of entrepreneurs like, ambitious factors and compelling factors and other

Scope and Limitations of the Study

The scope of the study is limited to Micro and Small entrepreneurs in the Chittoor district of Andhra Pradesh. And the study period has been chosen from 2008 to 2010 due to data availability for the study, in order to cover manufacturing and services industries of sample enterprises in Chittoor District.

Results and Discussions

As aims of the present study was to inquire into the reasons which urged a compelled them to become entrepreneurs, the factors of motivations which facilitated the process of their entrepreneurship.

Ambitions of Entrepreneurs

Ambitions or aspirations motivate men, activate them, widen their outlook and make their lives more meaningful and successful. Ambition is the mother of all motives. It directs the intentions and initiative of an individual. What is more it electrifies one's actions. What matters most is what aspirations men/women have and what do they do to realize them. Entrepreneurship is to be developed from a very young age. It becomes the particular duty of parents, teachers and leaders in developing nations to instill ambition in the minds of their young.

Unfulfilled ambitions or aspirations could be passed on to those of the next generation who may seek to realize them with redoubled effort and vigour. So, ambition nourishes achievement motivation, and achievement motivation makes for economic growth and development, ambition, as understood in the present context is neither greed nor a desire for a windfall. Ambition is not even groping in darkness. Well-conceived notions, careful planning, calculated risk-taking, timely decision-making and swift execution make ambition meaningful and fruitful (Gangadhar rao N, 1978).

The below table presents the different ambitions to process entrepreneurship. They include continuing family businesses, earning money, secure self-employment, fulfilling the ambition of self/parents/husband and gaining social statuses. There could be several other ambitions too, but it is almost impossible to make a list of all of them here, they are all subsumed under the title 'any other ambitions'.

Table No. 1

Ambitions Which Motivated them to Become an Entrepreneurs

Ambitions	Chittoor	Madanapalli	Tirupati	Total
To continue family business	12 30.0%	8 20.0%	3 7.5%	23 19.2%
To earn money	9 22.5%	17 42.5%	9 22.5%	35 29.2%
To secure self-employment	10 25.0%	6 15.0%	10 15.0%	26 21.7%
To fulfill the ambition of self / parents / spouse	5 12.5%	6 15.0%	13 32.5%	24 20.0%
To improve status	4 10.0%	2 5.0%	5 12.5%	11 9.2%
Others*	0 0.0%	1 2.5%	0 0.0%	1 0.8%
Total	40 100.0%	40 100.0%	40 100.0%	120 100.0%

Note: Figures in parentheses indicate percentages to totals.

Source: Researcher's compilation.

Others: 'Strong desire to do something', 'Satisfaction in independent living' and 'Self-employment of their children' etc.

The table no.1 shows that, the ambition factor 'to earn money' were influenced high as 29.2 per cent of the entrepreneurs (35 out of 120) to become an entrepreneurs among all ambitions in the study. Next, in order 21.7 per cent of the entrepreneurs (26 out of 120) were influenced by an ambition of 'to secure self employment, 20.0 per cent entrepreneurs (24 out of 120) were influenced by an ambition of 'to fulfillment of the self/parents/spouse', 19.2 per cent entrepreneurs (23 out of 120) were influenced by an ambition 'to continue family businesses', 9.2 per cent entrepreneurs (11 out of 120) were influenced by an ambition 'to improve the status' and only one per cent entrepreneur (1 out of 120) were influenced by an ambition of 'others' such includes, 'strong desire to do something',

'satisfaction in independent living' and 'self-employment of their children' etc.,

Looked the division wise, the majority 17 entrepreneurs (out of 40) in Madanapalli division were responded as a factor 'to earn money' was influenced to become an entrepreneur in the study. Similarly, 13 entrepreneurs in the Tirupathi division, 12 entrepreneurs in the Chittoor division responded as a factor 'to continue family business' and 10 entrepreneurs in the Chittoor and Tirupathi division each were opted the ambition factor as 'to secure self employment'.

It may be interesting to note that while all the 120 entrepreneurs, most of the sample entrepreneurs, had opted a factor 'to earn money' which influenced for starting their enterprises/ entrepreneurship. On the contrary, it is the lead ambition, but it is closely linked with other ambitions. Another important finding is that the entrepreneurs seek to 'secure self-employment' through starting industrial activity.

Compelling Reasons

It is very interesting that sometimes, it is some compulsion other than a particular ambition that has entertained that leads one to undertake an entrepreneurial activity. One's initial ambition and the opportunities available to translate his/her dreams into reality, some times may clash with each other. Then their destiny is shaped by the compulsion of the situation. What compulsions would arise for one to seek entrepreneurship in industry which may not be their preference, it is not easy to say. The mere fact of being without any employment for a time may compel one goes after an enterprise. There are instances, though few in number, of people who having sought in vain even a petty employment, have resorted to trade out of sheer necessity, and ultimately become very successful industrial entrepreneurs, providing employment to many others. They may also illustrate that certain compelling circumstances bring to light one's latent potentialities of which one may not be aware at all. Therefore, it is quite appropriate to inquire into the compelling reasons which may have impelled people to seek entrepreneurship.

Table No.2
Compelling Factors Leading To Becoming Entrepreneurs

Compelling Factors	Chittoor	Madanapalli	Tirupati	Total
Unemployment	12 30.0%	10 25.0%	22 55.0%	44 36.7%
Dissatisfaction with the job / occupation	8 20.0%	18 45.0%	3 7.5%	29 24.2%
To make use of idle funds	8 20.0%	7 17.5%	9 22.5%	24 20.0%
Diversification of Economic interests	1 2.5%	2 5.0%	2 5.0%	5 4.2%
To make use of technical and professional skills	5 12.5%	1 2.5%	2 5.0%	8 6.7%
Others*	6 15.0%	2 5.0%	2 5.0%	10 8.3%
Total	40 100.0%	40 100.0%	40 100.0%	120 100.0%

* Other compelling factors includes 'revival of sick units started by other family members', 'maintenance of large families', 'to gain equal status' with their relatives already who have socially and economically high position, etc.,

Note: Figures in parentheses indicate percentages to totals.
Source: Researcher's compilation.

The Table no.2 shows the opinions of the respondents towards the compelling reasons to start their enterprises or fostering entrepreneurship. Out of the sample 120 entrepreneurs, majority 44 entrepreneurs (36.7 per cent) started their ventures due to the 'unemployment'. Next in order appear those who followed, 29 (24.2 per cent) were 'dissatisfaction with the previous job/occupation', 24 (20.0 per cent) were 'to make use of idle funds', 10 (8.3 per cent) were 'others', and 8 (6.7 per cent) were 'to make use of technical and professional skills'. The entrepreneurs who have responded as the compelling reason 'diversification of economic interest' were only 5 out of 120(4.2 per cent).

The 'unemployment' was the major compelling factor influenced the entrepreneurs in all most all the division of the study, except Madanapalli which was found the 'dissatisfaction of previous occupation/ job'. To conclude, most of them turned to industry not because they were unemployed or unhappy with the previous job or occupation. This is because they felt that their abilities were certainly more than what their jobs required.

Conclusion:

The findings of the study helped to conclude that entrepreneurship development is influenced by different factors including the entrepreneurs' ambition and compelled reasons. The factors responsible for starting the business by the entrepreneurs differ individual to individual entrepreneurs. The entrepreneurs, due to their conservative traditional attitude, risk adverse tendency, noncooperation of family members and supporting institutions, etc., are sometimes deterred to start business. However, the family hardship, parents' injury or death often compelled the entrepreneurs and the strong desire to be self-reliant and to be contributor towards family pulled the entrepreneurs starting their business. The aged entrepreneurs because of their dissatisfaction with previous profession while the young entrepreneurs, either because of no or low education or having no public or private job or their family members' pressure was forced to be business entrepreneurs. For entrepreneurs of all categories, helping family members through making more money was the main motivating factor. Though it is very difficult to distinguish between ambition and compelled factors, it can, however, from the preceding findings and analysis, be concluded that entrepreneurs' motivational factors played motivational role to undertake ventures. On the whole entrepreneurship acknowledges that motivated entrepreneurs are important to the entrepreneurial process.

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