



Key Influencing Factors on Entrepreneurial Motivation among Women Entrepreneurs

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Abstract

The aim of this study is to investigate the key determinants on entrepreneurial motivation among women entrepreneurs particularly in Sabah, Malaysia. This study focuses on two personality factors in studying the motivation among women entrepreneurs. These two key personality factors were need for achievement and self-efficacy. Structured questionnaire instrument was used in this study. The respondents of this study are 400 women entrepreneurs located around Kota Kinabalu, Sabah. Based on the results and findings of this study, the result showed that only need for achievement has a relationship with entrepreneurial motivation among women entrepreneurs in Sabah. The findings of this study revealed the importance of need for achievement and its role in promoting an entrepreneurial motivation among women entrepreneurs. With this information, the government can develop appropriate entrepreneurial programs, which highlight the need for achievement in an effort to promote an entrepreneurial motivation among women entrepreneurs.

Keywords: Self-Efficacy; Need for Achievement; Women Entrepreneur; Entrepreneurial Motivation.

1. Introduction

Entrepreneurship has become a driver for economic growth in every nation due to its ability to make, generate employment, promote innovation, produce competition and create economic wealth (Chiles, Bluedorn, and Gupta, 2007). Both men and women entrepreneurs are responsible for the increase in the entrepreneurial activity of most nations. However, the recent focus nowadays is more on promoting the involvement of women entrepreneurs due to their lack of participation in this activity. Malaysia, for instance, has recognized the role of women entrepreneurs in assisting the government to achieve the Malaysia's Vision 2020. It is viewed that the involvement of women in the labour force is the lowest in the Asean region with only 47.9% or 4.58 million out of the total of 9.57 million (The Star, July 2013). This finding indicates that women participation in entrepreneurship was also not encouraging.

For that purpose, the Malaysian government has established the Ministry of Women, Family and Development (MWFC) in 2001 to provide greater support for women to participate in the country's development. Federation of Women Entrepreneurs Association Malaysia (FEM), National Association of Women Entrepreneurs of Malaysia (NAWEM), Persatuan Usahawan Wanita Bumiputera (USAHANITA) were also established in order to achieve this goal. In Sabah, the effort is continued with the involvement of Sabah Women's Advisory Council (MPWS) during the implementation of government policies related to the development of women in Sabah (Borneo Post, June 2011). Apart from that, Sabah Women Entrepreneurs and Professional Association (SWEPA) were also established in 1993 with an objective to provide a platform for networking to all women entrepreneurs in Sabah. This paper thus recognizes the need to investigate factors that determine an entrepreneurial motivation among women entrepreneurs in Sabah.

2. Literature Review

Cantillon introduced the theory of entrepreneurship in 1725. This theory defined entrepreneur as someone who is self-employed and the one who is not working for wages (Long, 1983). Earlier research studied entrepreneurship with two approaches. The first approach focuses on the personal attributes of business founders (Gartner, 1989). This approach relates psychological variables as the influencing factors towards entrepreneurial motivation. The Second approach focuses on external (environment) conditions. This approach associates external (environment) conditions as the key determining factors in the variation of the number of business start-ups created over time. According to Aldrich (1990), this approach is also known as “rates” approach where governments minimise the rules and regulations, offer tax reduction, give loan and consultants in order to increase the number of the new business start-ups.

Entrepreneur is an individual responsible for the success of every entrepreneurship activity. Due to this, most previous research has focused on studying the unique characteristic or personality traits that relates to the entrepreneurial motivation or action. The outcome of most of these studies reported that personality traits are positively related to the entrepreneurial behaviour (Casrud & Brannback, 2011). Furthermore, entrepreneurial motivation is said to have an impact on the business success (Kuratko, Naffziger and Hornsby (1997). Robichaud, McGraw, and Roger (2001) conducted a survey and found that motivation can lead to a business success. Blanchflower and Oswald (1998) reported that people who are self-employed tend to be more satisfied with their life as compared to employed people. Individuals are generally attracted to entrepreneurship as it provides achievement satisfaction, challenges and autonomy (Stewart & Roth 2007).

2.1 Women and Entrepreneurial Motivation

The role of women as catalyst to the economic growth is widely recognised throughout the world. The emergence of women entrepreneurs was firstly highlighted in an article written by Eleanor Brantley Schwatz (1976). Schwatz (1976) combined both exploratory and descriptive research in investigating individual characteristics, motivation and attitudes among women. This research reported that the primary motivators for women include need to achieve, job satisfaction, economics payoff and independent. These are the key motivators found among men entrepreneurs (Collins and Moore, 1964). However, Scott (1986) found that men entrepreneurs were more interested to be their own bosses while women entrepreneurs are more concerned with personal challenge and satisfaction. Naffziger, Hornsby and Kuratko (1994) indicated seven factors, which influence an individual to behave entrepreneurially. Entrepreneurial motivation was one of the factors highlighted.

2.2 Need for Achievement and self-efficacy

The study on the personality traits of entrepreneurs indicates various types of entrepreneurial traits. The most common traits being studied include need for achievement and self-efficacy.

2.3 Need for Achievement

As mentioned earlier, entrepreneurship can provide achievement satisfaction, challenges and autonomy to any individuals involved in an entrepreneurial activity. This has attracted individuals particularly with high achievement motivation (Steward & Roth 2007). As described by McClelland's (1961), the key driving force to every human action stemmed from the need for achievement. This trait is believed to have influenced the entrepreneurial behaviour among individuals. According to McClelland, Clark, Roby, and Atkinson (1958), individuals with high need of achievement tend to participate in energetic and innovative activities compared to low need for achievement individuals. McClelland (1961) further added that individuals with high need for achievement prefer tasks that involve skill and effort that at the same time can give clear performance feedback and can provide an element of risk and challenge. Johnson (1990) reported that there is a relationship between achievement motivation and entrepreneurial activity. Taormina and Lao (2007) found that the need for achievement was highly and positively correlated with the motivation to start a business. Recent studies also revealed that entrepreneurs with high level of need for achievement are more inclined to be an entrepreneur (Shane, Locke, & Collins, 2003). Naffziger et al. (1994) supported that need for achievement is one of the personal characteristics related to human desire to achieve something significant thus can influence an individual decision to own a business.

2.4 Self-Efficacy

Bandura (1997) describes self-efficacy as an individual's belief in their personal capability to accomplish a job or specific tasks. An individual with high self-efficacy tends to be more likely to pursue and accomplish certain tasks as compared to an individual with lower self-efficacy (Bandura, 1997). Self-efficacy is often associated with the level of confidence in individuals to complete a series of tasks (Chen, Greene, and Crick, 1998; De Noble, Jung, and Ehrlich, 1999). Jeraj and Marič (2013) reported that self-efficacy is also one of the key determinants of

entrepreneurial intention. Self-efficacy, or self-confidence in performing a particular task, has been shown to aid entrepreneurial motivations and actions.

3. Methodology

This is a quantitative research, which is mainly to analyse the relationships between the independent variables (need for achievement and self-efficacy) and the dependent variable, which is entrepreneurial motivation. The respondents of this study were women entrepreneurs located around Kota Kinabalu, Sabah, Malaysia. This study adopted a random sampling method in collecting data for this study. A total of 400 questionnaires were distributed with a response rate of 75.25%. The usable questionnaires for this study were 301.

4. Results

4.1 Factor Analysis of Entrepreneurial Motivation

The factor analysis for entrepreneurial motivation produced only one factor that had an eigenvalue of 1.741 and explained 87.062% of the total variance. The Kaiser-Meyer-Olkin value was 0.500, and the Bartlett's test of sphericity was significant at 0.000, indicated that the items were correlated and suitable for factor analysis (see Table 1). Table 1 below displays the factor loadings of the items measuring entrepreneurial motivation. There was only one component extracted for the factor loading.

Table 1: Factor Analysis for Entrepreneurial Motivation		
	Items	Factor Loadings
	Entrepreneurial Motivation	
1	To increase my income	.933
2	Identifying gap or opportunity in the market	.933
	Eigen Value	1.741
	Total Variance Explained	87.062
	Measure of Sampling Adequacy	.500
	Bartlett's test of Sphericity	237.984
	Significant	.000

4.2 Factor Analysis for Self-Efficacy

The factor analysis for self-efficacy produced only one factor that had an eigenvalue of 3.034 and explained 75.851% of the total variance. The Kaiser-Meyer-Olkin value was 0.721, and the Bartlett's test of sphericity was significant at 0.000, indicated that the items were correlated and suitable for factor analysis (see Table 2). Table 2 below displays the factor loadings of the items measuring self-efficacy. There was only one component extracted for the factor loading.

Table 2: Factor Analysis for Self-efficacy		
	Items	Factor Loadings
	Self-efficacy	
1	I can usually handle whatever comes	.973
2	Thanks to my resourcefulness, I know how to handle unforeseen situations.	.945
3	I can identify and build a management team to develop a business.	.863
4	It is easy for me to stick to my aims and accomplish my goals.	.671
	Eigen Value	3.034
	Total Variance Explained	75.851
	Measure of Sampling Adequacy	0.721
	Bartlett's test of Sphericity	1095.239
	Significant	0.000

4.3 Factor Analysis for Need for Achievement

As shown in Table 3, the factor analysis for need for achievement extracted one factor that had an eigenvalue of 4.020 and accounted for 67.008% of the total variance. The Kaiser-Meyer-Okin value was 0.829, and the Bartlett's test of sphericity was significant at 0.000, which indicates that the data was suitable for factor analysis (see Table 3). There was only one component extracted for the factor loading.

Table 3: Factor Analysis of Need for Achievement		
	Items	Factor Loadings
	Need for Achievement	
1	I tend to plan ahead for my job and career.	.901
2	I am driven to ever greater efforts by an unquenched ambition.	.891
3	I would expect that what I might learn from this situation will lead to something meaningful.	.838
4	I believe that I am primarily responsible for my own successes and failures.	.806
5	I am willing to do something even when other people laugh or belittle me for doing it.	.756
6	I often put pressure on myself as much as I can.	.701
	Eigenvalue	4.020
	Total Variance Explained	67.008
	Measure of Sampling Adequacy	0.829
	Bartlett's test of Sphericity	1653.08
	Significant	0 .00

4.4 Reliability Analysis

Cronbach's Alpha coefficients were used to measure the reliability of the variables. The reliability was tested for entrepreneurial motivation, self-efficacy and need for achievement. According to Sekaran (2003), an alpha value close to 1.0 indicates high internal consistency reliability, an alpha value less than 0.6 is considered to be poor, values of 0.7 are considered acceptable and values above 0.8 are deemed to be good.

Table 4: Summary of Reliability Test		
Variables	No. of Items	Cronbach's Alpha
Entrepreneurial Motivation	2	.838
Self-efficacy	4	.823
Need for Achievement	6	.871

4.5 Regression Analysis

Regression analysis was used to analyse the relationship between self-efficacy (independent variable) and entrepreneurial motivation (dependent variable), need for achievement (independent variable) and entrepreneurial motivation (dependent variable).

4.5.1 The Relationship Between Need for Achievement and Entrepreneurial Motivation

Hypothesis 1 (H1) examined whether the needs for achievement is significantly and positively related to entrepreneurial motivation. Based on Table 5, 32.7% of the total variance in entrepreneurial motivation can be explained by need for achievement ($R^2=0.327$, $p<0.01$). This means that H1 is supported.

Table 5: Regression Analysis of Need for Achievement and Entrepreneurial Motivation

Dependent Variable	Independent Variable	Std. Coefficient Beta (β)
Entrepreneurial Motivation	Need for Achievement	.572
	R ²	.327
	Adjust R ²	.324
	F Change	145.105
	Sig. F Change	.000

4.5.2 The Relationship between Self-Efficacy and Entrepreneurial Motivation

Hypothesis 2 (H2) suggested that self-efficacy is significantly and positively related to entrepreneurial motivation. As shown in Table 6, the result shows that there is no significant relationship between self-efficacy and entrepreneurial motivation. Therefore, H2 is rejected.

Table 6: Regression Analysis for Self-Efficacy and Entrepreneurial Motivation

Dependent Variable	Independent Variable	Std. Coefficient Beta (β)
Entrepreneurial Motivation	Self-efficacy	-.047
	R ²	.002
	Adjust R ²	-.001
	F Change	.662
	Sig. F Change	.417

Table 7: Result of Hypothesis Testing

Hypothesis Number	Statement	Result
H1	Need for Achievement will significantly and positively related to entrepreneurial motivation	Supported
H2	Self-efficacy will significantly and positively related to entrepreneurial motivation	Rejected

5. Discussions and Conclusion

From the results and findings, it was found that hypothesis one (H1) was supported. H1 predicts that need for achievement is significantly and positively related to entrepreneurial motivation ($R^2=0.327$, $p<0.01$). This finding supports and in line with McClelland (1961) that there is a significant relationship between need for achievement and entrepreneurial behaviour. This hypothesis also supports that an individual with high need for achievement is more likely to start a business. Moreover, the result of this study also supports the finding of study conducted by Taormina and Lao (2007) where achievement striving and motivation were significantly correlated. On the other hand, hypothesis 2 (H2) was rejected. H2 assumed that self-efficacy is significantly and positively related to entrepreneurial motivation. However, this study found that self-efficacy has no influence over the entrepreneurial motivation among women entrepreneurs. This contradicts with most of previous studies undertaken. Bandura (1997) stated that a person with high self-efficacy is more likely to pursue and complete any tasks given than those individuals with lower self-efficacy. Self-efficacy also affects the perception that the individual can achieve his or her goals (Kasouf, Morrish, and Miles, 2013).

In conclusion, the main purpose of this study was to investigate the effect of self-efficacy and need for achievement on entrepreneurial motivation among women entrepreneurs in Sabah. Based on the results and findings, from the two personality traits, which are self-efficacy and need for achievement, it is discovered that only need for achievement has a significant and positively related to entrepreneurial motivation. The findings of this study revealed the importance of need for achievement and its role in promoting an entrepreneurial motivation. The findings of this study provide information particularly on the key factors that motivate women entrepreneurs in

Sabah. The government or related bodies may construct a proper workshop or entrepreneurial programs highlighting the need for achievement in enhancing entrepreneurial motivation among women entrepreneurs.

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