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Conference Paper

The Role of Factors and Motivators Influencing Entrepreneurial Intentions

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Abstract

The entrepreneurial process includes risk-taking, proactivity and radical innovation in the product / service creation process. It is these entrepreneurship characteristics that depend on the promotion environment, just as the opportunities for organizational growth and profitability improvement. However, creating a standard entrepreneurial process is principally difficult since it includes radical change of the internal entrepreneurial behavior patterns. From this aspect, setting the entrepreneurial process direct stages as well as factors that will have a constant impact is a particular challenge. However, the authors and researchers' main consensus in this domain is that it is very important to pay attention to the strategic behavior, the entrepreneurial context under given conditions as well as the currently applied organizational forms.

This paper prioritizes the analysis and research of entrepreneurial intent as essential in the entrepreneurial cycle in order to establish appropriate behavior. The analysis of entrepreneurial intentions is closely related to the entrepreneur's personality and its characteristics. Starting from the fact that it is a person whose traits have been formed throughout life, as a result of the influence of a different set of factors, it is particularly challenging to isolate a specific set of traits that characterize the entrepreneur.

In this paper, the role of the factors and motivators that influence entrepreneurial intentions is investigated in theory and in practice, with special emphasis on the analysis of the situation of young people in the Republic of North Macedonia. For this purpose, an empirical research is applied, the results of which provide a direct roadmap for future analysis and research in the field of entrepreneurship and its development in this country.

Keywords: entrepreneurship, entrepreneurship intentions, factors, motivators, North Macedonia

Introduction

The entrepreneurial activity is most often intentional. Entrepreneurs seek for certain opportunities, enter new markets and offer new products; therefore, this is rarely a process of unintentional behavior. The entrepreneurs' intentions include motivational factors that influence their behavior. They are indicators of how much the individual is willing to try, how much effort they plan to invest and behave according to their intention. The stronger the intention for a particular behavior is, the more likely is to achieve it. Individuals have stronger intentions to act when taking action is feasible and desirable.

Raising entrepreneurship awareness and encouraging potential entrepreneurs to start their own businesses are desired changes that require a great commitment and proactive role not only of governmental institutions, but also of all actors operating in the micro and small business sector. In this line, there are numerous entrepreneurship support programs in the Republic of North Macedonia, including:

- Macedonian Enterprise Development Foundation (MEDF), which aims to improve access to financial services, promote entrepreneurship, incorporate innovation into mainstream and build development partnerships.
- National Center for Development of Innovation and Entrepreneurial Learning (NCDIEL), established in November 2009. This network aims to strengthen capacities for effective providing of innovative, technological and financial support to micro, small and medium-sized enterprises.

This paper includes an overview of the theoretical aspects of the entrepreneurial intentions, as well as to factors and motivators which influence them. The results of an empirical research including a group of 100 respondents who are active students or have studied on different fields in the recent past at universities in the Republic of North Macedonia are presented with a specific emphasis. The collected data are summarized based on the survey responses and are selected in order to prove the hypothetical research framework. The respondents age is 21 to 26 (and over), with an approximate representation of both genders. The descriptive analysis method is the methodological framework applied in the research. This method allows analysis and descriptive interpretation of the data presented graphically after prior statistical processing of the obtained answers.

Theoretical framework

Entrepreneurial intentions

Many authors, theorists, and experts agree that the initial, first stage of the entrepreneurial process that deals with identifying the intention, the economic opportunity, in terms of its reality and feasibility, is actually the most important stage in the entrepreneurial process. Namely, without recognizing the encouraging opportunity of the entrepreneurial process, there is a high probability that the process will result in failure.

The recognition of opportunities corresponds to the main activities that take place before the business itself is formed or structured. The opportunity phase to achieve a specific intention and identification of the same can be divided into five main steps, respectively (Brockhaus, Horwitz, 2004: 111-114):

- Getting an idea/scanning the actual situation
- Opportunity identification
- Opportunity development
- Opportunity evaluation
- Team assessment

According to Babić, the entrepreneurial intention analysis is closely related to the entrepreneur personality and its characteristics. Starting from the fact that it is a person whose traits have been formed throughout life, as a result of the influence of a different set of factors, it is particularly challenging to isolate a specific set of traits that characterize the entrepreneur.

Babić offers a list of eight traits and also qualities of the entrepreneur. According to this theorist, the entrepreneur bases his intentions in the field of entrepreneurship on the following personality traits (Babić, 2010: 20-28):

- Seeker of new opportunities
- A future-oriented person
- A person who tends to be the best
- Market-oriented person
- Realistic
- A person who accepts every challenge and task
- A person “full of life”
- A person who appreciates their peers

On the other hand, Dyer believes that entrepreneurial intentions as formed based on the following personality traits

(Dyer, 1986: 67-69):

- Readiness to take risks at any time
- Desire for competition
- Ability to manage under stressful conditions
- Ability to create excellent working conditions
- Creativity in solving problems
- Ability to recognize market opportunity
- Commitment to business action
- Constant orientation towards achieving a specific goal
- Realistic optimism

According to Zacharakis, it is particularly difficult to make an isolated presentation of the personality traits based on which the entrepreneurial intention is actualized. He himself, who has long been involved in researching entrepreneurial intentions in the personality of an entrepreneur, believes that they are an expression of an assortment of different circumstances that are essential for taking action at a given moment. According to him, it is the following emphasized features which, if the entrepreneur owns them, enable activation of entrepreneurial intentions. The features are as follows: full commitment to the work; need for great achievements; goal and opportunity oriented; initiative; personal responsibility; perseverance in solving issues; awareness of their good and bad features; the sole “master” of their own destiny; readiness to handle stressful and risky situations; acceptance of “calculated” risk; not showing his strength and power; determination; self-confidence; thinking about future perspectives; ability to organize a work team (Zacharakis, 2004: 112-116)

Factors and motivators that influence entrepreneurial intentions

The entrepreneur’s job is original, recognizable and different from simply managing a particular enterprise. From this point of view, it is particularly difficult to determine the accurate factors and motivations of the entrepreneur as they depend on a different set of circumstances, which are particularly difficult to comply.

According to Duening, the factors that have a particular impact on entrepreneurial activity and functioning can be divided into two groups (Duening et al., 2009: 193):

- 1) The entrepreneur personal characteristics and potential
- 2) The external environment characteristics and the potential

According to Lundstrom and Stevenson, in terms of the entrepreneur personal characteristics and potential, the main task of the entrepreneur is presented in the following directions (Lundstrom, Stevenson, 2005: 156):

- 1) To recognize the working idea and opportunity and define the strategic vision of the future working venture.
- 2) To define the model of organization; to guarantee proper functioning.
- 3) To identify and provide vital resources for successful start and development of their own business.
- 4) To work on consistent discovering and assessment of potential opportunities in their environment.

In terms of emphasizing the environment as a factor influencing directly the entrepreneur activity, it is presented in three directions (Russel, 1995: 297):

- Social (conditioned by historical, cultural and political factors)
- Economic-financial
- Technical-technological

In this context, the emerging features and general operating conditions may achieve a level of development and prosperity which to a certain degree will be particularly stimulating for future undertaken ventures. However, the main challenge for the entrepreneur is to foresee the environmental factors, i.e. their real action under given conditions.

The motivators as a direction to human behavior or motivating factors as determinants of a person's behavior are the main reasons why someone is willing to change or direct attitudes, intentions and activities, which in any case apply to entrepreneurs as well. If we attempt to explain the origins of motivators or the fundamental sources of motivational factors through the basics of motivational theories, we come to an answer which claims they are unmet human needs. Based on the abovementioned, the individual expresses the level of satisfied needs through the willingness to undertake certain activities but also through their overall behavior as a complex indicator of the achieved goals and future intentions.

The generally accepted indicator of the living standard, i.e. the quality of life of a person, as well as the achieved level of economic development of a country, is of course the average GDP (gross domestic product) per capita, expressed as a relative value of the purchasing power of a national currency. The quality of life of an individual, expressed through GDP per capita, is not only an aspect of reaching a certain level of a material foundation but also an expression of the social, economic, political and cultural conditions that shape the individual's behavior, determine the likelihood of needs and, with that, the nature and intensity of the impact of future development flows in terms of the acquired abilities to carry out certain activities, in particular in the field of entrepreneurship. Countries with varying development degrees measured and

expressed by these indicators, show different capacities for entrepreneurial behavior in terms of the volume and type of entrepreneurial activities and the different motives for undertaking them. Levie (2006) presents the conceptual framework of the entrepreneurial and general economic environment in detail, setting interrelations and links with certain forms of entrepreneurial activities, treating the environment as the main source of the initial impulse of the entrepreneurial behavior. This conceptual model of entrepreneurial environment has grounds and is fully supported, in all its segments, by the classical Austrian Economic School views. It is indisputable that the first economist to link the entrepreneur to the economic trends was Schumpeter, thus acknowledging economy as a self-transforming system with the entrepreneur as the change agent (Schumpeter, 2004). Schumpeter presents the entrepreneurs as innovators who create generating profit conditions through creating temporary monopolies assisted by organizational and technological innovations. With their activities constantly infringe the existing balance of conditions required from the existing business players in order to respond to the new laws. This process of “creative destruction” manifests in productivity improvement and thereby increased economic growth. This approach is further advanced and developed by Baumol (Baumol, 2003) who, as the last one in the line, has developed a new theory of growth with an explicit role of the entrepreneur as a transformer of knowledge into economic knowledge and as a significant participant in the economic growth.

Leibenstein, emphasizes the entrepreneur role as an inventor of favorable market conditions noting that “in every real and life economy, every participant is always an entrepreneur” (Minniti, M., Moren, 2010). Leibenstein (Leibenstein, 2008: 73), identifies two main types of business activities that participate in economic flows: routine entrepreneurship or management includes activities related to coordination and management of the existing business systems and new activities, implying activities necessary to create or relocation of the entrepreneur towards markets which have not existed so far or were have not been clearly defined. Levie and Autio point out those new business activities are undertaken by those who believe they possess the skills, knowledge and motivation to start a business ventures by identifying the necessary conditions (Levie, Autio, 2008: 45-48). What stands out is that initial technical business skills alone are not sufficient, that is, individuals must identify opportunities before undertaking any activity. Thereby, factors affecting business activities in a general sense, such as formal education, are represented in the model of general national business conditions (institutions, infrastructure, macroeconomic stability, primary and higher education, market efficiency and size, technology availability) whereas the factors that build the specific framework of entrepreneurial activities, such as entrepreneurial training, are presented as conceptual entrepreneurial conditions (government policy, programs, financing, market openness). Based on the abovementioned, the economic environment determines business opportunities for entrepreneurs and small businesses that can be exploited.

Giacomin et al. (2011), have tried to identify the impact of the socio-economic characteristics of entrepreneurs on their opportunity-necessity positioning. Based on the survey of a sample of 538 entrepreneurs, we point out that entrepreneurs were driven by chance or necessity when starting a business venture.

Deli (2011), in his research analyzes the impact of unemployment rate on the inclination towards lesser abilities (forced entrepreneurs) and highly productive workers (led by entrepreneurs by chance) and their transition to self-employment. The results of the research show a high positive correlation between the observed phenomenon, the unemployment rate and the transition to self-employment by forced entrepreneurs. The findings of the Robichaud

(Robichaud et al., 2010) research, based on the conducted research on personal and organizational traits of Canadian opportunist and forced entrepreneurs, reveal entrepreneur traits in terms of their entrepreneurship intentions. They accentuate the fact that forced entrepreneurs are recognized as old, less educated, with a lack of business skills, as well as weaker in terms of recognizing future business opportunities.

It is necessary to mention that crisis situations also have a dual impact on the establishment of new entrepreneurial ventures, thereby they are additional motivators of entrepreneurial intentions.

The fundamentals of every organization's functioning are the people who possess knowledge, skills and motivation. The successfulness of a society's function, in terms of positive and negative work results, in essence it is determined by qualitative staff and their gradual motivation to undertake business actions. The specificity of every individual also implies a difference in their abilities, needs, motives and the like. From all this, the need to recognize and develop a motivating approach in order to ensure organization/enterprise development and its successful functioning emerges.

The entrepreneurial behavior successfulness, in many cases, determines the satisfaction level of the individual, in terms of an award, in a form of satisfied needs and affirmation of appropriate behavior to achieve certain needs in the future. As a psychological concept, motivation considers the direction, strength, and duration of the entrepreneurial behavior. The direction implies the choice of a certain type of behavior which is available to the individual, while the duration is related to the consistency of the entrepreneurial behavior against the numerous obstacles during the process. The research on motivation in the process of satisfying the entrepreneur needs has resulted in generating a number of theories regarding, above all, human needs.

Methodological framework and research discussion

Methodology

In the framework of the empirical research conducted in this paper, is included a group of 100 respondents who are active students or have studied on different fields in the recent past at universities in the Republic of North Macedonia.

By administering a closed type survey questionnaire, for which 17 survey questions are prepared for the target group-students, relevant data is collected in terms of respondents' attitude related to real opportunities but also gained abilities in terms of developing entrepreneurial intentions in their country. The collected data are summarized based on the survey responses and are selected in order to prove the hypothetical research framework. The respondents age is 21 to 26 (and over), with an approximate representation of both genders.

The descriptive analysis method is the methodological framework applied in the research. This method allows analysis and descriptive interpretation of the data presented graphically after prior statistical processing of the obtained answers. The survey is conducted online with the abovementioned target group in a two-week period, namely from 15.09 to 01.10.2018.

Description

The particular hypothesis being analyzed reads: „If a university curriculum that includes entrepreneurial skills is promoted within each university, it enables students to create a positive idea regarding starting their own businesses.”

The hypothesis is tested on a target group, students from different universities on the territory of Republic of North Macedonia. The main goal that the analyzed and interpreted data contribute to obtaining realistic directions in the future setting of a strategic approach in the field of encouraging entrepreneurial intentions among young people in the Republic of North Macedonia.

Hypothesis 1 is analyzed and interpreted through the answers to the questions (statements):

- During my university education, I increased the understanding of my entrepreneurial attitudes, values and motivations related to entrepreneurship.
- The entrepreneurship course is an integral part of my studies.

The answers to the questions do not include the interpretation of the variables, but the distribution is reviewed in relation to the total number of respondents.

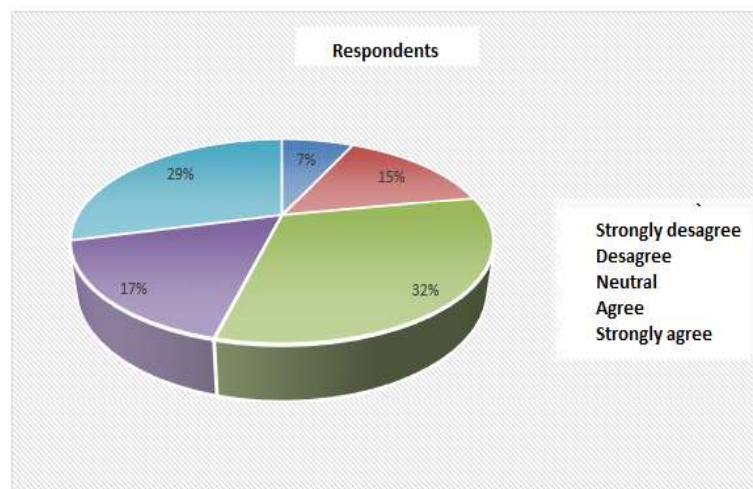


Figure 1. During my university education, I increased the understanding of my entrepreneurial attitudes, values and motivations related to entrepreneurship

Source: Author's own research

In the presented data in Figure 1, a distribution of respondents' answers to the statement is shown. Namely, the situation points out the fact that the level of support of the expressed attitude is not high, i.e. the negative and neutral attitude prevail. According to this, 39% of the respondents are indecisive in their opinion, which indicates that they do not have sufficient information or cannot select them properly in the field domain. All of this suggests that respondents do not have sufficient knowledge of what skills are needed in the field of entrepreneurship so they can select them positively, if they have mastered them during their education. Furthermore, 41% of respondents do not agree with the statement (categories:

“strongly disagree” and “disagree”) and 20% of the respondents agree with the statement (categories: “agree” and “strongly agree”). Consequently, the high percentage of lack of support for the attitude indicates that this group of respondents is not aware of the fact that within the university unit there is a possibility to upgrade their knowledge and attitudes related to entrepreneurship, while the group of 20% of the respondents who agree with this attitude, they are likely to study to departments that include entrepreneurship in their curriculum. According to the findings, there is a need to revise the work of the universities, in accordance with the strategic approach at state level, in order to continuously include, in each university unit, teaching curricula in the field of entrepreneurship. All this is needed in order to gradually profile the students in future entrepreneurs, that is, to encourage the achievement of their entrepreneurial intentions.

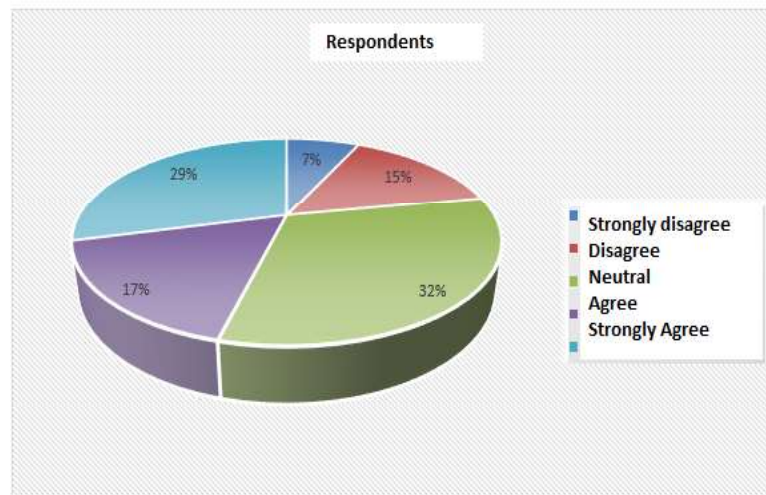


Figure 2. The entrepreneurship course is an integral part of my studies
Source: Author's own research

According to the presented processed data, a distribution of the respondents' attitude regarding the statement is shown. Thus, a high level of lack of support is shown as well. Namely, 75% of the respondents disagree with the statement (categories: “strongly disagree” and “disagree”), 8% are indecisive, while 17% agree (categories: “agree” and “strongly agree”). According to this, it is considered that universities in the Republic of North Macedonia do not include entrepreneurship courses as an integral part of their studies, which is a practice globally. A group of respondents (17%) answered positively, but given the rest of the answers it is assumed that it is a category that is educated in this field, or that it is a group of universities (faculties) that have decided to introduce such a crucial course within their curriculum. This situation should be further examined and if universities show willingness in this domain, which have already decided to implement entrepreneurship in their curriculum, it should be followed as a positive example in the society and should be further advanced and used in other educational units.

Based on the presented data in figure 1 and 2 we approach the analysis and interpretation of the particular hypothesis, respectively: If a university curriculum that includes entrepreneurial skills is promoted within each university, it enables students to create a positive idea regarding starting their own businesses. It is an insight regarding the real situation which informs that, in the curricula of universities in North Macedonia, inclusion of entrepreneurial skills is still not a practice, but again, it shows positive cases in some universities which should be followed in the

future and improved based on the strategic framework for the whole society. This is the only way that is expected to create a positive idea for students related to starting their own businesses, i.e. initially to be given the opportunity through additional entrepreneurial information to think in that direction. Consequently, the particular hypothesis is interpreted as positive.

The second particular hypothesis analyzed reads: *“If there is support from students’ families to start their own business, then an increase in the rate of future entrepreneurs can be expected.”*

Hypothesis 2 is analyzed and interpreted through the answers to the questions (statements):

- *I have the support of the closest family circle to develop my own business*

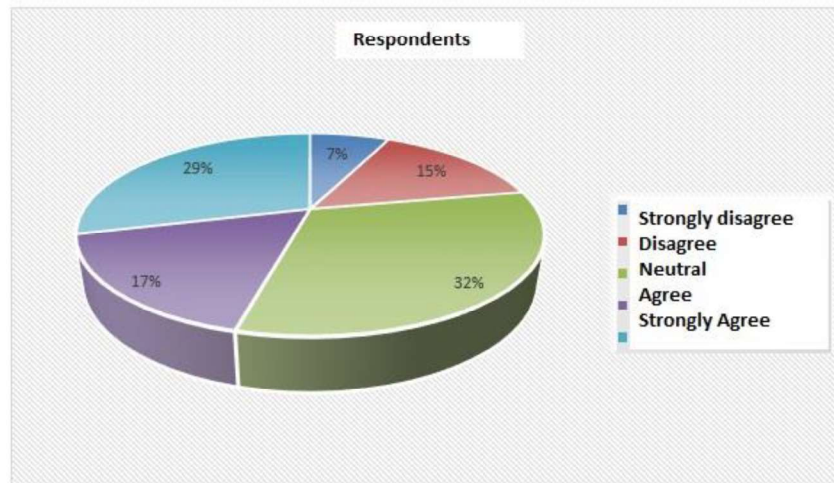


Figure 3. I have the support of the closest family circle to develop my own business

Source: Author’s own research

In Figure 3 are presented particularly important data for analysis and interpretation of the particular hypothesis. Namely, it deals with a crucial aspect of students’ functioning in their everyday life, besides the influence from the educational aspect, is emphasized the influence of the family. This claim shows the support that students, or young people in the country, have from the family, supporting their entrepreneurial skills, intentions, and ideas regarding starting their own business. Considering the collected data about the support from the closest family, a positive mood among the respondents’ members is shown. Thus, 32% of the respondents are indecisive regarding the presented statement. It can refer to the fact that they have not yet spoken to their family about future ideas and career aspirations. Furthermore, 46% agree with the statement (categories: “agree” and “strongly agree”) and 22% disagree or do not have the support of their closest family (categories: “strongly disagree” and “disagree”). The lack of support from the family can be considered, from one aspect, as insufficient knowledge of the family related to the entrepreneurship opportunities and certain benefits offered in the social context in that domain, while on the other hand, in the Macedonian society one of the most desirable jobs is in public administration, thus distorting all other individual career opportunities.

In terms of support, it is a solid group of 46% of respondents, indicating that the majority of respondents have family support, which is of great benefit in encouraging the achievement of their entrepreneurial intentions in the future.

Based on the abovementioned findings, the general hypothesis of the paper is proved as positive, which reads: *If a strategic policy to educate and empowers students with entrepreneurial skills within universities as well as financing them is promoted on national level, in that case, an increase of the entrepreneur rate in the country can be expected in the future.*

Conclusion

Entrepreneurship is necessary both within the enterprise and within the whole of society, on the basis of which the interest of developing entrepreneurial skills and potential increases. The entrepreneur, in the most general sense, stands out within the enterprise, with their positive participation and attitude impacts the enhancing the positive performance of the organization. In fact, on this basis one recognizes the true importance of entrepreneurship and entrepreneurial activity, which also derives from their ability to accomplish the determined vision, as well as directing the energy and potential of their team towards achieving this vision.

The purpose of this paper is to give a clear overview of the entrepreneurial intention, as the first and basic stage in setting and implementing an overall entrepreneurial cycle. Within the framework of the paper, the entrepreneurial intentions are also presented through an analysis of the real situation in the Republic of North Macedonia, especially through implemented research that addresses this issue. The main academic string of the paper is achieved through the implementation of empirical research. The research was conducted on a target group of 100 respondents who are active students or have studied on different fields in the recent past at universities in the Republic of North Macedonia. The instrument used in the research is a closed type survey questionnaire, through which relevant data is collected in terms of respondents' attitude related to real opportunities but also gained abilities in terms of developing entrepreneurial intentions in their country

Within the empirical research, two particular hypotheses and one general hypothesis have been presented which were proven positive. Thereby, if a university curriculum that includes entrepreneurial skills is promoted within each university, it enables students to create a positive idea regarding starting their own businesses. Furthermore, if there is support from students' families to start their own business, then an increase in the rate of future entrepreneurs can be expected. Based on this we can conclude that if a strategic policy to educate and empowers students with entrepreneurial skills within universities as well as financing them is promoted on national level, in that case, an increase of the entrepreneur rate in the country can be expected in the future.

The main recommendations emerging from the theoretical and practical part in this paper aim at initiating a detailed research in the Macedonian society in order to identify the positive and negative aspects of the society regarding the idea of encouraging entrepreneurial intentions of young people, so an effective and efficient strategic approach which will include intervention in the educational system on institutional level can be built, which will provide financial support for projects of youth entrepreneurship. This is the only way to increase the entrepreneurial ventures in the country in the future, as well as initiate businesses among young people.

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