

Entrepreneurial Motivation in Small Scale Industries of India

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Abstract: - It is entrepreneurs who act as a “spark plug” to transform the economic scene and bring a new sense of dynamism into it. Entrepreneurs like any other careerists are not born, they are made. Career making depends upon several factors. In addition to the attitudes of the careerist himself, the attitudes of others i.e., his family members, friends, relatives and the government will have their impact on the making or unmaking of the career. Entrepreneurship is no exception. Entrepreneurs are not only a product of their ambitions, but also those of their family members, friends and the nation. Motivational factors constitute the personality of the entrepreneur and there by generate an inclination to adopt entrepreneurial activity.

Key Word: Entrepreneur, Motivation, Ambitions, Career, Facilitating Factors, Goal.

LITRODUCTION

An entrepreneur is the person who tries something new, organizes production, undertakes risk and handles economic uncertainty. He is a potential and enterprising individual, endowed with special ability to innovate, or imitate, interested in advancing technology and willing to assume the risk involved in it. He is the man who knows the art of changing the production function for using the economic potential of various factors of production.

Thus, under present day condition, entrepreneurship is the purposeful activity of an individual or a group of associated persons initiating, prompting and maintaining business activity for the production of wealth and distribution of goods and services with a pecuniary motive or such benefits in the given social and political conditions. The rate of economic progress of a nation depends upon its rate of innovation which in turn depends upon the distribution of entrepreneurial talent in the population. Technical progress alone cannot lead to economic development, unless technological breakthrough is put through economic use by entrepreneur.

It is entrepreneurs who act as a “spark plug” to transform the economic scene and bring a new sense of dynamism into it. Entrepreneurs like any other careerists are not born, they are made. Career making depends upon several factors. In addition to the attitudes of the careerist himself, the attitudes of others i.e., his family members, friends, relatives and the government will have their impact on the making or unmaking of the career. Entrepreneurship is no exception. Entrepreneurs are not only a product of their ambitions, but also those of their family members and the nation.

This article aims to know which factors influences entrepreneurs to start their business and which factors motivates them to generate an inclination to adopt entrepreneurial activity.

MEANING OF ENTREPRENEURIAL MOTIVATION

Entrepreneurial Motivation is the drive of an entrepreneur to maintain an entrepreneurial spirit in all their actions. Motivation implies an inner state that causes a person to act towards the attainment of goals. It is an inspirational process of steering an individual's drives and actions towards goals. It causes a chain reaction. Motivation is an internal psychological feeling which produces goal directed behavior. It is an ongoing process because human needs are never completely satisfied. Motivation is dynamic force setting a person into motion or action. The word motivation is derived from motive which is defined as an active form of a desire, craving or needs and desires effect of change the behavior which becomes goal oriented.

MOTIVATION FOR STARTING ENTERPRIS

Several research studies have been carried out to identify the factors that motivate people to start business enterprises. Some of the main factors are as follows:

- (i) Internal Factors:
 - a) Educational background
 - b) Occupational experience

- c) Desire to do something pioneering and innovative
- d) Desire to be free and independent
- e) Family background

(ii) External Factors:

- a) Assistance from Government
- b) Financial assistance from institutions
- c) Availability of technology and / or raw materials
- d) Encouragement from big business units.
- e) Heavy demand for product
- f) Others

Internal factors constitute the personality of the entrepreneur and thereby generate an inclination to adopt entrepreneurial activity. The presence of these factors is essential for entrepreneurial activity to take place. But entrepreneurial ambitions cannot fructify without a supporting environment. External factors providing this environment and give a spark to entrepreneurship.

Among the internal motivating factors, the desire to do something creative is important. It means the desire to contribute to the development of the state, to introduce an entirely new product in the market, to place the home town on the country's industrial map, to make full use of technical skills, to provide employment to intelligent young men and women in the community, etc. Business experience provides confidence for starting a new enterprise. Technicians, engineers and executives rated business experience more important motivator than other types of entrepreneurs.

Among the external factors, assistance from financial and other Governmental institutions has been rated the strongest motivator. Other factors include availability of surplus funds, sick units being available at a cheap price, success stories of first-generation entrepreneurs, support of friends and relatives etc. in some cases there may be compelling reasons like loss of job, death of the father, dissatisfaction with the job held, etc., prompting people to launch their own industries.

Scope the Study

Considering the nature of the study, time required and resource constrains, the study was restricted to 80 small scale units engaged in different line of activities in Kebelle-05, Industrial Zone, Mekelle, Ethiopia.

Objective

The main objective of the study is to examine the factors influencing entrepreneurial motivation of small-scale enterprises.

Methodology

Eighty small scale units were randomly selected from the records of Bureau of Trade and Industry, Mekelle.

Source of Data

The study is mainly based on primary data collected through field investigation. The entrepreneurs were personally interviewed with the help of a detailed pre-tested interview schedule. In addition to the primary data, the secondary data was also collected from the Bureau of Trade and Industry of Mekelle.

Entrepreneurs' ambitions

Among the subjective factors that act as motive force for an individual's life, his ambitions rank first. It is his ambition that gives color and direction to his career. The ambition of the individual puts his pressure on the need for achievement and this in turn, motivates him to play an active role to realize his ambitions.

Ambition is the lever of all motives. The intentions and initiative of a man directed by his ambitions. It is the ambition that electrifies man's actions. It is the duty of the parents, the teachers and the leaders of the nation to instill ambition into the minds of the young and youth. Naturally, ambitions differ from individual to individual on the basis of personal tastes and temperaments, and family to family and nation to nation depending upon the circumstances in which they are placed and the priorities which they have set for themselves. Sometimes personal aspirations come in the way of family aspirations or national aspirations. But the ambitions or aspirations which are unfulfilled are passed on to the next generation who may chase the target with redoubled effort and vigor. So ambitions which nourish the achievement motivation bring in economic growth a development.

This study proposes to enquire into entrepreneur's ambitions. Hence, they were asked to indicate a major ambition that influenced their entry into entrepreneurship. As shown in Table 1 they include continuing family business giving shape to ideas / skills, and creating employment opportunities.

It is impossible to prepare a long list of many possible ambitions. To meet such contingency, the ambition titled "any other ambition" was given. Entrepreneurs marking this column were requested to specify the ambition. However, no entrepreneur in the survey mentioned any other ambition.

Table 1
Entrepreneurs' Ambitions

Ambitions	No. of Entrepreneurs	Total
To Continue family business	15	18.75
To give shape to your ideas / skills	31	38.75
To create employment opportunities	34	42.50
Total	80	100.00

Table 1 show that 34 entrepreneurs (42.50 percent) had the ambition of creating employment opportunities to others. "To give shape to their ideas/skills" was the ambition of 31 entrepreneurs (38.75 percent). However, "to continue family business" was mentioned by 15 entrepreneurs (18.75 percent) as their ambition.

It is difficult to draw a dividing line between entrepreneurs' ambition and compulsions. What is an ambition for one entrepreneur may be a compulsion for another. It is ultimately the entrepreneurs' attitudes that make the difference.

Facilitating Factors

Ambitions or compulsions alone may not make a man entrepreneur. The encouragement that entrepreneur gets from his family members or his friends and relatives, the property he has acquired or inherited etc., are also the factors influencing entrepreneurship. The idea of starting an enterprise is usually faced with an opposition from the head of the family. When the elders are reluctant, it is difficult to expect support from entrepreneur's wife. The reasons for such resistance are many and varied. Firstly, the in experience of the prospective entrepreneurs is the most important. The present occupation pursued by the family is different from expectation of the entrepreneurs. Hitherto, some income is assured arising out of the family's occupation. But there is uncertainty about the prospects of the new course of life to be chosen by the entrepreneur. These are the fears generally apprehend the minds of family members. Secondly, entering business many involve the sale of agricultural land or real estate or sometimes even gold or silver which are generally held in high esteem by the elders and women folk in the society. Hence, business ideas are discouraged and family members dislike disposing of such assets. Thirdly, entering business may lead to geographical mobility apart from occupational mobility, aged parents do not easily reconcile to their children staying away from them. Fourthly, stories of entrepreneurial failures rather than success are given wide publicity and it haunts all the prospective entrepreneurs.

What is essentially needed to face such difficulties is not merely the material support from the family or friends or a Government agency. It is the moral support that is body needed. Lack of moral support dampens the enthusiasm of the entrepreneurs despite adequate or over dosage of material support. In contrast, moral support from the near and dear inspires him, reinforces his confidence, reassures and prepares him to face the new challenges boldly, even if the material support is a little less than required. The factors facilitating the emergence of entrepreneurship are given in the Table 2.

Table 2
Factors Facilitating Entry of the Respondents

Factors	Ranking			Weighted Score	Rating percentage	Rank
	One	Two	Three			
a) Education and Training	4	16	36	80	16.67	3
b) Advice or influence of family members/ relatives/ friends	3	14	14	51	10.62	4
c) Previous experience in the same line of activity	54	28	12	230	4.92	1
d) Knowledge of success stories of other entrepreneurs	19	22	18	119	24.79	2
Total	80	80	80	480	100.00	

Factors marked by entrepreneurs were rated by weighted score. The above table indicates that previous experience in the same line of activity was ranked first (weighted score of 47.92 percent) of all facilitating factors. Knowledge of success stories of other entrepreneurs was ranked second (weighted score of 24.79 percent), followed by education and training ranked third (weighted score 16.67 percent). Advice or influence of family members/relatives/friends was given fourth rank (Weighted score of 10.62 percent) as a facilitating factor.

It implies that the entrepreneurs gained abundant self-confidence out of previous experience gained by association or employment. This findings evidence that apprentices of today are entrepreneurs of tomorrow. Now it may be appropriate to bring out the difference between previous association and employment. The term previous employment is used in a way that is commonly understood by everyone in getting employed for making living. Most of the entrepreneurs expressed the view that it was better to get the training as apprentices or employees instead of straight away setting up an enterprise. Such experience instills confidence among youth, serves as the nursery for the building enterprise, and accelerates the process of generation of entrepreneurship. Parents of different socio- economic origins should be encouraged to send their children as apprentices if they have a mind to mould them as enterprisers.

The knowledge of success stories of others entrepreneurs (ranked second) has been recognized as another important factor facilitating entrepreneurship. Hence, there is a need for the introduction of such success stories even in the primary and secondary school level. Success stories not only generate entrepreneurship but also improve its quality. Education and training (ranked third) has also been recognized as another important factor facilitating entrepreneurship. Many other entrepreneurs in the survey revealed the fact that their basic knowledge in the concerned field has facilitated their entry in this field. They also stated that the training they acquired is an added advantage to enter into this field. Interestingly, advice or influence of family members/relatives/friends has been given least priority in facilitating entrepreneurship in the study area.

Alternative Proposal in the Absence of Facilities for Starting the Enterprise

The reaction of the respondents to a situation which does not provide facilities for the exercise of entrepreneurship has been examined. What they would have done alternatively has been ascertained and shown in Table 3.

Table 3
Alternative Proposal in the Absence of Facilities for Starting the Enterprise

Alternative Proposals	No. of Entrepreneurs	Percentage
Start the enterprise elsewhere	18	22.50
Wait until the facilities are available	21	26.25
Take-up other activity	31	38.75
Cannot say	10	12.50
Total	80	100.00

It may be noted that 31 entrepreneurs (38.75 percent) alternative proposal was “to take-up other activity” in the absence of facilities for starting the enterprise. “Wait until the facilities are available” was the alternative proposal of 21 entrepreneurs (26.25 percent) 18 entrepreneurs (22.50 percent) choice was to “start the enterprise elsewhere”. However, 10 entrepreneurs (12.50 percent) could not say anything. They were not clear about what they would have done otherwise.

Motivating Agencies

Apart from major financial considerations, the entrepreneur’s inspiration might be on his own or on some body’s advice, but the force that is instrumental in making the entrepreneurs may be described as a friend, philosopher and guide to the individual and more so to the nation. The center of the interest is to ascertain the person responsible for instilling the spirit of entrepreneurship in the entrepreneur.

Table 4
Agencies that Motivated Entrepreneurship

Agencies	No. of Entrepreneurs	Percentage
Parents	14	17.50
Friends	19	23.75
Relatives	15	18.75
Self/Wife	32	40.00
Total	80	100.00

The above table reveals that, highest percentage of entrepreneurs (40.00 per cent) was not motivated by any outside agencies, but they were motivated by self/wife. However, there were 23.75 per cent of the entrepreneurs who were motivated by friends and 18.75 per cent of the entrepreneurs who were motivated by relatives whereas 17.50 per cent of the entrepreneurs were motivated by their parents. It is very interesting to note that self-motivation is dominant among all the agencies. It could be concluded that entrepreneurship is the result of an encouragement and active support of the wife and friends apart from the individual’s initiative. It can be inferred that initiative was very much acknowledged and encouraged by wife, friends, relative and parents.

Compelling Reasons for Becoming an Entrepreneur

However, many a time, it is the compulsion rather than the ambition that leads the man to success. Sometimes the initial ambition and opportunities may clash with each other. Then the destiny is shaped by the compulsions of the situation. Sometimes all of a sudden one may be thrown out of the present occupation and he is forced to pursue a different occupation. There are cases of people trying their level best to seek petty employment positions and as a matter of last resort becoming a petty trader or employee and ultimately entering entrepreneurial activities on disproportionate scale and making millions of rupees and providing employment to others. Such is the role the element of compulsion plays in one’s life. Hence, it is appropriate to examine the reasons that might have compelled the entrepreneurs to pursue entrepreneurship

Table 5
Compelling Reasons for Becoming an Entrepreneur

Reasons	No. of Entrepreneurs	Percentage
Unemployment Dissatisfaction with Previous Job	16	20.00
To Make Money To be Self-	21	26.25
	11	13.75
	32	40.00
Reliant		
Total	80	100.00

It can be observed from the above Table 5 that the important reason appeared to have compelled respondents in the study area was to be self-reliant, in which 32 entrepreneurs (40.00 percent) wanted to be self-reliant. For 21 entrepreneurs (26.25 percent) compelling reason was their dissatisfaction with their earlier jobs. Unemployment was another reason for becoming an entrepreneur for 16 respondents (20.00 percent). To make money was also another compelling reason to become an entrepreneur in respect of 11 respondents (13.75 percent).

Opinion on Making Children as Entrepreneurs

In Japan, aspiration for independence and accomplishment is developed, through education, at home and at school where children are brought up. On such exhortation as “Boys, be ambitious”, be a head of a hen, rather than a lion of a cow. At home, the Mothers’ influence is prominent. At school some teachers change their pupils’ seats according to their examination results and pupils compete for the “Seat of honor” with redoubled energy. Those who are not filled for competition in the academic field may try to distinguish themselves in sports, artistic activities, etc. In either case, their education is competition minded and trained for success in a competitive environment. This philosophy is clearly reflected in the motives inspiring entrepreneurs, “the Japanese entrepreneurs often say “however small it might be.”

Business as an occupation is not given much importance in any country. People prefer employment over business except in certain communities and business families. Very few enter into it purposefully with an interest towards it. The situation may now be changing. Increasing unemployment, more thrust on entrepreneurship by the Government, increased literacy rate, liberalization and globalization may have contributed as little to improvement of entrepreneurship in our country.

It can understand from the above that ambitions alone are not sufficient for entrepreneurship to emerge. They are to be transformed into reality and entrepreneurs have to work in order to materialize these ambitions. This requires a positive outlook, encouragement, and drive apart from capital and other infrastructural prerequisites. Factors like previous experience in the same line of activity, the availability of investible surplus, encouragement from family members and friends and others, getting hold of a new idea, product or marketing possibility, government help etc., are some of the factors that influence entrepreneurial decision.

In such a background it was intended to examine whether the entrepreneurs under the study were interested in grooming their children as enterprises of tomorrow.

Table 6
Entrepreneurs’ Opinion on Making their Children as Entrepreneurs

Opinion	No. of Entrepreneurs	Percentage
Yes	29	36.25
No	37	46.25
Cannot Say	14	17.50
Total	80	100.00

It can be seen from Table 6 that 46.25 percent of the entrepreneurs did not like their children to be entrepreneurs. 36.25 percent of entrepreneurs wanted their children to follow their footsteps. However, 17.50 percent of entrepreneurs could not say anything, and they expressed that it is too early to predict the future of their wards and some of them philosophically

pointed out that it is the fate that decides their children's career, quoting the proverb "Man proposes and God disposes."

Conclusion

We can understand from the above study that ambitions alone are not sufficient for entrepreneurship to emerge. They are to be transformed into reality and entrepreneurs have to work in order to materialize these ambitions. This requires a positive outlook, encouragement, and drive apart from capital and other infrastructural prerequisites. Factors like previous experience in the same line of activity, the availability of investible surplus, encouragement from family members and friends and others, getting hold of a new idea, product of marketing possibility, government help etc., are some of the factors that influence entrepreneurial motivation.

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