



249en07

## Module 3

# ENTREPRENEURIAL MOTIVATION

**Maximum Marks - 18**

**Study Hours 45**

Entrepreneurial motivation includes various factors which stimulate desires and activates enthusiasm in entrepreneurs which make them attain a particular goal. This module focuses on entrepreneurial values, attitude, motivation and ethics. Different concepts of motivation has been briefly introduced along with case studies of successful entrepreneurs.

**Lesson 7 Entrepreneurial Values and Motivation**

**Lesson 8 Entrepreneurial Values and Motivation**

**Lesson 9 Successful Entrepreneurs**



## ENTREPRENEURIAL VALUES AND ATTITUDES

In the last lesson, you learnt about the role of innovation to solve societal problems and how to interpret various real-life situations in different sectors. Entrepreneurs are motivated by their dream of tapping ample opportunities in the market. The attitude of entrepreneurs shapes their behaviour. An entrepreneur needs to be highly motivated in conducting business activities and face all challenges on the way. Lastly, entrepreneurs must follow an ethical value system. In this lesson, we will learn about the entrepreneurial motivation, values and ethics.



### LEARNING OUTCOMES

After studying this lesson, the learner will be able to:

- understand entrepreneurial values and attitudes;
- interpret the need for motivation; and
- outline ethics in business.

### 7.1 CONCEPT OF VALUES

Values are the basic beliefs or convictions that make one choose a specific mode of conduct over other paths. According to Milton Rokeach, “Values are beliefs that guide actions and judgment across a variety of situations.” For example, an entrepreneur is expected to give true and correct information related to his business.

In simple terms, values are the important traits of personality that affect an individual’s behaviour. Values define the good or bad considerations in any society just as they define the objectives of business along with how business



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affairs need to be conducted i.e., policies and practices of a business. For example, sale of adulterated goods and false weights are considered inappropriate.

Values are generally learnt from the family, education, religious beliefs and other social institutes the person is living in. As Figure 7.1 shows, values are a combination of personality factors, environmental factors as well as action factors.



### 7.1.1 FEATURES OF VALUES

The basic features of values are:

1. Standards of morality are reflected in the value system.
2. Values are beliefs central to every individual.
3. Values are permanent. It is difficult to change the value system of any individual.
4. Values describe the code of conduct of any activity.
5. Values help to understand attitudes of people.
6. Values influence the decisions of entrepreneurs.
7. Values also define work ethics.

### 7.1.2 SOURCES OF VALUES

An individual's value system is a combination of values from various sources. The most important sources of values are:

1. **Family Factors:** The family is the first source of values. People learn their basic values from their family. For example, child rearing practices.
2. **Social Factors:** Social circles to which people belong also have an impact on their valuesystem. Example: discipline in school.
3. **Personal Factors:** The personality of an individual also impacts the person's value system. Example: Intelligence level.
4. **Cultural Factors:** Values, beliefs and norms are a part of every cultural structure. These cultural values are passed from one generation to another. Example:How to welcome guests.



5. **Life Experience:** The experiences of people also influence their value system. An individual learns from her or his own actions. For example, a person with 40 years of experience will have a different value system in comparison to a person with two years of experience.

## 7.2 CORE VALUES AMONG ENTREPRENEURS

Research has highlighted the following values of entrepreneurs:

1. **Honesty:** It is essential for an entrepreneur to be honest to all stakeholders. In the absence of honesty, entrepreneurs will not be able to sustain themselves in the market for long.
2. **Reliable:** An entrepreneur must be reliable in all dealings. The quality of products, services and decisions must be reliable.
3. **Respect:** An entrepreneur must respect all stakeholders, whether customers, suppliers, investors or workers. Disrespecting any stakeholder might hinder the entrepreneur's reputation and business dealings. An entrepreneur must also respect goals regarding work, time and business.
4. **Foresighted:** Foresight comes through his education and intelligence. An entrepreneur must be able to assess future risks and accordingly plan business activities to safeguard from uncertainties.
5. **Innovation and creativity:** An entrepreneur must be able to think out of the box. It is one of the most important values if an enterprise is to become successful. These include new ideas, managing change, dealing with uncertainty while applying new ideas, portraying originality etc.
6. **Outstanding performance:** Entrepreneurs need to outperform the competition to shine in the market and to establish themselves. Entrepreneurs have to accept their mistakes and to correct them. They do not take shortcuts to complete work because there are no shortcuts to quality.
7. **Independence:** Freedom to express themselves is one of the greatest values entrepreneurs possess. Entrepreneurs are self-motivated and self-reliant.



### INTEXT QUESTIONS 7.1

State whether the following statements are true or false:

1. Honesty and reliability are core values of an entrepreneur.
2. Values are not obtained from society.

3. Values are basic beliefs.
4. Personality factors, environmental factors and action factors together form one's value system.

### 7.3 CONCEPT OF ATTITUDES

Attitudes are psychological traits that shape people's behaviour. Schermerhorn, et al., defined attitude as predisposition to respond in a positive or negative way to someone or something in one's environment. Attitude defines the positive and negative feelings about a place, persons, objects, and other things.

#### 7.3.1 FEATURES OF ATTITUDES

1. Attitudes shape the behaviour of every individual.
2. Attitudes are a psychological phenomenon.
3. Attitudes are not acquired in a day but over a period of time.
4. Attitudes are pervasive.

#### 7.3.2 SOURCES OF ATTITUDES

Attitudes may be attributed to a variety of sources.

1. **Personal experiences:** People gain attitudes from their personal experience. The attitude of one person may be different from another person even in the same conditions. For example, two subordinates might have differing personal experiences with their supervisor. Ultimately, each will have a different attitude to his superior.
2. **Association:** Every action has an impact on a person's attitude. For example, if an employee is efficient and works hard for the company, the boss will have a positive attitude towards that person. Let us presume that after some time, a new employee joins the organisation, also works hard and efficiently. The supervisor may transfer appreciation to the new employee as well.
3. **Social learning:** Attitudes are also obtained from family, teachers and superiors.

### 7.4 ATTITUDES OF AN ENTREPRENEUR

Attitudes shape entrepreneurial behaviour. Some essential attitudes required for entrepreneurs are:

1. **Patience:** Entrepreneurship is not a one-day activity. At times, it takes

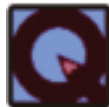




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long to establish oneself in the market and create a brand image. So, entrepreneurs need to be patient.

2. **Positivity:** Entrepreneurs must have the capability to take risk and stay positive. A positive attitude is not only required to conduct a business but also for the successful future of the enterprise.
3. **Perseverance:** Entrepreneurs need to put in regular, hard work to accomplish business goals.
4. **Resilience:** Entrepreneurship is not a old career option, so it is natural that entrepreneurs may be cornered for their choice to be an entrepreneur. In such times, entrepreneurs need to be extremely resilient to achieve their goals.
5. **Imagination:** Entrepreneurs are considered visionaries. To tap market opportunities, entrepreneurs must use their imagination.
6. **Change:** Entrepreneurs have a positive attitude towards change. Entrepreneurs accept change and modify themselves accordingly.
7. **Performance:** Entrepreneurs are performers. They complete their tasks against all odds.
8. **Networking:** Generally, entrepreneurs have a good networking circle.
9. **Respect:** Entrepreneurs have a positive attitude towards their stakeholders like customers, suppliers and investors. They respect their stakeholders.



**INTEXT QUESTIONS 7.2**

**Fill in the blanks:**

1. Sources of attitude are personal experiences, association and .....
2. Attitudes shape the ..... of every individual.
3. Attitude is a ..... trait.
4. An entrepreneur must respect all .....

**7.5 CONCEPT OF MOTIVATION**

Motivation is a person’s enthusiasm towards anything that has to be done, like, work. According to Robert Dubin, “Motivation is the complex forces starting

and keeping a person at work in an organisation. Motivation is something that moves the person to action, and continues him in the course of action already initiated.”

Motivation is a psychological process. The behaviour of human beings has a close relationship with motivation. According to Dalton E. McFarland, “Motivation refers to the way in which urges, drives, desires, aspirations, strivings or needs direct, control or explain the behaviour of human beings.”



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In the motivation process, the starting point is from unsatisfied needs. To satisfy these needs, the person becomes anxious and searches for possible ways to achieve those needs. While moving towards the goals, few more needs arise. Whether the goals are achieved or not, the person keeps working. This also reflects in his constructive or destructive behaviour.

### 7.5.1 FEATURES OF MOTIVATION

1. **Internal Feeling:** Motivation generally comes from within. It is an internal feeling. It is hard to observe motivation directly, since it is depicted in an individual’s behaviour.
2. **Complex process:** Motivation of one person differs from the motivation of another person, even when both are engaged in same activity. Example: Two fashion designers will be having different level of motivation.
3. **Continuous process:** Motivation is not a one-time activity. An individual needs to be continuously motivated to achieve targets.
4. **Dynamic process:** The needs and goals of every individual keep changing, as does their motivation level. Example: A student may study hard to score well and get a job in therelevant industry. After some job experience, the same person will work hard for promotions and also for a better lifestyle.
5. **Different from satisfaction:** Motivation is the desire to achieve something. Satisfaction comes after the desired target is achieved.

### 7.5.2 SIGNIFICANCE OF MOTIVATION

Motivation is an important management function. It is practiced by all managers to continuously motivate their subordinates. The following factors make motivation significant for any activity or at any level:



1. **Will to work:** Motivation creates the will to work. It is necessary to achieve organisational goals.
2. **Efficiency:** A motivated worker performs more efficiently than the non-motivated worker.
3. **Cooperation:** A motivated work cooperates more in the organisational activities than the non-motivated worker.
4. **Labour absenteeism:** If workers are motivated to work, labour absenteeism will be low.
5. **Good human relations:** The organization with motivated workers faces less friction among employees.
6. **Fewer complaints:** Motivated employees generally focus on their work and search for solutions to resolve problems rather than complain about them.
7. **Low wastage:** Motivated employees try to achieve efficiency and produce more quality products. This leads to low wastage of raw materials.

### 7.6 ACHIEVEMENT MOTIVATION

Achievement motivation may be understood by independently considering the words achievement and motivation. Achievement refers to success while Motivation refers to the psychological drive to be successful. Thus, achievement may be defined as the need for success or why and how people strive towards success and away from failure.

Motivation can happen when you :

- Have clear goals
- Visualize achievement
- Work towards the goals
- Anticipate possible risks
- Identify opportunities and threats
- Be patient while moving towards goals
- Take help from others to overcome roadblocks

### 7.7 HUMAN MOTIVES

Human motives give a reason to do something. Motives drive human beings to go ahead. For example, if you want to become a dancer, you have to practice





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dance and strive towards mastery in atleast one dance form. Human motives are broadly classified as:

1. **Biological motives or physiological motives:** These are basic motives and these are needed to satisfy human needs. Example: thirst, hunger. You need water to satisfy your thirst and food to satisfy your hunger.
2. **Psychosocial or social motives:** These are mostly acquired from family, friends, social groups, etc. These needs arise from:
  - i. Need for affiliation
  - ii. Need for power
  - iii. Need for achievement
3. **Curiosity and exploration:** The curiosity to explore more and search for better techniques will always fuel motivation.

## 7.8 MOTIVATION AND ENTREPRENEURSHIP

Factors motivating entrepreneurs and qualities they need to achieve are:

1. **Innovation:** New innovations and creativity motivates entrepreneurs to work more and more. Entrepreneurs are always ready to adapt to change and they modify themselves according to the need of an hour.
2. **Self-confidence:** Entrepreneurs are not discouraged by mistakes and failures. They have the self-confidence to overcome difficulties and they can also go an extra mile to achieve their targets.
3. **Future orientation:** Entrepreneurs have the tendency to look forward and plan for the future. They learn from past mistakes and rectify them to achieve their long-term goals.
4. **Responsibility:** Entrepreneurs like to take responsibilities for necessary activities and take blame for their actions. At the same time, they want recognition for their work.
5. **Feedback:** Entrepreneurs search for continuous feedback of their actions. They do so to take corrective actions on time.
6. **Tolerance level:** Entrepreneurs have high tolerance level. Even if actions do not move in a planned manner they maintain their tolerance level and take actions accordingly.
7. **Achievers:** Entrepreneurs are never satisfied with what they have in their hands. They always crave for more and better goals to achieve.
8. **Maintain relationships:** Entrepreneurs generally maintain good



relationships with all stakeholders. This helps stakeholders to feel motivated and contribute their best for the organisation.

9. **Mobility:** Entrepreneurs are not fussy about their geographical location. They are motivated to move in different areas to achieve efficiency and higher profits.



### INTEXT QUESTIONS 7.3

State whether following statements are true or false:

1. Biological Motives, psychological motives and curiosity are human motives.
2. Motivation leads to efficiency and cooperation.
3. Motivation is not an internal feeling.
4. Motivation and satisfaction are same concept.
5. Motivation gives self-confidence.

### 7.10 BUSINESS ETHICS

Ethics can be defined as the rule of conduct or moral principles. These are acceptable and unacceptable actions in any society. Business ethics are the special study of morality which applies on policies of business, institutions and behaviour of entrepreneurs. Various laws give atleast basic ethical standards for any business activity. Of late, companies practice ethics on their own to maintain their reputation and higher standards in the market.

#### 7.10.1 FACTORS GOVERNING BUSINESS ETHICS

The following factors govern business ethics:

1. **Legislative framework:** In earlier times, ethics were followed voluntarily, but due to many unethical practices, laws came into force. These laws provide basic standards for any organisation to be followed.
2. **Regulatory framework of the government:** The government from time to time check whether the business houses are following ethical practices or not. The government sets the minimum basic standards for product quality, weight, etc. The government also do campaigning to make customers aware about the corporate defaults. For Example, Jago Grahak Jago campaign.
3. **Corporateethical codes:** Most of the times, companies plan out their

own ethical standards to be followed. These standards are circulated to all employees in the organisation and must be followed by them.

4. **Societal obligations:** Social pressures have significantly impacted the ethical structure of any corporate. For example, Maternity leave.
5. **Entrepreneurial vision and mission:** The vision and mission of any entrepreneur also influence the ethical standards of his business. For Example, Tata is known for its ethical standards.

### 7.10.2 RATIONALE FOR BUSINESS ETHICS

The following factors make business ethics important for every entrepreneur:

1. **Survival of business:** Any business will not be able to work in the long-run when their stakeholders feel that an organisation is following unethical practices. In other words, for any organisation to be successful it must follow ethical practices.
2. **Stable society:** Unless and until the entrepreneurs are not following the ethical practices then they will not be able to create and establish a stable society. Stable society helps entrepreneurs to grow and it also helps in economic and social development of a society.
3. **Business objectives:** The business objectives must be formed ethically and planning need to incorporate the ethical practices. This helps organisation to grow and establish itself for the long-run.
4. **Safeguarding public:** Any business impacts many people. By following ethical practices the entrepreneurs saves public from any malpractices.
5. **Understanding business:** By following ethical practices, entrepreneurs help themselves to be accepted in the society.

### 7.11 ENTREPRENEURSHIP AND BUSINESS ETHICS

The following factors make business ethics important for every entrepreneur:

1. **Basic human needs:** It is one of the basic human needs that the entrepreneurs should behave ethically. All entrepreneurial activities should be conducted ethically.
2. **Credibility:** An ethical enterprise is given more credibility by the society. People believe in ethical enterprise actions and their products more than the unethical one.
3. **Coordination:** An entrepreneur who follows the ethical standards is able





to achieve better coordination among his employees, customers, suppliers, etc.

4. **Decision-making:** Ethical standards help in taking decisions of any enterprise. As ethics tells about what is right and what is wrong.
5. **Profits:** Ethical enterprise can also be a profitable enterprise. Ethical practices help enterprises to build their reputation in the market. This leads to long-term survival of any firm.



#### INTEXT QUESTIONS 7.4

Fill in the blanks:

1. Business ethics is basic ..... need.
2. Business ethics is required for ..... of business.
3. Business ethics are impacted by ..... obligations.
4. Ethics are ..... principles.



#### WHAT YOU HAVE LEARNT

- Values are basic beliefs or convictions to prefer specific mode of conduct over other mode of conduct.
- The main sources of values are family factors, social factors, personal factors, cultural factors and life experience.
- The core values among entrepreneurs are honesty, reliability, respect for all, innovation and creativity, outstanding performance and independence.
- Attitudes are psychological traits that shape people's behaviour. The prominent sources of attitudes are personal experiences, association and social learning.
- The prominent attitudes of entrepreneurs are patience, positivity, perseverance, resilience, imagination, change, performance, networking and respect.
- The person's enthusiasm towards his work is motivation. The basic features of motivation are it is an internal feeling, complex, continuous and dynamic process.
- Motivation leads to will to work, efficiency, cooperation, low labour absenteeism, good human relations, less complaints and low wastage.



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- The prominent human motives are biological or physiological motives, psychosocial or social motives and curiosity.
- The factors that motivate entrepreneurs are innovation, self-confidence, future orientation, responsibility, feedback, tolerance level, goals, relationships and mobility
- Business ethics can be defined as the rule of conduct or moral principles for business activities. The prominent factors that govern business ethics are legislative framework, regulatory framework of the government, corporate ethical codes, societal obligations and entrepreneurial vision and mission.
- Business ethics are important for entrepreneurs due to basic human needs, credibility, coordination, decision-making and profits.



### TERMINAL QUESTIONS

1. Define values. What are its sources?
2. Explain the role of values for an entrepreneur.
3. Define attitudes. What are its sources?
4. How attitudes shape entrepreneurs behaviour?
5. Define motivation and its features.
6. Explain the significance of motivation.
7. Elaborate the role of motivation for an entrepreneur.
8. What do you understand by business ethics?
9. Explain various factors which governs business ethics.
10. Elaborate the role of business ethics for an entrepreneur.



### ANSWERS TO INTEXT QUESTIONS

7.1

- 1) True    2) False    3) True    4) True

7.2

- 1) Social Learning    2) Behaviour    3) Psychological    4) Stakeholders



**Notes**

**7.3**

- 1) True 2) True 3) False 4) False 5) True

**7.4**

- 1) Human 2) Survival 3) Societal 4) Moral

**DO AND LEARN**

Make a list of any five entrepreneurs and their value system and ethical practices.

**CONCEPT MAP**

