

The Impact of Motivational Factors Towards Entrepreneurial Intention

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The entrepreneurial intention is one's desire to start up one's own business. Krueger et al. (2000) relate entrepreneurial intention with those who care about new venture formation. It is a way of thinking for an entrepreneur to emphasize on opportunities over threats. The rise in entrepreneurship is an important issue in the present world. Entrepreneurs are giving more attention to the small and medium enterprise. Start-up businesses are very significant in the case of growth, profitability, and development of the society. Possible factors that have an impact on entrepreneurial intention includes financial well-being, need for achievement, self-efficacy, and desire to be independent. The research question is to examine the factors of motivation towards entrepreneurial intention in the context of the female of Bangladesh. The problem is very significant as previous research has done mainly on male entrepreneurs and in the developed countries. The few studies conducted in developing countries to date (Iakovleva et al., 2011). The current study is an effort to explicitly examine the relationship between several factors of motivation and entrepreneurial intention of females of Bangladesh. In keeping with the hypotheses, results show that only need for achievement has a significant positive relation with entrepreneurial intention.

Keywords: entrepreneurial intention, financial well-being, need for achievement, self-efficacy, desire to be independent

The access to female to business is a recent development in the conservative, traditional socio-cultural society. Many studies in western nations examined the constraint or barrier issues in the context of female entrepreneurs; very few studies have focused on a female from developing countries in general, or for Bangladesh specifically (Iakovleva, Kolvereid, & Stephan, 2011). Various researches have done on the entrepreneurial intention of a male. However, today, we can clearly understand that females are at the same level with the males. The motivation of women entrepreneurs empirically is associated with different factors. "Why do some female choose entrepreneurship while others do not?" was one important question driving much of the research. Brush and Hisrich (1991) found that experience, business skills, and personal factors were related to growth. They also found the traditional socialization of female influenced the type of businesses started, the availability of start-up capital, and the management skills and experiences of the woman business owner. However, the question remained as to why females are motivated to start their ventures.

It is obvious that people need money to start their own business. A typical startup goes through several rounds of funding, and at each round, it takes adequate capital to move forward. Still, it is a challenge for startup entrepreneurs to accumulate enough funds. There is no direct suggestion about how to get money for

investment. However, the surprising fact is that how can a poor rural woman be a successful entrepreneur. The model in this study is to investigate the success factor of the female of Bangladesh, who are not financially well-off.

During the last two decades, female entrepreneurs have gained attention all around the world. However, research on female entrepreneurship is lacking. Research has recently developed around female entrepreneurship.

The theory of Planned Behavior (Ajzen, 1991) is arguably one of the most extensively and successfully applied theories for predicting behavioral intention (Segal, Borgia, & Schoenfeld, 2005). This theory was developed to account for the process by which people decide on, and engage in, a certain course of action. According to the theory attitude, subjective norm and perceived behavioral control are the antecedents of intention which leads to behavior. This study represents a new paradigm for entrepreneurship research by introducing new constructs drawing upon well-grounded theory.

The research question of this study is to examine the factors of motivation towards entrepreneurial intention in the context of the female of Bangladesh. The problem is very significant as previous research has done mainly on male entrepreneurs and in the developed countries. The few studies conducted in developing countries to date (Iakovleva et al., 2011).

Theory and Hypotheses

Entrepreneurial Intention

The entrepreneurial intention is one's desire to start up one's own business. Krueger, Reilly, and Carsrud (2000) relate entrepreneurial intention with those who care about new venture formation. It is a way of thinking for an entrepreneur to emphasize opportunities over threats.

The rise in entrepreneurship is an essential issue in the present world. Entrepreneurs are giving more attention to the small and medium enterprise. Start-up businesses are very significant in the case of growth, profitability, and development of society. Possible factors that have an impact on entrepreneurial intention include financial well-being, need for achievement, self-efficacy, and desire to be independent. Figure 1 delineates the relationship between the factors and entrepreneurial intention.

Financial Well-Being

Financial well-being is one's actual financial condition. A person, who wants to improve his financial well-being, should make some behavioral change that can relieve him from financial distress (Prawitz, Garman, Sorhaindo, O'Neill, Kim, & Drentea, 2006).

One of the primary factors to become an entrepreneur is financial well-being (Carter, Gartner, Shaver, & Gatewood, 2003). Laure Humbert and Drew (2010) have also mentioned some pull and push factors to describe the key motivations for women entrepreneurs, such as the need for better earnings. The main reason to start a new business is their need for economic opportunity and employment. Jesurajan and Gnanadhas (2011) found financial independence and the challenge has the maximum motivational force of a woman, among 18 factors they recognized.

Lack of family support is one of the barriers to women entrepreneurship (Afrin, Islam, & Ahmed, 2010). Lack of financial well-being also influences Bangladeshi female to be entrepreneurs. Several families have only one earning member, who is usually a male. That member could not make that much to fulfill the requirement of the household. Sometimes there is no one to earn in families. They should maintain both their businesses and

families. The financial support a woman gets from her husband is not always sufficient (Torri & Martinez, 2014). To support the family, female try to find a way to become an entrepreneur.

Hypothesis 1. There is a negative relationship between financial well-being and entrepreneurial intention.

Need for Achievement

Need for achievement can be defined as one's responsibility for involvement in activities to achieve one's desired outcome. Need for achievement is associated with a positive mood, task interest, and organizational spontaneity (Eisenberger, Jones, Stinglhamber, Shanock, & Randall, 2005).

An active and significant correlation exists between opportunity perception and the likelihood of starting a new business (Langowitz & Minniti, 2007). Stephan, Hart, & Drews (2015) reviewed some recent articles to understand the motivations for entrepreneurship. They indicated seven dimensions of motivation, which include accomplishment.

Need for self-achievement is the prominent factors as motivation for women to become an entrepreneur. The reason for the interest varies by the different classes of the society (Storey, 1994).

Hypothesis 2. There is a positive relationship between the need for achievement and entrepreneurial intention.

Self-Efficacy

Self-efficacy is the belief in one's capability of doing work to achieve one's goal. It can demarcate as a person's ability to perform a task by utilizing personal resources (Shane, Locke, & Collins, 2003). In short, it focused on perceived capability (Bandura, 2006).

The decisions of women entrepreneurs were immensely influenced by the urge to explore hidden talents and the desire to do something creative (Raman Anantharaman, & Jayasingam, 2008). The findings of the study of Charles and Gherman (2013) suggest that women have taken the possibility of growth as their primary factors. It is the way of their personal satisfaction. They will get the opportunity to grow and discover innovative things if they can become entrepreneurs.

Hypothesis 3. There is a positive relationship between self-efficacy and entrepreneurial intention.

The Desire to Be Independent

To become independent, one must have feelings of independence. Singelis (1994, p. 581) has defined "independent" with the words "bounded, unitary, stable." In other words, the desire to be independent is one's strength of mind for doing a task to become independent.

The main problem factor of the motivation of female towards entrepreneurship is that they are female. The principal motive is the desire to be independent. Sullivan and Meek (2012) found information on why women are motivating towards becoming entrepreneurs including, wanting independence, and believing in themselves.

Hypothesis 4. There is a positive relationship between desire to be the independent and entrepreneurial intention.

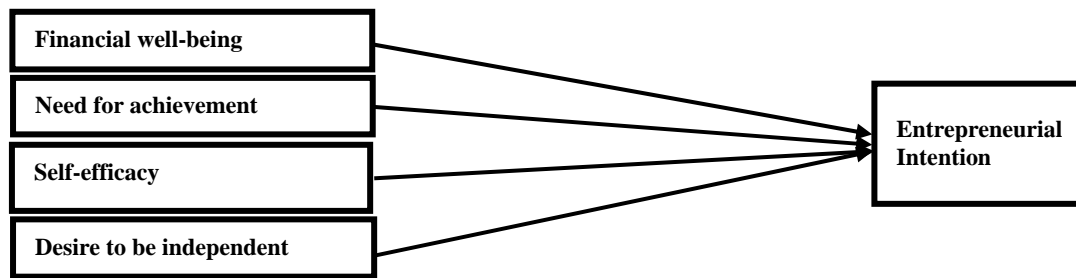


Figure 1. Proposed model.

Methods

Sample and Procedures

The initial sample comprised 248 female students. Students' samples are very common in entrepreneurship research (Liñán & Chen, 2009) because students face an immediate career choice (Krueger et al., 2000). The students were from a liberal arts University of Bangladesh, where every student must have some knowledge about business, whether they are from the Business Department or not. It is a very prestigious private university. The students pay a medium level of tuitions. A web-based survey research design constructed to examine the relationship between the criterion and predictor variables. Data were collected online. As shown in Table 1, the final usable sample consists of 220 (88.71%) undergraduate and 28 (11.29%) graduate business students from Bangladesh. The sample is quite diverse concerning age. Most of the respondents were at the age ranges from 21 to 25, that is, 165 (66.53%). Others were, 51 students of 16-20 years, 28 ranges 26 to 30 years, and only 4 of them were above 30 years. The diversity of students and indistinctness of this sample enhance the generalizability of my findings.

After running G*Power, I found that I need at least 146 participants, But I have collected 248. Alpha level 0.05, medium effect size $f^2 = 0.15$. Importantly, the composition of a large number of final samples in this study strengthens the resulting findings for me. A review of descriptive statistics for the sample in Table 1 shows that the subgroup proportions in each of the demographic categories compare favorably with the actual purpose of this research. Two-thirds of the sample is drawn from the prime age years for having the entrepreneurial intention (21-25 years).

Before starting the survey, prior permission has taken from the university. Then the link to the questionnaire with a cover letter has been sent to the authority of that university. In total, 43 questions were included in the questionnaire regarding five focal variables. They asked the students to participate in the survey. The students, who wanted to respond, went to the link and fill-up the survey. So it was not possible to measure the response rate. All respondents mentioned their age and level of education, that is, graduate or undergraduate.

The cover letter has been written very carefully. It is mentioned that confidentiality will be maintained. The respondents are anonymous. There will be no right or wrong answer.

After collecting the responses, the first stage of data preparation done was the screening for missing data and outliers and checking the normality (for example, straight lining) of the data.

Measures

All the questions of the questionnaire were taken from the established scale related to the item. Responses were asked to indicate their level of agreement with the statements on a seven-point Likert-type scale from 1

(strongly disagree) to 7 (strongly agree) unless otherwise noted. There is no open-ended question.

Entrepreneurial intention. The entrepreneurial intention will be measured by a 6-item scale developed by Liñán and Chen (2009). Based on Ajzen's (1991) theory of planned behavior, Liñán and Chen (2009) have developed an Entrepreneurial Intention Questionnaire (EIQ). Entrepreneurial intention to start up would be the best predictor to performing the entrepreneurial behavior. The purpose of carrying out behaviors affected by needs, values, wants, habits, and sometimes beliefs. Items in the scale include, "I am ready to do anything to be an entrepreneur" and "My professional goal is to become an entrepreneur.". Individual participant's score can be ranged from 6 to 42. The final score will be computed by dividing the total score by 6. The final score can be ranged from 1 (no intention to become an entrepreneur) to 7 (high intention to become an entrepreneur) ($\alpha = 0.893$).

Financial well-being. In charge, financial distress/financial well-being 8-item scale (Prawitz et al., 2006) will be used to measure financial well-being. Based on their level of stress, the participants will answer the question, "What do you feel is the level of your financial stress today?" Responses will indicate their appropriate situation with the statements on a ten-point Likert-type scale from 1 (overwhelming stress) to 10 (no stress at all). Based on their satisfaction level, they will be asked, "How satisfied you are with your present financial situation?" The response will be on a 10-point Likert-type scale from 1 (dissatisfied) to 10 (satisfied). For each item, responses range from 1 to 10. Individual participant's score can be ranged from 8 to 80. The final score will be computed by dividing the total score by 8. The final score can be ranged from 1 (the lowest financial well-being) to 10 (the highest financial well-being) ($\alpha = 0.799$).

Need for achievement. Need for achievement will be measured by a 9-item scale developed by Eisenberger et al. (2005). The students will be asked to indicate their level of agreement with the following statements "I am pleased when I can take on added job responsibilities" and "I am always looking for opportunities to improve my skills on the job." Each item will be rated by using 7-point Likert-type scale (1= strongly disagree, 7 = strongly agree). Individual participant's score can be ranged from 9 to 63. The final score will be computed by dividing the total score by 9. The final score can be ranged from 1 (disagree with the need for achievement) to 7 (highly agree with the need for achievement) ($\alpha = 0.943$).

Self-efficacy. Self-efficacy will be measured by an 8-item scale developed by Chen, Gully, and Eden (2001). The items in the scale include, "I will be able to achieve most of the goals that I have set for myself.", "When facing difficult tasks, I am certain that I will accomplish them" and so on. ($\alpha = 0.944$).

The desire to be independent. The desire to be independent will be measured by a 12-item scale developed by Singelis (1994). The items include, "I would rather say 'No' directly, than risk being misunderstood", "Speaking up during class is not a problem for me" and so on. Individual participant's score can be ranged from 12 to 84. The final score will be computed by dividing the total score by 12. The final score can be ranged from 1 (no desire to be independent) to 7 (high desire to be independent) ($\alpha = 0.886$).

Control variables. The respondents will be the only female, while the focus of the research topic is related to the female of Bangladesh. Since the demographic diversity of the respondents has implications for outcomes, I included the diversity variables of age and educational level of each member. Age is one of the control variables. Data were collected from the undergraduate and graduate students of the university. So, their level of education is a control variable here. They have business knowledge, familiar with the term entrepreneurship, and some of them may have the intention to start their own venture. The age of the respondents divided into four ranges, which were 16 to 20, 21 to 25, 26 to 30, and above 30.

Analysis

Assessing discriminant validity. Before testing the hypothesis, I performed Confirmatory Factor Analysis (CFA) to investigate the discriminant validity of the priori factor structures of four individual-level constructs (financial well-being, need for achievement, self-efficacy, and the desire to be independent). AMOS was used to perform the CFA.

Hypothesis testing. SPSS was used to test the four hypotheses simultaneously. In the first step, one dependent variable (entrepreneurial intention) and two control variables (age and education) were included. Then in the next step, four independent variables (financial well-being, need for achievement, self-efficacy, and the desire to be independent) were included. Then the total model was tested simultaneously. It is better to do multiple hypothesis testing, that is the testing of more than one hypothesis at a time. In testing any one hypothesis, then the conclusion will be based on uncertain statistical evidence. The probability is, Type I errors may increase if more hypothesis were included. It leads to minimization of misleading conclusions.

Results

Discriminant Validity

The correlation between the two factors is or is very close to one or minus one. Multicollinearity is high correlations among the latent exogenous constructs. The criteria to do Confirmatory Factor Analysis is if zero order correlation = r is more than 0.50 (Large) (Cohen, 1992). In statistics, Confirmatory Factor Analysis (CFA) is a special form of factor analysis, which is usually used in social research. It is basically used to test whether measures of a factor are consistent with a researcher's understanding of the nature of that construct or factor. Results of CFA showed good fit for five-factor model: Chi-square = 1981.842, $df = 850$, $p < 0.001$, Chi-square/ $df = 2.332$, which is good fit. CFI = 0.853, RMSEA = 0.073 < 0.80, which is reasonable fit) (Kline, 2005).

Hypothesis Testing

Hypothesis 1 proposed that financial well-being is negatively related to entrepreneurial intention. The results of Table 2 show that ($b = 0.082$) the relationship between financial well-being and entrepreneurial intention is not significant. Therefore, Hypothesis 1 was not supported.

Hypothesis 2 proposed that the need for achievement is positively related to entrepreneurial intention. Table 2 shows that ($b = 0.424$, $p < 0.001$) the relationship between need for achievement and entrepreneurial intention is significant. Thus, Hypothesis 2 was supported.

Hypothesis 3 proposed that self-efficacy is positively related to entrepreneurial intention. The results of Table 2 show that ($b = 0.197$) the relationship between self-efficacy and entrepreneurial intention is not significant. Therefore, Hypothesis 3 was not supported.

Hypothesis 4 proposed that there is a positive relationship between the desire to be the independent and entrepreneurial intention. The results of Table 2 show that the relationship between the desire to be independent and entrepreneurial intention is not significant. Therefore, Hypothesis 4 was not supported.

Table 1

Descriptive Statistics and Correlations

| Variables | <i>M</i> | <i>SD</i> | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|------------------------------|----------|-----------|--------|-------|--------|--------|--------|--------|--------|
| 1. Age | 1.94 | 0.62 | | | | | | | |
| 2. Education | 1.11 | 0.32 | 0.51** | | | | | | |
| 3. Entrepreneurial intention | 4.63 | 1.39 | 0.01 | 0.36 | (0.89) | | | | |
| 4. Financial well-being | 5.28 | 1.45 | -0.07 | 0.02 | 0.10 | (0.80) | | | |
| 5. Need for achievement | 5.08 | 1.37 | 0.06 | -0.02 | 0.63** | 0.01 | (0.94) | | |
| 6. Self-efficacy | 4.98 | 1.40 | 0.02 | -0.01 | 0.60** | 0.04 | 0.89** | (0.94) | |
| 7. Desire to be independent | 4.76 | 1.15 | 0.04 | -0.03 | 0.54** | 0.03 | 0.80** | 0.81** | (0.89) |

Note. N = 248. Scale reliabilities are shown in parentheses on the diagonal. ** $p < 0.01$.

Table 2

Regression Results

| Variables | Entrepreneurial Intention (EI) |
|-------------------------------|--------------------------------|
| Constant | 4.48*** |
| Main Effects | |
| Age | |
| Education | |
| Financial well-being (FW) | 0.08 |
| Need for achievement (NA) | 0.42*** |
| Self-efficacy (SE) | 0.20 |
| Desire to be independent (DI) | 0.05 |
| R ² | |
| ΔR^2 | |

Note. N = 248. Unstandardized regression coefficients are reported. *** $p < 0.001$, * $p < 0.05$, two-tailed tests.

Discussion

The current study is an effort to explicitly examine the relationship between several factors of motivation and entrepreneurial intention of females of Bangladesh. In keeping with the hypotheses, results show that only need for achievement has a positive significant relation with entrepreneurial intention.

This analysis of the impact of motivational factors towards entrepreneurial intention provides us with reason to research on the emerging questions of how and why women are becoming more entrepreneurs nowadays. This study supports the advancement of research on motivational factors and its relationship to entrepreneurial intentions in a variety of contexts.

The status of women empowerment relates to their economic position and social condition (Torri & Martinez, 2014). In consonance with them, women entrepreneurship in South Asia has increased remarkably in recent years. Women entrepreneurs' humanized service, distinctive personalities, observation, analytics, and social skills have played a great role in business. The proportion of women who become entrepreneurs in the last couple of years is more than that of men. However related obstacles or challenges women's involvement and outreach have also increased.

Theoretical Implications

First of all, this study sheds some new light on female entrepreneurship. The majority of entrepreneurship studies have relied mainly on male entrepreneurs or in developed countries. The study regarding female entrepreneurship is an emerging concern now.

Another vital contribution of the study is the results of the study which also suggest there are several motivational factors which are related to entrepreneurial orientation. Although some relationships do not show any significant results, still, it has some theoretical implications for future research.

Limitations and Future Research

In this study, I have included some of the important factors which can motivate a female to become an entrepreneur. However, I did not include any moderator, which can make the process easier. Moreover, due to time constraints, it was not possible to find out, how many of them could really become entrepreneurs. A longitudinal study can make it possible to find out whether they become an entrepreneur or not.

Now, it is the time to think about entrepreneurship in a different perspective and globally. We should come up with new ideas and dimensions in this field. In fine, the weakness of entrepreneurship matters should be discovered and resolved, and new conceptual challenges should emerge.

Practical Implications

Findings from the current study have important practical implications. The number of female entrepreneurs has increased gradually day by day. However, still, this number is half compared to male entrepreneurs. These differences are almost the same across different countries. In line with my results, entrepreneurial intention can be influenced by different factors. There are lots of opportunities to research entrepreneurial intentions.

Koenig, Eagly, Mitchell, and Ristikari (2011) also mentioned that women are becoming more leaders now and changing the perceptions of leadership roles. In developing countries, women emerge as leaders and entrepreneurs. Electing women for these roles not only perceive women as perfect leaders but also reduces their implicit bias toward association men with leadership.

Conclusions

The research has identified need for achievement which is one motivational factor for starting a new venture. Entrepreneurship is the capacity and willingness to develop, organize, and manage one's own business along with any of its risks to make a profit.

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