

Hung-Wen Lee<sup>1</sup>, Yu-Fun Chen<sup>2</sup>

## RELATIONSHIP BETWEEN ACHIEVEMENT MOTIVATION AND ENTREPRENEURIAL BEHAVIOR

*The study discusses the relationship between achievement motivation and entrepreneurial behavior. The researchers found that achievement motivation has significant influence on entrepreneurial behavior. Those who have higher achievement motivation, are eager to succeed, they might sustain their desire with other things, but once the motivation of running their own business overwhelms, they would choose to pursue their desire by running their own business. The researchers provide information on self-evaluation and suggestions to those who are thinking to run their own business in the future.*

*Keywords:* achievement motivation; entrepreneurial behavior.

Хун-Вен Лі, Ю-Фунь Чень

## ВЗАЄМОЗАЛЕЖНІСТЬ МІЖ МОТИВАЦІЄЮ ДОСЯГНЕННЯ І ПІДПРИЄМНИЦЬКОЮ ПОВЕДІНКОЮ

*У статті досліджено взаємозалежність між мотивацією досягнення і підприємницькою поведінкою. Доведено, що мотивація має істотний вплив на поведінку підприємців. Якщо у підприємця мотивація орієнтована на успіх, при першій же зручній нагоді він відкриє свій бізнес. Надано рекомендації і інформацію для тих, хто планує почати кар'єру бізнесмена в подальшому.*

*Ключові слова:* мотивація досягнення; підприємницька поведінка.

Хун-Вен Ли, Ю-Фун Чень

## ВЗАИМОЗАВИСИМОСТЬ МЕЖДУ МОТИВАЦИЕЙ ДОСТИЖЕНИЯ И ПРЕДПРИНИМАТЕЛЬСКИМ ПОВЕДЕНИЕМ

*В статье исследована взаимозависимость между мотивацией достижения и предпринимательским поведением. Доказано, что мотивация имеет существенное влияние на поведение предпринимателей. Если у предпринимателя мотивация ориентирована на успех, при первой же удобной возможности он откроет свой бизнес. Даны рекомендации и информация для тех, кто планирует начать карьеру бизнесмена в дальнейшем.*

*Ключевые слова:* мотивация достижения; поведение предпринимателя.

**Introduction.** Taiwan is an entrepreneurial type of country: according to the statistics from Small and Medium Enterprise Administration of Ministry of Economic Affairs, the number of small and medium businesses has increased to 1.2 mln. In the recent years, governments all over the world encouraged their people to start new businesses. Research on how to start a new venture has the rapidest growth among all business research. Vigorous development of small and medium businesses and remarkable economic achievement are the greatest contributions within "Taiwan economic miracle".

Achievement motivation means that actions and behaviors are taken under individuals' expectations and are affected by different environments and inner personal-

<sup>1</sup> Department of Business Administration, National Chiayi University, Taiwan

<sup>2</sup> Department of Business Administration, National Chiayi University, Taiwan

ities. There are many successful entrepreneurs in Taiwan; many of fresh graduates choose to start their career by running their own businesses nowadays. The researchers found many successful examples among those who have higher expectations about themselves. However, it is a difficult choice to start a new venture; there are many risks and unknown factors that an entrepreneur would encounter during the process of setting up a new venture. The reasons for people who have high achievement motivation to run their own business are various; the key point is business motivation that triggers entrepreneurs for starting a new business.

### Literature Review

**Achievement motivation.** According to psychology studies, achievement motivation is a mental motive power. What we call "achievement" is a judgment of working performance based on inner and outer standards. It evaluates one's performance by comparing a person to a particular standard or to other people (Helmerich & Spence, 1983). The word "motivation" started to be used by psychologists in the late 20th century. It describes an inner process which energizes, maintains, and directs activities towards a particular goal. Lin Hon Lin (1994) suggested that motivation is an inner power which encourages people to take certain actions to sustain their mental desires. All in all, the definition and analyses of motivation from different scholars are different, but it basically consists of 3 main factors: (1) energize; (2) direct; (3) maintain (Steers & Porter, 1991). The researchers can conclude that motivation is an inner mental process; it initiates and leads individual behavior, informs an individual what the purpose of a certain action is, what efforts should be made, and how to maintain the effort continuously.

**Entrepreneurial behavior.** Stevenson (1986) suggested that entrepreneurial behavior is a process of integrating resources, holding chances, and creating value. It contains 3 major factors: (1) innovativeness: create new products, new service or new manufacturing procedure; (2) risk-taking: the risk of pursuing a chance, failure rate is very high; (3) pro-activeness: handling hardships with patience and creativity until a goal is achieved (Li Qin Xie, 1996).

Gartner (1985) wrote that entrepreneurial behavior is an enterpriser's conceptual structure about entrepreneurship; it consists of 4 major factors and each factor affects the others:

1. Individual: a person who starts a new business.
2. Organization: type of business which is created.
3. Environment: environment surrounding the organization.
4. New venture process: a process of creating a new business

### The relationship between achievement motivation and entrepreneurial behavior.

Previous studies showed that personal traits would affect entrepreneurial behavior; they also did the research on the relation between entrepreneurial behavior and achievement motivation based on the relation between personal traits and social network.

When analyzing the relation between entrepreneur's personal traits and behaviors, previous scholars would consider personal achievement motivation as a single factor (Chen, 1999; Li, 2002). People who have higher personal achievement motivation believe that they own certain skills which will make them the best entrepreneurs. The skills might include the capability to extend a social network. The more

efficiently the new venture goes, the more enthusiastic the entrepreneur will become in the entrepreneurial behaviors. One of the most important behaviors among these is building and maintaining a social network. The conclusion is that when a person's achievement motivation is higher, he/she is more positive and active in building a social network, so he/she would have a better personal network.

### Research Method

Based on the purpose of this study, the researchers refer to the literature on "achievement motivation" and "entrepreneurial behavior" and build a structure as shown in Figure 1. Pearson's product-moment correlation is used in the statistic analysis to reveal their further connection.

### Structure and hypotheses of the study

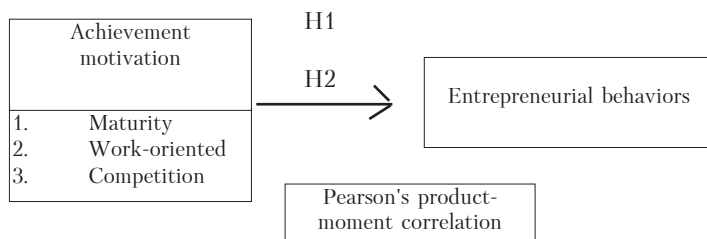


Figure 1. Structure of the study

The following hypotheses are based on the structure and the purpose of this study:

H-1: Achievement motivation has significant effect on entrepreneurial behaviors.

H-2: The factors of achievement motivation have significant effects on entrepreneurs' behaviors.

H-2.1: Maturity has significant effect on entrepreneurs' behaviors.

H-2.2: Work-oriented motivation has significant effect on entrepreneurs' behaviors.

H-2.3: Competition has significant effect on entrepreneurs' behaviors.

### Measurement design

#### *Achievement motivation*

The researchers use the part of achievement motivation from WOFO (Work and Family Orientation Questionnaire) by Spence & Helmreich (1983) to evaluate the achievement motivation in this study. These scholars found that "maturity", "work orientation", and "competition" are 3 major factors that lead an individual to success. They are significantly related to individual's achievements. The Cronbach's  $\alpha$  of this measurement is 0.749, which means the result is fairly consistent and reliable.

#### *Entrepreneurial behavior*

The researchers adopted a "scale of entrepreneurial behavior" developed by Chen (1999) as another measurement of our study. There are 9 questions in this scale. The Cronbach  $\alpha$  is 0.886, showing the consistency and reliability of this measurement.

#### *Questionnaire survey*

The subjects of this study are the college students majoring in business-related fields. The researchers used questionnaire survey. The researchers sent out 342 ques-

tionnaires; participation rate was 100%, out of which there were 327 valid questionnaires. The valid retrieval rate was 95.61%. 180 males and 147 females participated in this survey; 237 (73%) people among them have thought of doing their own business in the future; only 27% of the subjects have never thought of running their own business. The result showed that most college students have considered doing business of their own.

The researchers proceeded cross-validation in the connection between gender and positive thoughts of running a business. The researchers found the differentiation between genders when it comes to the issue of creating a business, as shown in Table 1. 152 male subjects have considered running their own business in the future; which is 84% the male samples. On the other hand, only 87 female subjects showed their interest in running a business of their own, which is 59.1% the female samples. The researchers conclude that male students majoring in business-related field have more desire and interest in running their own business than females.

**Chart 1. Cross-validation connection between "gender and running own business"**

		Male	Percentage	Female	Percentage
Considering running a business	Yes	152	84%	87	59.1%
	No	28	16.0%	60	40.9%
		180	100.0%	147	100.0%

*Reliability of the measurements*

The result of the variables analysis shows that each variable is well-sorted and fairly clear. The cumulative variance explained of achievement motivation is 57.496%; of entrepreneurial behavior is 64.340%. The researchers used Cronbach's  $\alpha$  on the returned questionnaires to exam the consistency of the two measurements of this study. For the reliability analysis, Cronbach's  $\alpha$  is 0.749 for achievement motivation; 0.8686 is for entrepreneurial behavior.

*Effectiveness of the measurements*

1. Achievement motivation measurement

The effectiveness analysis is consistent with the expectation for achievement motivation measurement. KMO index is 0.810, Bartlett's test of sphericity reached the significant level. Cumulative variance explained is 52.075%. It shows this measurement is feasible for evaluating achievement motivation.

2. Entrepreneurial behavior measurements.

The effectiveness analysis is consistent with the expectation for achievement motivation measurement. KMO index is 0.750, Bartlett's test of sphericity reached the significant level. Cumulative variance explained is 54.206%. It shows this measurement is feasible for evaluating achievement motivation.

**Research Results**

**Pearson's Product-Moment Correlation.** The researchers suggested that achievement motivation is significantly related to entrepreneurial behavior as shown in Table 2. The correlation coefficient between achievement motivation and entrepreneurial behavior is 0.402; assuming the hypothesis is true.

Table 2. Correlation analyses between the variables

	Achievement motivation	Entrepreneurial behavior
Achievement motivation	1	
Entrepreneurial behavior	0.402**	1

As shown in Table 2, achievement motivation and entrepreneurial behavior have positive correlation; the correlation coefficient between them is 0.402. Table 3 shows that 3 major factors are positively correlated to entrepreneurial behavior. The correlation coefficient between maturity and entrepreneurial behavior is 0.386; The correlation coefficient between work orientation and entrepreneurial behavior is 0.386; The correlation coefficient between competition and entrepreneurial behavior is 0.386. These findings suggest:

Maturity and entrepreneurial behavior have positive correlation, H2-1 is confirmed.

Work orientation and entrepreneurial behavior have positive correlation, H2-2 is confirmed.

Competition and entrepreneurial behavior have positive correlation, H2-3 is confirmed.

Table 3. Correlation analyses between the factors of achievement motivation and entrepreneurial behavior.

		Entrepreneurial behavior
Achievement motivation	Maturity	0.386**
	Work orientation	0.459**
	competition	0.114**

These results suggest that achievement motivation of the students in the management field is positively correlated to entrepreneurial behavior. So, the hypothesis 1 is true. It matches other scholars' opinions in the previous studies and proves the above hypothesis is correct. It also described the cause-effect relation between achievement motivation and entrepreneurial behavior. It shows that if someone with higher achievement motivation desires success, although they might find other ways other than running their own business to sustain their desire, once they get the chance to encourage or stimulate their motivation, it would be easy to lead them to take action on making their dream of running their own business come true. By doing so, they can enhance their own ability and experience and promote their social status or accomplish their dream.

#### Conclusion and suggestions

**Conclusions.** Table 2 shows the correlation coefficients between achievement motivation and entrepreneurial behavior of the management students. The correlation coefficient among all the variables reaches a significant level. The correlation coefficient between achievement motivation and entrepreneurial behavior is 0.402; it means achievement motivation is positively correlated to entrepreneurial behavior. It also proves that once people with higher achievement motivation are stimulated by entrepreneur motivation, they will make an actual move to execute their plans and choose to run their own business to accomplish their expectation of self-achievement.

**Suggestions.** To those who have high achievement motivation and willingness to run a business, but haven't taken action so far:

As the result of this study points out, those who have high achievement motivation desire to be successful. They might seek success in different ways, but when they have the entrepreneur motivation or hope to satisfy themselves by running their own business, it's very likely they will transform their motivation into actual action and it will eventually lead them to be entrepreneurs. However, according to Chang, when people who have high achievement motivation, yet never transform the motivation into action, most likely this type of people concerns about how other people think of them too much, so they hesitate to take actions. According to his research, there are 3 ways to overcome a difficult situation. First, try to make oneself concern about others' opinion less. Second, try to change other people's opinion from "not supporting" to "supporting"; the last is to seek assistance from outside to overcome the obstacle.

The conclusion is the same as in our study. Our study suggests that people with higher achievement motivation can take actions to make their plans into reality by stimulation or encouragement of their entrepreneur motivation. These factors can help them to be more sure about their entrepreneurial behavior and transform their entrepreneurial plan into reality. To those who are still hesitating about taking action, researchers should encourage and stimulate their entrepreneurial behavior.

To those who have high achievement motivation and have taken actions to run their own business:

This study points out that those who have high achievement motivation usually take actions after their entrepreneurial motivation is stimulated. We can classify entrepreneurial motivation into 3 groups: push motivation, pull motivation, self-achievement motivation. Different motivations might cause different entrepreneurial behavior.

Push motivation is usually from the environment, not from a person him/herself, so entrepreneurial behavior is rather dispirited. Very often, this type of entrepreneur gives up when there are difficulties in the process of setting up a business. Pull motivation and self-achievement motivation usually can make entrepreneurs more positive because they simply pursuit this dream for the advantages of running business. When they encounter hardships during the process of creating business, they usually try to solve the problem. If people can clarify their entrepreneur motivation, they are more likely to be successful because they will reflect their positive motivation into entrepreneurial behavior.

### References:

- Amabile, T. M.* (1983). *The Social Psychology of Creativity*, New York: Springer-Verlag.
- Amabile, T. M.* (1986). *Maintaining Children's Motivation and Creativity*, Symposium on Frontiers of Creativity Research: A Focus on Creative Learning, Buffalo, New York.
- Benjamin, G., & Philip, L.* (1986). A Behavioral Model of Entrepreneurial Supply, *Journal of Small Business Management*, October, 45-53.
- Deci & Ryan* (1985). *Intrinsic motivation and self-determination in human behavior*. New York: Plenum.
- Chang, E.C.* (2009). *Entrepreneur behavior and entrepreneur intention research*.
- Gartner, W.B.* (1985). A Conceptual Framework for Describing the Phenomenon of new Venture Creation, *Academy of Management Review*, 10(4), pp.696-706.
- Greenberger, D.B., & Sexton, D.L.* (1988). An interactive model of new venture creation, *Journal of Small Business Management*, Vol. 26, p 1-7.
- Ghosh, B. C., & Kwan, W.* (1996). An Analysis of Key Success Factors of SMEs: A Comparative Study of Singapore, Malaysia and Australia, New Zealand, [www.sbaer.uca.edu/research/icsb/1996/pdf/TOC.pdf](http://www.sbaer.uca.edu/research/icsb/1996/pdf/TOC.pdf), Accessed 2005.3.12.

*Helmreich, R. L., & Spence, J. T.* (1983). Achievement-related Motives and Behavior. Achievement and Achievement Motives: Psychological and Sociological Approaches. Freeman, San Francisco.

*Cheng, H.P.* (1998). The influence of biographical characteristics, psychological characteristics and entrepreneurial drives on entrepreneurial behavior, Tatung University, Master of Business Management Thesis.

*Lin, H.L.* (1994). Consumer Behavior, Taipei: Wu-Nan Book Inc.

*Li, Q.X.* (1986). Cross-cultural factors on foreign managers in Taiwan Impact of Entrepreneurship, Institute of Human Resource Management, National Sun Yat-Sen University.

*Stevenson, L.A.* (1986). Against All Odds: The Entrepreneurship of women, Journal of Small Business Management, 24(3), pp.30-36

*Stewart, W. H. Jr., & Roth, P.L.* (2007). A Meta-analysis of achievement motivation differences between entrepreneurs and managers. Journal of Small Business Management, 45(4), pp.401-402.

Стаття надійшла до редакції 24.02.12