



ENTREPRENEURIAL BEHAVIOUR AND MOTIVATION



Motivation





- Entrepreneurial behavior is the result of entrepreneurial motivation.
- Motivation has been derived from the word ‘motive’ which implies the inner state of mind that activates, provokes and directs our behavior towards the goal.
- Motivation is a process that motivates a person into action and induces him to follow the course of action till the goals are finally achieved.



Introduction & Definition of Motivation

- To motivate means to provide motive, to impel people to action, and to create incentives to work.
- “Motivation is the work a manager performs to inspired, encourage, and impel people to take required action” – Lewis Allen
- “The act of stimulating someone or oneself to get a desired course of action”- Michael J
- “Motivation means stimulating people to action to accomplish desired goals.”- William Scott



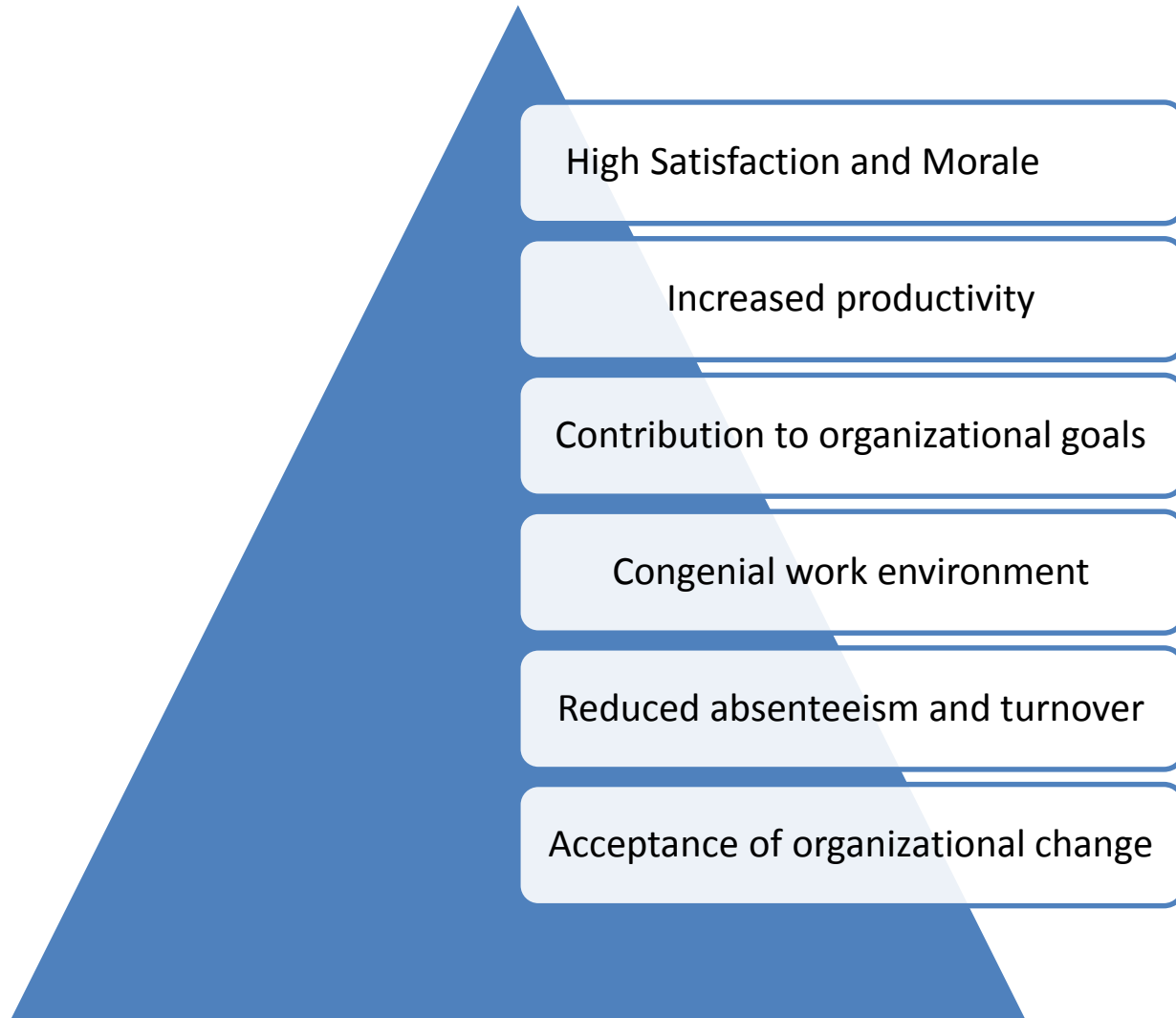
- According to Bernard and Steener, “ A motive is an inner state that energizes, activates or moves and that directs behaviour towards goals”.

➤ Nature of Motivation.

- Internal feeling of an individual.
- These feelings prompt him to work more.
- Energies towards productive action.
- Motivation is linked to satisfaction.
- An individual is motivated in totality.



Importance of Motivation





Types of Motivation.



➤ Positive Motivation:

- Results in willing co-operation of workers by tempting them towards rewards or incentives.

➤ Negative Motivation:

- Creates fear amongst workers by threatening them with demotions, pay cuts, lay offs, etc.

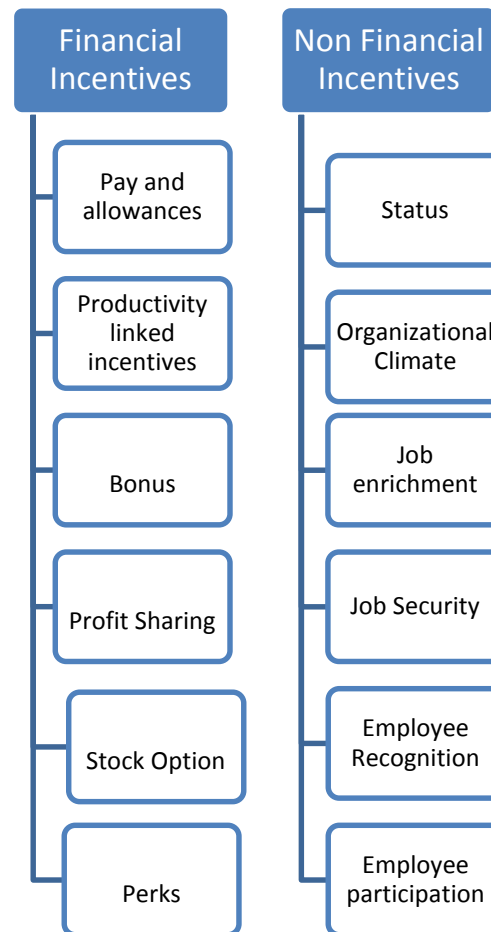
➤ Importance of Motivation:

- Improves morale of employees.
- Lower labour turnover.
- Improves goodwill of organisation.
- Creates cordial industrial relations.
- Changes are more easily accepted by employees.



Incentives

An incentive is something that stimulates a person to get it by engaging in desired behavior.





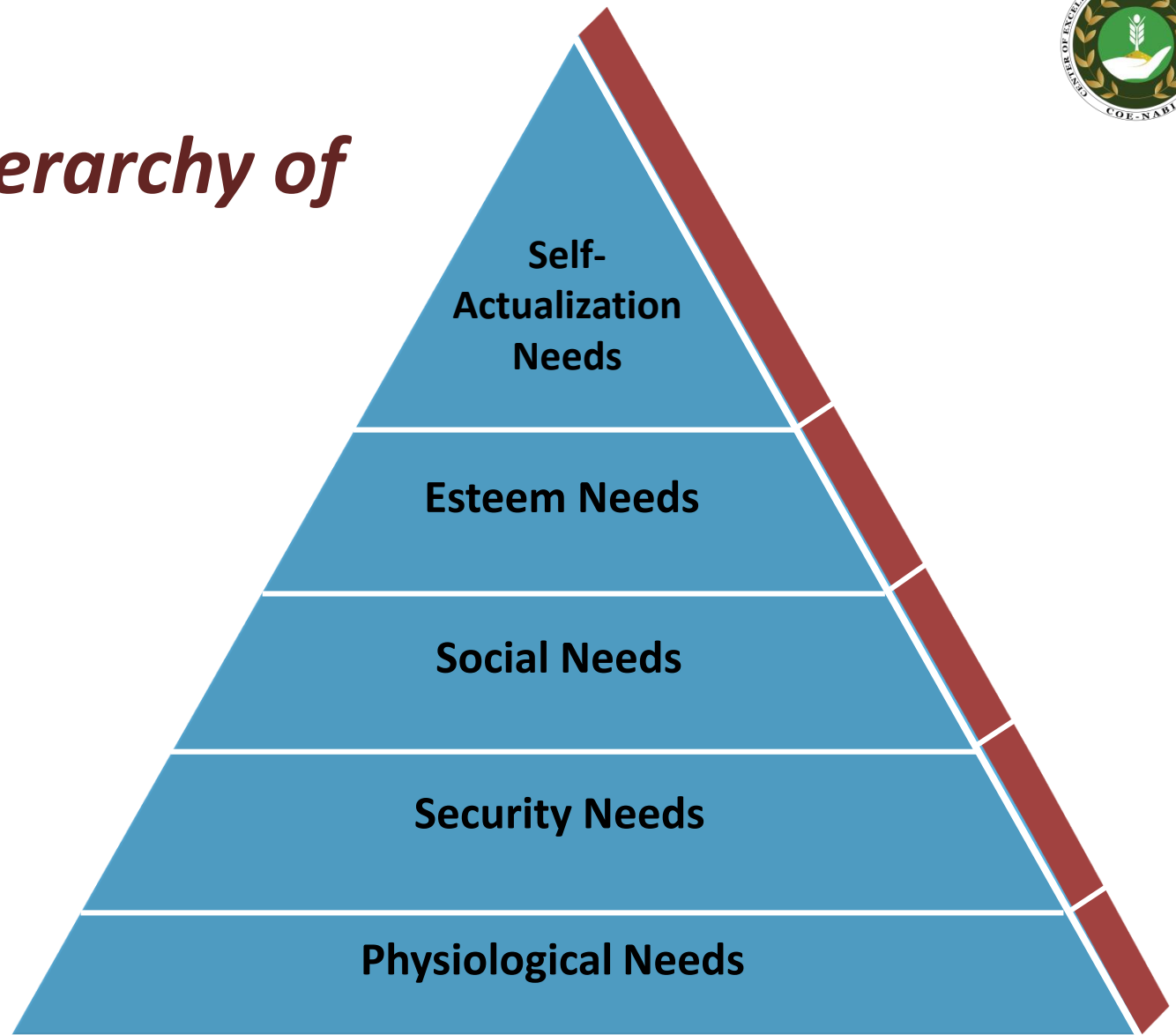
- Theories of Motivation.

- (A) Maslow Need Hierarchy Theory:

- Based on human needs.
- Strong needs of an individual dominates the other needs.
- The second need does not arise till the first need is satisfied i.e. needs have a definite sequence of domination



Maslow's Hierarchy of Needs





(B) McClelland's Three Need Model:

Includes: -

- Need for achievement:

- Drive to excel, advance and grow.

- Desire to achieve something with own efforts.

- Need for Power:

- Drive to influence others and situations.

- Desire to influence and dominate others through use of authority.



Need for Affiliation:

- Drive for friendly and close interpersonal relationships.
- Desire to establish and maintain friendly relationship with others.

People possess the above needs in varying degrees and these needs may be simultaneously acting on an individual. In case of entrepreneurs the need for achievement is more dominating.



(C) Alderfer's ERG Theory:

- Existence, Relatedness and Growth Theory.
 - Existence Needs:
 - Includes basic needs and safety needs.
 - Relatedness Needs:
 - Needs are satisfied by personal relations and social interactions.
 - Growth Needs:
 - Includes self actualization needs.
 - For the proper development of entrepreneurship, relatedness and growth needs are more important.



- Motivating Factors:

- (A) Internal Factors:

- Educational Background.
- Occupational Experience.
- Desire to do work independently.
- Desire to branch out to manufacturing.
- Family Background.

- (B) External Factors:

- Assistance from Government.
- Assistance from financial institutions.
- Availability of technology.
- Availability of raw material.
- Demand of the particular product.



- Entrepreneurial Traits or Competencies.
 - Initiative.
 - Looking for Opportunity.
 - Persistence.
 - Information Seeker.
 - Quality Consciousness.
 - Commitment to work.
 - Commitment to Efficiency.
 - Proper Planning.
 - Self Confidence.
 - Assertive.
 - Persuasive.
 - Effective Monitoring.
 - Employees Welfare.
 - Effective strategist.



- Developing Entrepreneurial Competences.
 - Gaining first hand knowledge about competencies.
 - Competency Recognition.
 - Self Assessment.
 - Comparing of Competencies.
 - Developing of Competencies and feedback.