

**DEVELOPING AND SUSTAINING FUTURE ENTREPRENEURIAL TALENT:
A STUDY OF STUDENT ENTREPRENEURIAL POTENTIAL AND
ACHIEVEMENT MOTIVATION**

Hasirumane V. Mukesh, Tumkur University, India

Babu Thomas, Aloysius Institute of Management and Information Technology, India

ABSTRACT

Developing and sustaining the entrepreneurs are critical for sustainable economic growth. Entrepreneurs are the key drivers of the knowledge economy, investment in knowledge and human capital generate economic wealth. The creation of knowledge base and en-cashing the outcome of knowledge depend up on the entrepreneurial talent. There is an increasing need for developing strong entrepreneurial force. The major question in front of governments and policy makers is, how to identify the entrepreneurial talent and nurture them. Entrepreneurial talent can be detected through entrepreneurial potential, which is based on theory of planned behavior. Further achievement motivation is another promising trait that initiates entrepreneurial carrier. The study expects to answer the means of identifying entrepreneurial talent through entrepreneurial potential and to evaluate the impact of achievement motivation on entrepreneurial potential.

Keywords: entrepreneurial talent, entrepreneurial potential, achievement motivation

Introduction

The economic growth and development are attaining new milestones in both developed and emerging economies. Sustaining the growth trajectory is the biggest challenge needs immediate address. Entrepreneurs are the critical component in sustaining growth and development. Ensuring the supply of entrepreneurs is the best choice for sustainability. Entrepreneurs are the building blocks of the modern economy. The blend of entrepreneurs, free market economy and globalization has been the success formula for both developed and emerging economy (Kuratko, 2007). The strong foot print of entrepreneurs in the emerging economies are the major driving factors for economic growth and development through, trade and employment creation (Kuratko, 2002). In 2009, *the economist* designated entrepreneurs as “global heroes” and stated entrepreneurs as “a different breed of manager” with distinct individual characters (Economist, 2009). Knowledge and entrepreneurial talent are the critical component for sustaining the economic growth and driving it to the next level (Landstrom, 2008; Mehta et.al, 2016). Developing a strong knowledge base, identifying and nurturing the young entrepreneurial talents are significant in enhancing entrepreneurship (Murphy, 1991; Ekpe et.al 2016). The creation of knowledge base and en-cashing the outcome of knowledge depend up on the entrepreneurial talent. There is an increasing need for developing strong entrepreneurial force. The major question in front of governments and policy makers is, how to identify the entrepreneurial talent and nurture them.

There are many efforts to search and understand entrepreneurs. One of the most referred is, Schumpeter’s theory. Schumpeter’s entrepreneur identifies the entrepreneurial opportunity and explores new and most effective way of addressing the opportunities (Schumpeter, 1942). Many other scholars have significantly contributed for the understanding of entrepreneurs. But, the major factor neglected by the theorists is the individual factors or psychological factors of the entrepreneurs, which has led to a gap in understanding of entrepreneur (Baumol, 1968). In continuation to this, the most promising theories to understand entrepreneurs and their individual characters are proposed by psychologists. The trait and behavioral theories are successful in explaining the entrepreneurs, why some individuals start new venture when others under similar condition don't. Achievement motivation is one element that explains the differences among entrepreneurs and others. Achievement motivation was successful in sustaining its influence on all forms of entrepreneurial activities. Further the psychology based research has moved beyond the past focus of trait and behavioral approach and has introduced broader psychological dimensions like entrepreneurial potential, talent and other cognitive elements. The applications of predictive theories like theory of planned behavior (Ajzen, 1991) and Albert Shapiro’s theory of entrepreneurial event are most promising predictive theories to identify entrepreneurial talent.

This research paper identifies the gap among the existing need for identifying the entrepreneurial talents and means to identifying such talents. The paper also address importance of sustaining entrepreneurial talent. It also addresses the influence of achievement motivation on entrepreneurial potential among the students. The main research questions discussed in the paper are.

1. How to identify the entrepreneurial talent among the student and nascent entrepreneurs?
2. Identifying the influence of achievement motivation on entrepreneurial potential.

Review of Literature

The entrepreneurial research was mainly focusing on why some individuals start new venture when others under similar condition don't? (Grantner, 1989). The question emphasizes on distinction between entrepreneurs and non-entrepreneurs, successful entrepreneurs and

unsuccessful entrepreneurs (Rayan et al, 2011), still the question is not answered completely. In relation to this unsettled dispute, entrepreneurial talent is a newly coined word which can be joined with varying nature of entrepreneurs and non-entrepreneurs.

Detailed insight of literature on talent states that, an individual with talent has the intelligence, ability (potential) and fitness to outperform others in a particular activity (Nieto et.al, 2011). Talented person can do something better than others without talent (Ingenieros, 1913). Highly talented individuals in a specific area tend to choose occupation that will earn returns on their talent (Nieto et al 2011). Similarly corporate are betting on talented employees to achieve their organizational objectives (Ricker & Leahy, 2009). Empirical evidence has indicated that entrepreneurial talent has significant relationship with business performance (Nieto et al, 2011). The notion of talent is universal in nature and can be applied for different dimensions. The basic notion of innovativeness by Schumpeter can be fulfilled by talent. Talent and entrepreneurship are two key drivers of innovative economy (WEDC, 2009). Talented employees offers greater commitment to innovation and technology. The detailed investigation of entrepreneurial talent is significant in many regards, hence talented individual can do better in a particular task, which can explain why some entrepreneurs can be successful while others can't. Thus, spotting talent is an essential process so that talented individuals can be treated to enhance their outcome.

The behavior prediction theories or theory of planned behavior has been a promising tool in identifying the future behavior. Identification of entrepreneurial talents can be effectively done through the application of theory of planned behavior (Ajzen, 1991). The theory of planned behavior states that, (i) attitude towards the behavior, (ii) subjective norms, and (iii) perceived behavior control directs the intention of an individual, further the intention transforms into behavior (Ajzen, 1991). The behavior of starting a new venture is intentional and planned, thus theory of planned behavior is an appropriate tool in assessing it. Further, Krueger & Brazeal in 1994 have enhanced theory of planned behavior by inculcating Shapero's model of entrepreneurial event (Shapero, 1982). The Shepero's theory of entrepreneurial event states that, inertia directs the behavior of an individual until it is interrupted by an external displacement, the displacement may be positive (e.g. impressed by other successful entrepreneurs) or negative (e.g. loss of job). The result of displacement will lead to change in behavior based on, (i) feasibility of alternative option and (ii) willingness to act upon the alternative option. The combination of theory of planned behavior and Shapero's entrepreneurial event are combined together to predict how prepared is an individual to take up entrepreneurial career in future, termed as "entrepreneurial potential".

Entrepreneurial potential is identified as one of the most important predictor of entrepreneurial behavior (Krueger & Brazeal, 1994). The entrepreneurial potential seeks to identify the triggering factor that initiate the entrepreneurial behavior among the individuals. Entrepreneurial potential is referred in different frameworks by researchers like intention, preparedness or orientation, but converge to explain preexisting state of willingness within the individual to take up entrepreneurial opportunity (Ryan et.al. 2011; Kaltenecker et.al, 2013; Yusoff et.al, 2016). The concept of entrepreneurial potential helps in estimating the necessary pre-condition existing in an individual for successful entrepreneurial career (Krueger, 2009). The different dimensions of entrepreneurial potential can be identified from the literature, such as, risk taking, hardworking, flexibility, creativity, team working, leadership, desirability, innovation and leadership. These dimensions are not the measures of entrepreneurial potential rather they are considered as the signs or capabilities that enhances the state of readiness to take up entrepreneurial opportunities in the future.

Need for achievement or achievement motivation is the strongest psychological trait justified by majority of researchers, coined by McClelland (1961). The psychological based research started exploring entrepreneurial through trait based approach in early 1960's and 70's. Trait based approach – describes the characteristic of entrepreneurs. The trait based approach had failed to give a compressive picture of entrepreneur. The failure of trait based approach was highlighted by researchers in 1980's (Gartner, 1988). In spite of huge criticism on trait based approach, achievement motivation was one such trait which withstand all the criticism and proved to be one of the fundamental element which frames the entrepreneurs. The concept of achievement motivation is developed based on empirical evidence from the experiment conducted around the world (McClelland, 1987). Achievement motivation influences the individual to take up an entrepreneurial position in order to attain more achievement satisfaction than could be derived from other types of positions. The motive to start new venture is the primary and fundamental drive and many entrepreneurial theories without motivation are incomplete (Herron & Sapienza, 1992). Since motivation triggers the entrepreneurial behavior it also acts as the interaction between individual and the environment. The recent studies have indicated that, the individuals with higher achievement motivation prevailed in difficult situations and exhibited extraordinary standards in professional activities (Segal et al., 2005). Literature, suggests that the individual character of achievement motivation has positive impact on entrepreneurial potential and further on entrepreneurial talent.

Methodology

As entrepreneurial potential is the state of preparedness to take up entrepreneurial career in the future, the students are the sample unites considered for the study. Students currently undergoing their graduation and post-graduation education are taken for the survey. As the students undergoing higher education at the end of their course are exposed to career decision making, it is considered as the right time to assess the entrepreneurial potential and achievement motivation in them. The sample unites are further divided into two major groups i.e. students with entrepreneurship/business/economic background and students without entrepreneurship/business/economic or technical background. The sample in the present study are M.B.A and Engineering final year students specifically chosen based on the above assumption. Similar research design are also cited in the other entrepreneurship related articles (Krueger et al. 2000) it also helps in evaluating the impact of entrepreneurial education on the variables.

The sample was collected from 16 management (MBA) and 16 engineering colleges by using multi-stage sampling. All the management and engineering colleges that are located within Karnataka, India are considered. The colleges which are operational from last 10 years and above are considered. The samples are collected from the students studying in final year of academic year 2015-16 are considered for the study. The data was collected from a total of 463 management and 496 engineering across 16 management and engineering colleges considered for the study.

The study aims to assess the impact of achievement motivation on entrepreneurial potential, both the variables are measured using the existing scales. Entrepreneurial potential is evaluated using the entrepreneurs self-test containing ten items, originally developed by Macke and Markley, 2003. The reliability of the scale is further tested, yielding a Cronbach's α of 0.804. The achievement motivation is traditionally evaluated through thematic appreciation test (TAT). TAT has complication in evaluating large samples, hence an alternative measure is developed by Ryan et.al. 2011 continuing 15 item scale which was in alignment with

McClelland's conceptualization of achievement motivation. The reliability of the scale is tested, yielding a Cronbach's α of 0.811.

Data Analysis

The data is analyzed using EZR on R Commander, version 1.36. The data is subjected to descriptive analysis, the details of the analysis is presented in table no 1.

Table 1: Descriptive Analysis

Variable	N	Mean	SD	Median
Entrepreneurial Potential	959	3.943	0.598	4.00
Achievement Motivation		3.610	0.461	3.60

Source: Author

The data is normally distributed as the mean and median are closely located, hence parametric test are used. Two sample t-test was used to compare the means of management and engineering students. The table 2 represent the output of t-test.

Table 2: T-test Output

Groups	Variable	N	Mean	SD	t-value	P-value
Management	Entrepreneurial Potential	463	4.01	0.56	3.336	0.000
Engineering		496	3.88	0.62		
Management	Achievement Motivation	463	3.67	0.44	4.006	0.000
Engineering		496	3.55	0.46		

Source: Author

From the t-test it is found that, there exist a significant difference in entrepreneurial potential and achievement motivation among management and engineering students. The management students has recorded high entrepreneurial potential and achievement motivation in comparison with engineering students.

The influence of achievement motivation on entrepreneurial potential is measured through a regression model. The regression analysis values are presented in the table 3, regression model is presented in table 4.

Table 3: Regression Analysis

Groups	Model	R Square	Adjusted R Square	F	SE	P-value
Management	1	0.3473	0.3459	245.3	0.454	0.000
Engineering	2	0.3803	0.3791	302.6	0.493	0.000

Source: Author

Table 4: Regression Model

Groups	Variable	Estimate	SE	t-value	P-value
Management	Intercept (Estimate)	1.287	0.175	7.354	0.000
	Achievement Motivation	0.741	0.047	15.663	
Engineering	Intercept (Estimate)	0.951	0.169	5.6	0.000
	Achievement Motivation	0.824	0.047	17.39	

Source: Author

The regression analysis signifies healthy relation among entrepreneurial potential and achievement motivation. The R-square value of 0.3473 and 0.3803 was recorded for management and engineering students. This indicates achievement motivation has 34.73% and 38.03% influence on entrepreneurial potential among engineering and management students.

Conclusion and Discussion

The finding of the paper indicates that entrepreneurial talent can be detected through entrepreneurial potential in the beginning stages. Entrepreneurial potential is a superior model to indicate the state of preparedness to take up entrepreneurial career in the future. The two set of samples selected for the study are have varying degree of exposure to entrepreneurship, management students have higher exposure to entrepreneurship. On the other side engineering students are more exposed to technical knowledge with limited or nil knowledge of entrepreneurship. The entrepreneurial potential scale has been validated through t-test that it can be an effective tool in spotting the entrepreneurial talents. The entrepreneurial potential can also be used to spot talents with in different disciplines.

The second question of the paper is explained by the regression analysis. The regression model explains the degree of relationship among entrepreneurial potential and achievement motivation. The achievement motivation explains 1/3rd of the entrepreneurial potential in both management and engineering students. Thus developing achievement motivation among students will lead to increase in entrepreneurial potential and it further leads to increase of entrepreneurial talent. It is also essential to ensure the constant flow of entrepreneurs to sustain the national growth and development.

Further, the influence of remaining factors on entrepreneurial potential needs in-depth analysis of entrepreneurial potential. Entrepreneurial potential need to be analyzed with other variables like leadership and other environmental factors to understand the different elements associated with it. The concept of entrepreneurial talent itself is a different area of study with in entrepreneurship, the different theories related to talents can be merged with entrepreneurship, which will lead for development of improvised model of entrepreneurial talent.

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