

Student Motivation to Become an Entrepreneur in North Sulawesi

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ABSTRACT: *The fact that there is a gap between the number of university graduates with the available jobs. In this case, the government has responded to this issue in the recent years by incorporating entrepreneurship course into the education curriculum particularly at the university level. The existence of this course is expected to motivate students to add their insights of the entrepreneurship world so as to university graduates are able to open their own jobs in order to reduce the number of unemployment that is continuously growing. This study aims to determine the level of motivation of students for entrepreneurship and its determinant factors. The sampled students are those in the stage of study completion or the final year of study at universities in North Sulawesi. Questionnaires were distributed and analyzed to determine student motivation to be an entrepreneur. The results showed that respondents were generally had a high entrepreneurial interest but were not serious about entrepreneurship as a career choice. Perceived motivational factor as entrepreneurial motivation is pull factors namely positive factors that pull entrepreneurial activity compared to push factors as negative factors that push entrepreneurship. This study did not find gender-based differences in motivational factors. It means that both men and women have the same perception on pull and push factors for entrepreneurship.*

KEYWORDS: *Student Motivation, Motivational Factors, Entrepreneur.*

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I. INTRODUCTION

The fact that many university graduates are unemployed reflects the gap between the number of graduates and available jobs. In this case, the government has responded to this issue in the recent years by incorporating entrepreneurship course into the education curriculum at the university level. One factor that encourages the growth of entrepreneurship is entrepreneurship education (Kemenkop and UMKM, 2014). Entrepreneurship course is intended to add insight to the students and motivate them to get involved directly in the entrepreneurial world. After completing the education at the university, the students are expected to be able to create their own jobs in order to reduce the number of unemployment that is continuously growing.

There are several studies of students motivation for entrepreneurship such as Ooi and Ahmad (2012), Garba and Aliyu (2017). The contrast is that this research investigates students' motivation for entrepreneurship from two sides, namely positive motivation factors (pull factors) and negative motivation factors (push factors) into entrepreneurial activities. In addition, there are also several studies regarding to motivation to be an entrepreneur such as Shane et al. (2003), Segal et al. (2005), Sloka et al. (2014), and Zwan et al. (2016); however, these studies use the concept of opportunity and necessity entrepreneurship and are carried out on entrepreneurs who already exist or already operate a business.

Being an entrepreneur is often rejected as a career choice because it is faced with everyday life and work situations that full of uncertainty, difficulty, failure, and frustration associated with the process of creating a new business (Campbell, 1992). Being an entrepreneur means creating a job for oneself, starting a business, managing, taking responsibility for business risks, and facing challenges; as many individuals prefer not to become an entrepreneur as business owners must accept financial risks for failure or gain direct benefits for the success of the business (Segal et al., 2005). Entrepreneurship world recently is still relevant to what Campbell (1992) and Segal et al. (2005) described that the studies on the motivation to be an entrepreneurs is important. Garba and Aliyu (2017) emphasized that a motivation of a person plays an important role in starting a business that without motivation it is difficult to realize a business especially in facing various challenges.

This research aims to determine the level of student motivation for entrepreneurship and motivational factors that play roles in students' decision to be an entrepreneur. The finding of this study can contribute to strengthening the theory of organizational behavior and entrepreneurship especially at the individual level.

II. CONCEPTUAL FRAMEWORK

Motivation and Entrepreneurship

Human motivation plays an important role in the entrepreneurial process (Shane et al., 2003). To start a business, motivated people can direct their behavior to action. Motivation as a process produces an intensity, direction or goal, and individual perseverance in an effort to achieve the goal (Robbins and Judge, 2013). Intensity concerns on how hard someone tries. However, high intensity will not bring the desired results unless the effort is directed to a profitable goal. The dimension of perseverance involves a measure of how long a person can maintain his business. Motivated individual stays on the job long enough to achieve his goals. Motivation creates the situation within the individual to appear, direct, and maintain the behavior of fulfilling or satisfying the needs. Intention, as well as motivation, affects individual behavior, which ultimately affects the outcomes (Gibson et al., 2012). Intention refers to how strong someone intends to try and to manifest particular behaviors. The stronger a person's intention to do something, the greater the likelihood that the intention will be carried out (Inggawati and Kaudin, 2010).

According to Gibson et al. (2012), the theory of motivation is differentiated into two theories namely: content theories and process theories. Content theories focus on factors within individuals that encourage, direct, sustain, and stop behavior. These theories try to determine the specific needs that motivate people. Process theories explain and analyze how behavior is driven, directed, and stopped. Based on this concept, there are three important elements, namely: encouragement from within the individual, action, and purpose. Encouragement appears because there are perceived needs that drive individual to act in meeting his needs, namely goals. In the context of entrepreneurship, the needs are related to the motivation for entrepreneurship. Motivation encourages the emergence of a behavior or action. Without motivation, the behavior will not appear. Motivation directs behavior to achieve desired goals.

In entrepreneurship research, the concept of need for achievement attracts a lot of attention. McClelland in Gibson et al. (2012) opined that there are three characteristics of people who have high need for achievement, namely: (1) have high sense of responsibility for carrying out a task or finding a solution to a problem. As a result, they prefer to work alone than with other people. If a job requires the help of others, they prefer to choose competent people than from their friends; (2) tend to set moderate levels of task difficulty and calculate the risks; (3) have a strong desire to obtain feedback or responses to the implementation of their duties. They determine to know how well they have done it and they are very enthusiastic about getting feedback no matter whether the results are good or bad. Motivation for achievement is needed in entrepreneurship because having it will foster innovative, creative, and enthusiasm to develop the business managed.

Motivational Factors

According to Locke and Latham (2004) in Armstrong and Taylor (2014), the concept of motivation refers to the internal factors that encourage actions and the external factors that can act as driver to act. Internal motivation is motivation that comes from within the individual and is usually more eternal while external motivation is motivation that comes from outside the individual and is temporary in nature. In line with the concept, Herzberg in Gibson et al. (2012) divided the motivation into intrinsic and extrinsic motivation. According to Armstrong and Taylor (2014), intrinsic motivation occurs when individual feels that his work is important, interesting and challenging, and giving them the freedom to act, develops skills and abilities. This intrinsic motivation can be described as motivation because of the work itself. On the other hand, extrinsic motivation occurs when doing things to people in order to motivate them including reward, promotion, salary rise, and penalty. Extrinsic motivators have a fast and strong effect but do not last long.

Similar to intrinsic and extrinsic motivation, Gilad and Levine (1986) proposed a concept that has the same understanding, namely "push" theory and "pull" theory. This theory is closely related to entrepreneurial motivation, which can be distinguished between positive and negative factors for entrepreneurship. Push theory argues that someone is pushed into entrepreneurship by negative external forces or factors that force someone to start a business to avoid undesirable situations such as job dissatisfaction, difficulty to get a job, insufficient salary. Pull theory argues that a person is interested in entrepreneurial activity because he wants to set his own time to work, wants to find freedom, self-fulfillment, wealth, and other desired outcomes (positive encouragement). In addition, Reynolds et al. (2001) introduced the concept of opportunity and necessity entrepreneurship. Opportunity entrepreneurs are individuals who leave their jobs voluntarily with resignation while necessity entrepreneurs are individuals who leave their previous jobs involuntarily because the company is closed or they are fired.

The results of previous studies such as Keeble et al. (1992), Birley and Westhead (1994), Orhan and Scott (2001) showed that someone who becomes an entrepreneur is mainly related to pull factors instead of push factors. Pistrui et al. (2001) examined the motivation of entrepreneurs in China to suggest that the motivation of Chinese entrepreneurs is rooted in a pull factors rather than push factors. According to Segal et al. (2005), the motivation to start a business is triggered by desirability to create one own work, which is called the Net

Desirability for Self-Employment (NDSE). The findings of Segal et.al 92005) indirectly also support the importance of pull factors in starting a business. Taormina et al. (2007) studied pull factors in examining the motivation of Chinese entrepreneurs, and his results were in line with the findings of previous studies that psychological characteristics such as motivation to start a business continue to be important for entrepreneurial motivation. The result of research of Inggawati and Kaudin (2010) showed that the most determinanfactor for developing a business is the initial motivation when establishing a business. They argue that small entrepreneurs who start their businesses because of the pull factor have more desire to develop than small entrepreneurs who start businesses because of the demands of the situation or forced. The results of these studies are in line with the findings of Adolfina et al. (2018) that motivation when starting a business has a significant and positive effect on developing micro and small businesses in Manado.

Some studies that use the concept of opportunity and necessity entrepreneurship such as Caliendo and Critics (2009) stated that opportunity entrepreneurs called pull motivation is important when they decide to start a business. Furdas and Kohn (2011) classified respondents as opportunity entrepreneurs because they can realize their business ideas when they start a business and was classified as necessity entrepreneurs when they lack of alternative jobs. Their results were that necessity entrepreneurs turned out to have a lower business continuity rate than those who started businesses because of the opportunity entrepreneurs. Zwan and Hessels (2013) stated that opportunity entrepreneurs tend to have entrepreneurial abilities higher than necessity entrepreneurs do.

III. RESEARCH METHOD

This study focused on motivational factors for students to become an entrepreneur. This study was conducted on 250 students who are in the process of study completion or in the final year at the state and private universities in North Sulawesi. Data is obtained by using questionnaire as the main data collection given to respondents to be filledout.

Measurement

Motivation to be an entrepreneur refers to pull and push factors proposed by Gilad and Levine (1986), Taormina and Lao (2007) as motivators to start a business. Pull factors are positive factors that attract someone for entrepreneurship; namely independence, achievement, recognition, personal development, and personal wealth. Push factors are negative factors that force someone to become an entrepreneur; namely unemployment, job insecurity, and no other alternative.

All variables are measured using self-report, in which the respondents give answers to statements in the questionnaire in accordance with perceived perceptions and judgments guided by Likert scale.

Data Analysis

Data is analyzed using descriptive statisticsto describe students'perceptions of entrepreneurship as well as motivational factors that might contribute to students' decisions to become entrepreneurs.

IV. RESULTS

The obtained data is analyzed using descriptive statisticsto determine respondents characteristics, perceptions of entrepreneurship, the attractiveness for entrepreneurship, and the driving factors for entrepreneurship. Table 1 presents general description of respondents. The majority of respondents is female (56%) compared to male (44%). Based on observations, the population of students in North Sulawesi is dominated by female students. Most respondents are between 21-22 years old (71.2%). When completing studies in college, most respondents are interested working in BUMN (28.4%), entrepreneur (25.2%), and civil servants (22.7%). Related to the occupation of parents, most fathers work in the private sector(35.2%), civil servants (30%) while most of the mothers (28.0%) working as entrepreneurs, 26.4% working as civil servants .

Table 1. General Description of Respondents

Gender	Frequency	Percentage (%)
Male	110	44
Female	140	56
Age		
20	12	4,8
21	88	35,2
22	90	36,0
23	47	18,8
24-26	13	5,2
Occupation in Demand		
Civil Servant	57	22,8
Private	54	21,6
BUMN (State Own Enterprise)	71	28,4
Entrepreneur	63	25,2

Others	5	2,0
Father's Occupation		
Not mention	6	2,4
BUMN (State Own Enterprise)	4	1,6
Businessman	10	4,0
Civil Servant	75	30,0
Private	88	35,2
Entrepreneur	67	26,8
Mother's Occupation		
Not mention	40	16,0
BUMN (State Own Enterprise)	1	0,4
Businessman	16	6,4
Civil Servant	66	26,4
Private	57	22,8
Entrepreneur	70	28,0

Source: Data processed, 2018

Perceived Entrepreneurial Motivation

The perceived entrepreneurial of respondents is measured by the 5 point LikertScale (5-strongly agree; 4-agree; 3-neither agree nor disagree; 2-disagree; and 1-strongly disagree). Table 2 presents the average score of student entrepreneurial motivation, that is, the average of respondent interested in entrepreneurship (4.35) but it decreases (4.05) when asked for the seriousness of pursuing employment as an entrepreneur. It can be caused by obstacles perceived by respondents such as capital problem, fear of taking risk, and hesitation to start.

Table 2. Average Score of Motivation to Entrepreneurship

Items	Mean	Standard Deviation
Interest in entrepreneurship	4.35	0.747
Seriousness of being an entrepreneur	4.05	0.832
Pull Factors		
Freedom to develop ideas	4.42	0.655
Desire to high achievement	4.40	0.733
Desire to status recognition	3.66	0.991
For self development	4.40	0.641
Desire to large income	4.56	0.657
Average	4.29	0.735
Push Factors		
Difficulty to get job	3.07	1.106
Not satisfy with other jobs	3.21	1.013
Family economic pressure	3.11	1.127
No other choices	2.62	1.062
Other jobs are notpromising enough salary	3.31	1.111
Average	3.06	1.084

Source: Data processed, 2018

Pull factors are positive factors attracting for entrepreneurship including independence, achievement, recognition, personal development, and personal wealth. Push factors are negative factors encouraging entrepreneurship including unemployment, job insecurity, and no other alternatives. As seen in table 2, the average score for pull factors is 4.29 higher than push factors (3.06). It means that students' motivation to entrepreneurship is triggered by positive factors that attract entrepreneurship than negative factors that force entrepreneurship. There are four interesting factors for entrepreneurship indicated by the average score above the average; those are the desire for large income (4.56), freedom to develop ideas (4.42), the desire for high achievement, and for self-development (4.40). Negative factors that encourage entrepreneurship are other jobs are not promising enough salary (3.31), not satisfy with other jobs (3.21), family economic pressure (3.11), and difficulty to get job (3.07).

Gender-Based Motivational Factors

Gender-based differences in motivational factors is tested with the Independent Samples T-Test as presented in table 3. Test result shows that there are no significant gender-based differences regarding to pull factors and push factors that encourage entrepreneurship.

Table 3. Gender-Based Differences in Motivational Factors

Motivational Factors	Mean		Sig. (t-test)
	Male	Female	
Pull factors:			
• Independence	4.45	4.40	0.587
• Achievement	4.42	4.38	0.672
• Recognition	3.64	3.67	0.782
• Personal development	4.38	4.42	0.628
• Personal wealth	4.55	4.58	0.693
Push factors:			
• Unemployment	3.06	3.08	0.916
• Dissatisfaction	3.17	3.24	0.588
• Family economy pressure	3.06	3.14	0.582
• No other alternative	2.69	2.57	0.378
• Job insecurity	3.29	3.32	0.830

Source: Data processed, 2018

V. DISCUSSION AND CONCLUSION

The purpose of this study is to determine the motivation of students for entrepreneurship. The finding of this study is that respondents generally have a high interest for entrepreneurship but there is an indication that respondents are not serious about making entrepreneurs their career goals. It is indicated by declining average score when asked about the seriousness of being an entrepreneur. It is possible that someone has a high motivation for entrepreneurship but at the same time is faced with various obstacles to actualize that desire. The constraints can come from within individual such as fear of taking business risk, doubt, and lack of skill. It is supported by the results of this study in which entrepreneurship is ranked second as BUMN (State Own Enterprise) is the target of in-demand jobs after completing education. This finding is consistent with Campbell (1992) and Segal et al. (2005) that being an entrepreneur is often rejected as the career choice because it is faced with everyday life and work situations that are full of uncertainty, related difficulties in starting a business, management, and bear responsibility for business risks. Oi and Ahmad(2012) found the same result where the perception of students in Malaysian University is very low to make entrepreneurs as the career choices.

Motivational factors perceived by respondents as the motivating factors for entrepreneurship are pull factors compared to push factors. This finding means that respondents are interested in entrepreneurship because of independence, that is the desire to set their own work time, want to find freedom, achievement, personal development, and personal wealth. The result of this study is consistent with the previous studies such as Keeble et al. (1992), Birleyand Westhead (1994), Orhanand Scott (2001), Pistrui et al. (2001). This finding is also in line with Sloka et al. (2014) that most important motivational factors to start business are independence and personal wealth. Zwan et al. (2016) identified business owners whether they start a business because of opportunity or necessity factors. It turns out that their finding showed that business owners are involved in entrepreneurship because they see business opportunities rather than necessity. Necessity entrepreneurs seem to relate to individual dissatisfaction with previous employment conditions, which is different from opportunity entrepreneurs who voluntarily leave their previous jobs because they see business opportunities. This finding also showed no significant gender-based difference in motivational factors. Men and women have the same perception, namely they have same motivation for entrepreneurship because of pull factors rather than push factors. In contrast,Adom and Williams (2012) studied on informal businesses found that women tend to be driven by necessity compared to men who are more triggered by opportunity factors.

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