

Entrepreneurial Motivation towards Business Performance in Sidenreng Rappang Regency, South Sulawesi, Indonesia

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Abstract— Entrepreneurial motivation is a form of stimulation for entrepreneurs in triggering enthusiasm in entrepreneurship. Generating entrepreneurial motivation is certainly very much related to business performance of each entrepreneur as a form of character in carrying out his/her business activities. The spirit of entrepreneurship is very dependent on the entrepreneurial motivation of micro-entrepreneurs to build their business in order to increase productivity in both national and international markets. This study aims at investigating entrepreneurial motivation in Sidenreng Rappang Regency. This study employs quantitative approach with Partial Least Squares (PLS) analysis. Questionnaire was used as the method of data collection. The results of this study indicate that entrepreneurial motivation has a significant relationship with the performance of micro enterprises. This shows that entrepreneurial motivation includes need for achievement, need for power and need for affiliation. The implication of this study is that micro-entrepreneurs should have the spirit of and rise in entrepreneurship so that their entrepreneurial motivation will be maintained and will not collapse even though they face obstacles in entrepreneurship.

Keywords: Motivation, Entrepreneurship, Business Performance.

I. INTRODUCTION

Entrepreneur activities in Sidenreng Rappang Regency in South Sulawesi show a great development in recent years. One of the many reasons this entrepreneurial activities grow significantly is because of the lack of formal employment activity available in this regency. To solve the above problem, entrepreneurial motivation can be a mean to stimulate workers to have a job in this regency on one hand, and it can increase and build economic development especially in Sidenreng Rappang Regency on the other hand. Also, strong encouragement or motivation in developing entrepreneurial spirit of entrepreneurs may foster independence, togetherness and entrepreneurship to work on their own initiative. Entrepreneurial spirit is very dependent on the entrepreneurial motivation of micro-entrepreneurs to build their business. In entrepreneurship, the role of motivation, especially motivation to succeed is of great important because motivation contains a number of motives that will drive success. See, for instance, Guntur (2013: 9); Danim (2014), and Martoyo (2007) to name just a few.

According to Uno (2013), for example, argued that motivation becomes important because with motivation, each employee is expected to work hard and be enthusiastic to achieve high work productivity. A person's behavior is influenced and stimulated by desire, fulfillment of needs, goals and satisfaction. He also states that motivation is either internal or external power that encourages a person to achieve certain goals. In other words, motivation can be interpreted as

encouragement for individuals or groups as members of the community.

Similarly with Uno (2013), Danim (2004: 15) stated that motivation refers to every force that arises from within an individual leading to the achievement of certain goals or benefits at work and in life in general. Meanwhile, according to Martoyo (2007: 183), motivation is basically a mental condition that encourages an action and provides energy that results in fulfillment of needs, satisfaction or imbalance reduction. In addition, motivation can also be interpreted as an effort to complete work with enthusiasm (Terry, 2013: 130).

Hasibuan (2012: 141) argues that motivation is very important because it affects, distributes, and supports human behavior in order to work hard and enthusiastically to achieve optimal results. In motivating employees, a manager must understand the motives and motivation of his/her employees. Need for recognition, respect, and social status is the last thing that encourages someone to work. Thus, each employee has certain desires and needs and expects satisfaction from their work.

Looking closely at its source, motivation is divided into two, namely intrinsic motivation and extrinsic motivation (Handoko, 2013). Intrinsic motivation is motivation or encouragement that arises from within an individual without being influenced by others, for example, self-actualization need. Meanwhile, extrinsic motivation refers to encouragement driven by factors existing outside of an individual, whether there is a stimulus, an order or even

coercion from others, that make someone perform an action/work, for example, reward and punishment.

Entrepreneurial motivation according to Kreitner & Kinicki, 2003 (Engko, 2006) refers to one's belief about his opportunity to successfully do certain tasks, in which an entrepreneur must have high self-efficacy to be able to achieve his career goals. Self-efficacy is also a belief in self-strength in carrying out certain tasks. An entrepreneur often makes his own judgment on uncertain circumstances. Therefore, they must have confidence in making statements and decisions regarding the management of the resources they have.

Besides motivational and self-efficacy, interest in entrepreneurship is also influenced by another psychological character, namely locus of control (LoC). Locus of Control describes the extent to which a person believes that he is the controller of his own destiny or external factors outside himself that can determine his fate. An entrepreneur must have a strong internal locus of control. For this reason, entrepreneurs are expected to have an internal locus of control in order to be able to increase their interest in entrepreneurship.

Entrepreneurs with high level of entrepreneurial motivation have the ability to achieve success in entrepreneurship. Taking into consideration entrepreneurship attitudes are closely related to behavior in entrepreneurship, based on the theory and results of this study aforementioned, it can be concluded that entrepreneurial motivation affects entrepreneurial attitudes. Therefore, McClelland explained that entrepreneurial motivation must be supported by the need for achievement, need for power, and need for affiliation.

The motivation theory by McClelland was used as the theoretical basis of this study. McClelland in his famous theory, theory of needs, proposed four types of needs, namely (1) Need for Achievement (2) Need for Affiliation, (3) Need for Power. The essence of McClelland's theory lies in the opinion that the understanding of motivation will be more profound if based on the understanding that each person has those three types of needs. Each of the needs mentioned in McClelland's theory is explained as follows:

II. NEED FOR ACHIEVEMENT (N/ACH)

The indicators of the need for achievement include the drive to be excellent, the drive to obtain a set of standards, and the drive to succeed. Achievement motivation comes from Murray's theory of personality developed by McClelland and Atkinson (Slavin, 1994) which suggests that one of the most important types of motivation in business is achievement motivation (n-Ach). According to Gunarsa (1991), achievement motivation is something that has existed since birth and becomes a characteristic of someone's personality, which is developed through interaction with the environment.

McClelland (1987) suggests that achievement motivation

is one's desire that encourages him to achieve a standard or measure of excellence. Excellence can be measured by referring to the achievement of others or by making comparisons with previous achievements. According to Chaplin (Gunarsa, 1991), achievement motivation refers to a person's tendency to achieve success or the desired goals, individual involvement in a task, hope for success in a given task, and the drive to overcome obstacles in order to carry out difficult tasks quickly and accurately. Davis & Newstrone (1985: 88) states that achievement motivation is an encouragement to deal with all challenges and obstacles in an effort to achieve goals. The ones who have this drive want to develop and grow, and want to move forward through the steps of success.

The need for entrepreneurial achievement is seen in the form of actions to do something better and more efficient than before. Suryana, (2017: 50) suggests that entrepreneurs who have high level of achievement motivation generally have the following characteristics:

- a) Willing to overcome difficulties and problems faced.
- b) Always requiring immediate feedback to evaluate success and failure.
- c) Having high personal responsibility.
- d) Having the courage to take calculated risks.
- e) Seeing challenges in a balanced manner. If the task given is too easy, an entrepreneur will feel less challenged and the achievement of success will be very low.

III. NEED FOR POWER (N/POW)

The need for power is the need to make others behave in a way that they without being forced will not behave in certain way or a form of expression from an individual to control and influence others. This need in Maslow's theory lies between the need for appreciation and the need for self-actualization. McClelland states that the need for power is closely related to the need to achieve leadership positions.

Employees are motivated to influence their environment, have strong character to lead and have ideas to win. Power needed by a person can be distinguished in two forms.

- a. Power according to certain desires, namely:
 - 1) Exaggerating self-worth.
 - 2) Underestimating subordinates
 - 3) Treating subordinates as pawns
 - 4) Threatening
- b. Socialized power, namely:
 - 1) Used for the benefit of subordinates.
 - 2) Formulating goals that attach importance to groups.
 - 3) Inspiring subordinates to solve small problems, consulting with subordinates and finding the best way to obtain suggestions and evaluation.
 - 4) Working as a catalyst.

Each person generally wants to influence other people or groups with whom he interacts. Someone who has a great need for power generally likes high competition and is status

oriented and will pay more attention to things that allow him to increase his influence on others by, for instance, increasing the dependence of others on him.

IV. NEED FOR AFFILIATION (N-AFF)

The need for affiliation is a desire to feel a sense of involvement and belonging within a group. Individuals reflect the desire to have a close, cooperative and friendly relationship with other parties. Individuals with high need for affiliation generally succeed in work that requires high social interaction.

McClelland argues that most people have a combination of these characteristics that will affect employee behavior in working or managing an organization. McClelland's achievement motivation characteristics include:

- Achievement is more important than material.
- Achieving goals or tasks provides greater personal satisfaction than receiving praise or recognition.
- Feedback is very important because it is a measure of success.

McClelland's research on entrepreneurs shows more meaningful evidence of achievement motivation than groups from other professions. This means that entrepreneurs have higher N-Ach than other professions.

Based on the above discussion, this study aims examining the entrepreneurial motivation in building business performance taking entrepreneurial activities in Sidenreng Rappang Regency, South Sulawesi as a case study. However, before the findings of the study are discussed, section 2 will highlight research methods. Section 3, then, discussed and analysed the findings of the study. Finally, concluding remarks are drawn in section 4.

V. RESEARCH METHOD

This study employs a quantitative approach with Partial Least Squares (PLS) analysis. Solimun (2007: 40) suggests that PLS was developed as an alternative when the theoretical basis for the model design is weak or available indicators did not meet the reflexive measurement model. PLS is a "soft modeling" and is a powerful analysis model applicable to all data scales, does not require many assumptions and large sample size. To measure the variables of this study, questionnaire was used. This survey study focuses on the disclosure of causal relationships between variables, which is a study to investigate the causes based on observations of the effects that will occur, with the aim of separating the direct and indirect effects of a causal variable on the effect variable. This study was conducted in Sidenreng Rappang Regency in 11 Sub-districts with subjects covering all micro entrepreneurs who are members of industry and trade center running their micro enterprises for at least two years, cooperating with financial institutions and having at least 3 employees. The population in this study is all micro entrepreneurs in industrial and trade center registered in trade and industry department in Sindenreng Rappang Regency of

1,235. The sample size was determined by using Slovin's formula (Umar, 2004: 107) [7], the minimum sample size (n), therefore, by proportionate random sampling is 92.

VI. RESULTS AND DISCUSSION

The construct of entrepreneurial motivation consists of 3 indicators having reflexive relationship. The figure below shows the results of confirmatory factor analysis (CFA) in the unidimensionality analysis in the construct of entrepreneurial motivation.

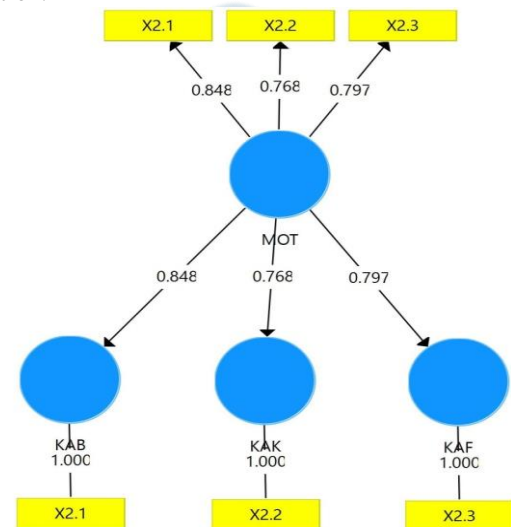


Figure: CFA Model of Entrepreneurial Motivation

Construct of entrepreneurial motivation is measured through 3 indicators, namely: (1) the need for achievement, (2) the need for power, (3) the need for affiliation. The results of unidimensional model measurement for entrepreneurial motivation construct are presented at Table 1.

Table 1. CFA Results of Entrepreneurial Motivation

Relationship	Original sample estimate	mean of subsamples	Standard deviation	T-Statistic
MOT-> KAB	0.848	0.848	0.030	28.114
MOT-> KAK	0.768	0.762	0.056	13.680
MOT-> KAF	0.797	0.797	0.036	21.886

Composite Reliability (CR) =0.869; Average Variance Extracted (AVE) =0.689

The results of the regression coefficients analysis with a significance level of 0.05 in each indicator of entrepreneurial motivation revealed significant results. This is proven by a T-value greater than 1.96. The loading values showed in the result for outer loading are all above 0.50 indicating that each indicator has a high level of validity for the construct. The indicator of need for achievement (KAB) has the highest loading value, which is 0.848.

In the results of the data analysis, it was found that data on entrepreneurial motivation directly influences the performance of micro-enterprises. This means that micro entrepreneurs can increase their business with entrepreneurial

motivation. In the recapitulation of frequency distribution of entrepreneurial motivation variables, the need for achievement indicator is occupied by 60 respondents or 65.92% and has a loading factor of 0.848. The need for achievement is the indicator that has the highest loading factor. In other words, the need for achievement will encourage the enthusiasm of micro entrepreneurs to continue to excel and produce creative products in order to increase the productivity of their micro enterprises. Micro entrepreneurs can also make their business the best and earn a high income.

The need for power is the ability of entrepreneurs to achieve goals and succeed in increasing the performance of their micro enterprises. For example, micro-entrepreneurs prefer to compete with other micro-entrepreneurs, making their business the most needed by customers and the most needed by the public in general. Recapitulation of frequency distribution of the need for power indicator is occupied by 52 respondents or 59.24% and has a loading factor of 0.768. This indicator is relatively high, but when compared to other loading factors, this indicator is the lowest.

The need for affiliation is the desire of micro entrepreneurs to have a social interaction with other micro entrepreneurs including cooperation with other enterprises, mutual support to improve their respective businesses, good communication with other enterprises, and friendship between micro entrepreneurs. The recapitulation of the frequency distribution of the need for affiliation indicator is occupied by 48 respondents or 52.17% and has a loading factor of 0.797. The need for affiliation indicator is ranked second out of all other loading factors. This means that micro entrepreneurs can establish good cooperation and friendship with other micro entrepreneurs to develop their micro enterprises.

The role of motivation for entrepreneurs, especially micro-entrepreneurs, is very important because motivation in them will make it easier for them to achieve and improve their business, which is still considered low. One of the motivations most entrepreneurs needs is the desire to continue to learn and improve skills. Learning motivation will be the first thing needed by entrepreneurs to develop their business. The higher the entrepreneurial motivation is, the more successful micro entrepreneurs are in Sidenreng Rappang Regency.

The findings in this study are in line with the theory put forward by McClelland (Robbins, 2015: 131) that entrepreneurial motivation is supported by three needs, namely the need for achievement (nAch), the need for power (nPow), and the need for affiliation (nAff). nAch is a drive for achievement that relates to a series of standards. Therefore, micro entrepreneurs strive to excel. When a work has a high level of personal responsibility and medium feedback and risks, a person with high achievement will become highly motivated. The need for power (Npow) is one's need to make other people behave in ways they will not do without him. Entrepreneurs who have a high level of need for achievement will not necessarily be those who have

greater income. Need for affiliation (nAff) is the desire to have a friendly and close interpersonal relationship. Micro entrepreneurs who have high affiliation will generally succeed and have high productivity.

VII. CONCLUDING REMARKS

Entrepreneurial motivation has a significant relationship with the performance of micro enterprises. The results of this study indicate that entrepreneurial motivation includes the need for achievement, the need for power and the need for affiliation. Entrepreneurship-oriented entrepreneurial motivation has a positive and significant influence on the performance of micro-enterprises in Sidenreng Rappang Regency that entrepreneurs engaged in micro enterprises have a high level of motivation to achieve results in the form of business performance improvement. In addition to the entrepreneurial motivation of micro and macro entrepreneurs, the entrepreneurial spirit of entrepreneurs has been hereditary and their work spirit is contained in the philosophy of work of Sidenreng Rappang Buginese, "*Resopa Temmanginggi Namalomo Naletei Pammase Dewata*". This philosophy means that only hard work accompanied with unyielding attitude that will easily get an abundance of grace from Allah SWT. In this case, the people of Sidenreng Rappang realize the importance of hard work and believe that God will make their business successful.

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