

## **Achievement Motivation among Start-ups: A Study to Identify the Level of Achievement Motivation among Start-ups in Kochi.**

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**Abstract:** Business start-up is one of the key word which is widely discussed and debated in India at least for quite some time with the launch of Start-up India, stand up India scheme. Recently emerged business entity with the objective of serving the market requirements by providing new product, process or service can be termed as a start-up. Establishing start-ups will help in the establishment of business entities which will eventually enhance job opportunities and furnish positive changes with respect to the development of any country. However, the extent to which the transition of a start-up into a full-fledged business is not encouraging. There are many reasons for the reluctance of a start-up to emerge as a business enterprise. One of the most important reasons behind this reluctance is lack of achievement motivation. Low achievement motivation will simultaneously infuse fear of failure. This fear of failure will hold people back from taking risks as well as uncertainty. This study analyses whether achievement motivation has any significant role in creating a fear of failure among potential entrepreneurs.

**Keywords:** Achievement, Business, Entrepreneur, Motivation, Start-up.

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### **I. Introduction**

Start-ups are small companies which can play a major role in economic development. Establishment of start-ups results in creation of more jobs which will result in more employment. It is a fact that opening up of new businesses establishments leads to job creation. Growing employment rate is a sign of economic growth. Start-ups also contribute to the rampant sprout of innovations which really bring in a perfect competitive market structure. Emerging entrepreneurs can bring in innovative ideas which are mandatory factor for economic dynamism. These start-ups can boost economy by revolutionizing technology and by creating new industries over time. These start-ups are engines of growth by generating money for owners, employees and shareholders. Google, Facebook, Apple, LinkedIn, Twitter, all these companies have played crucial role in infusing the entrepreneurial culture in the millennial generation. In the case of Indian economy, number of startups reached 4,200 in the year 2015. These startups helped to create 80,000 new jobs and contributed immensely to the Indian economic growth. But unfortunately 40-50 percent of startups are dying within five years of their inception. Hence it may not be accurate to make conclusions with respect to the economy on the basis of the number of these startups. The size and volume of enterprises are not the lone factors which inspire the entrepreneurs but at the same time the quantum of impact that they can create to an economy really attracts entrepreneurs. However, there has been little research conducted with respect to the sustainability of jobs created by start-ups, and even about the fate of these start-up once they enter their third or fourth year. At this time the initial push of the all the stake holders like, Government, investors and venture capitalists fizzles out which narrows down the readily available constant stream of finance also. By that time the promise of a billion-dollar startup is either on the verge of being broken or is being tested by cut-throat competition which started hiring for employees, powered by deep pockets of their investors, now end up in consolidation and trimming their resources on the pretext of restructuring and sustainability. Thus, it is important to understand the reasons behind the withering away of these start-ups. It is identified that achievement motivation plays a crucial role in the critical issue. The present study tries to identify the role of achievement motivation in among start-ups.

### **II. Literature Review**

The concept of need for achievement motivation emerged in the late 1950s (McClelland, Clark, Roby, & Atkinson 1958). Achievement motivation is a unique human motive which can be differentiated from other needs. One of the most important characteristic features of an achievement motivated person is that they are more concerned with achievement than with retribution for success. An achievement motivator always believes that rewards are not a prerequisite for them to accomplish a goal. Achievement of success and avoidance

of failure is a human orientation. The urge to achieve success is predetermined by factors like, desideratum to achieve or succeed, an individual's anticipation about the degree of successful completion of a task and the incentive for achievement of a task. Similarly avoidance of failure is also influenced by a set of factors like, requisite to avoid failure, estimation of the chance of failure in executing a task and the consequences of failure (Atkinson, 1966). Organizational success, to a great extent is dependent on achievement motivation, which necessitates them to identify and describe employees' achievement motivation. Achievement motivation plays a crucial role in organizational recruitment process also since identification of the personal features and surroundings of potential employees enable the organization to decide whether they have high achievement motivation or not.

Conceptualization of achievement motivation had taken in place in different dimensions which resulted in the growth of various approaches in achievement motivation. Even though numerous theories have been developed in achievement motivation, all these theories are complementary to each other rather than competing each other. The two prominent theories among the theories are achievement motive approach and achievement goal approach. The motives of achievement include the need for achievement and the fear of failure. Achievement motives have the capacity to influence our behaviour either positively or negatively. Individuals are guided towards the attainment of specific organizational goals by achievement motive. Performance-approach goal, performance-avoidance goal, and mastery goal are the three types of achievement goals. Performance-approach goal focuses on attainment of competence, performance-avoidance goal concentrates on incompetence avoidance, and development of competence is the objective of mastery goal. So it can be stated that achievement motives have a direct influence or impact on achievement-related circumstances. Achievement motives will indirectly influence achievement-related circumstances, whereas achievement goals will have an indirect sway on achievement-relevant outcomes (Elliot & McGregor, 1999).

A significant and positive correlation has been identified between achievement motivation and emergence into entrepreneurial roles (Johnson 1990). (Kaufmann & Dant, (1998) states that achievement motivation is significantly correlated with two important factors of entrepreneurship like choice of an entrepreneurial career as well as entrepreneurial performance. People who are highly achievement motivated are more likely than those who are low achievement motivated to engage in vibrant and innovative activities which require advance thinking for the future and take responsibility individually for task outcomes (McClelland, Clark, Roby, & Atkinson 1958). McClelland (1961) emphasizes highly achievement motivated people always opt for tasks which involve skill and effort. They provide clear performance feedback, and willing to take moderate challenge or risk, which are the basic prerequisites of entrepreneurial positions than other types of positions. Individuals will be attracted to a career which provides them with environmental features which will match with their personality as well as their individual characteristic features (Holland 1985). Holland (1985) also stated that where environment characteristics and personality matches the level of satisfaction and level of performance will be on higher platforms. This is why McClelland (1961) suggested that individuals with high achievement motivation should be attracted to entrepreneurial avenues so that they can perform well in entrepreneurial jobs.

Countries with a higher mean level of achievement motivation exhibit more entrepreneurial activity and there by economic growth than those countries with a lower mean level of achievement motivation (McClelland 1961). There is statistically significant relationship between a country's average level of achievement motivation and the resultant economic growth of that country. The history also shows evidence that there existed a kind of relationship between achievement motivation and entrepreneurial activity. As already mentioned in the introductory part of this paper, the size and volume of enterprises are not the lone factors which inspire the entrepreneurs but at the same time the quantum of impact that they can create to an economy rally attracts entrepreneurs. This attitude of individuals can be termed as achievement motivation, since achievement motivation focuses on a larger canvas than on near periphery.

### **III. Research Methodology**

#### **Research Design**

The research design adopted in this study is descriptive in nature. Descriptive research is a study designed to depict the participants in an accurate way. It is used to describe characteristics of a population or phenomenon being studied. It gives detailed information about the study.

#### **Population**

For this study, the population selected was the start-up holders and recently emerged entrepreneurs in Cochin, Kerala.

**Sample Size**

The number of observation in a given sample population is known as Sample size. The sample size formula for the infinite population is given as:

$$X = z(c/100) \sqrt{r(100-r)}$$

$$n = N \times ((N-1) \times E^2 + x)$$

$$E = \sqrt{(N-n) \times r / (N-1)}$$

n-population size

r fraction of responses that you are interested in z(c/100) is the critical value for the confidence level C. Assuming a margin of error of 5% and confidence level of 95% recommended sample size was 150.

**Research Instrument**

The instrument used in this was questionnaire prepared with the objective of collecting all relevant information required for achieving the research objectives. The questionnaire used in this research is to identify the achievement motivation among start-ups (fear of failure). The instrument adopted in this study was Guessing Test promoted by Dr. Udai Pareek. The guessing test instrument is intended to help respondents gain insight into their level of fear of failure, which is a dimension of the achievement motive, this is to be used primarily as a training instrument. Its administration is simple, the instrument consists of 15 pairs of statements and the respondents are required to choose one item from each pair.

**Scoring**

The following scoring key gives the alternatives that are to be scored for fear of failure. The total number of fear of failure items, checked by the respondent gives his total score which ranges from 0-15. The following indicates the fear of failure:

Table:1 Scoring

1	b
2	a
3	b
4	a
5	b
6	a
7	b
8	a
9	b
10	a
11	b
12	b
13	b
14	a
15	b

**Reliability and Validity**

Reliability of the above instrument is being checked with the help of Cronbach's Alpha test and a reliability of 0.701 is obtained.

Table:2 Reliability Statistics

Cronbach's Alpha	Number of Items
0.701	15

Demographic Profile

Table 3: Gender

	Frequency	Percentage
Male	105	70.00
Female	45	30.00
Total	150	100.00

Source: Survey Data

From the total respondents of 150, 105 respondents were male which contribute 70.0% of the total respondents. 45 of the respondents were female and contribute 30.0% of the total respondents.

Table 4: Age

	Frequency	Percentage
1.00	42	28.0
2.00	54	36.0
3.00	31	20.7
4.00	17	11.3
5.00	06	4.0
Total	150	100.0

Source: Survey Data

Here **1.00** represents the age group of **25-30**

**2.00** represents the age group of **31-35**

**3.00** represents the age group of **36-40**

**4.00** represents the age group of **41-45**

**5.00** represents the age group of **46-50**

Out of the total respondents of 150, 42 are at the ages between 25-30 which contributes 28.0% of the total respondents and 54 are at the age between 31-35 which contributes 36.0% of the total respondents. About 31 respondents are between the ages of 36-40 which contributes 20.7% of the total respondents. 17 respondents are between the ages of 41 to 45 which contribute 11.3% of the total respondents. 6 respondents are between the ages of 46 to 50 which contribute 4.0% of the total respondents.

Table 5: Designation

	Frequency	Percentage
Director	19	12.7
Partner	41	27.3
Owner	61	40.7
CMD	13	8.70
MD	16	10.70

Total	150	100.0
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Source: Survey Data

Out of the total respondents of 150, 19 respondents are Directors of the Company which contributes 12.7% of the total respondents. 41 respondents are Partners of the company which contributes 27.3% of the total respondents and 61 respondents are Owners of the company which contributes 40.7% of the total respondents. 13 respondents are CMD's of the company which contributes 8.70% of the total respondents and 16 respondents are MD's of the company which contributes 10.70% of the total respondents.

Table 6: Company type

	Frequency	Percentage
Entertainment	10	6.67
Fashion	37	24.70
Software / IT	32	21.30
Builders	17	11.30
Food	25	16.70
Pharmaceutical	3	2.0
Advertisement / Graphics	26	17.30
Total	150	100.0

Source: Survey Data

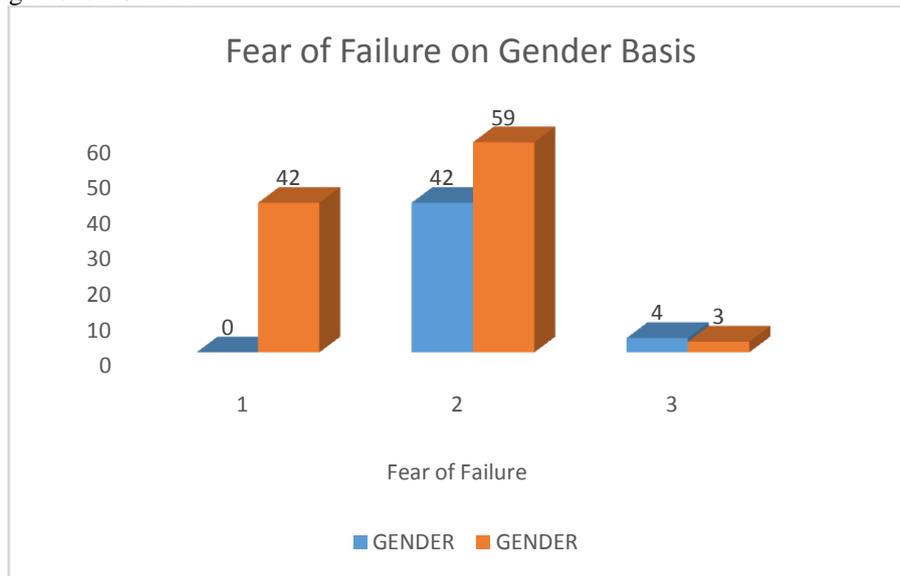
From the total respondents of 150, 10 respondents are Started Entertainments which contributes 6.70% of the total respondents. 37 respondents are in the field of Fashion which contributes 24.30% of the total respondents. 32 are in the field of Software / IT which contributes 21.30% of the total respondents and 25 respondents belongs to Food Sector category which contributes 16.70% of the total respondents. 3 respondents belongs to Pharma Industry which contributes 2.0% of the total respondents. 26 respondents are in Advertisement / Graphics which contributes 17.30% of the total respondents.

Table: 7 Guessing Test on Gender

Count		GENDER		Total
		Male	Female	
	1	42	0	42
Fear of Failure	2	60	41	101
	3	3	4	7
Total		105	45	150

Source: Survey Data

Fig: 1 Guessing Test on Gender



Here **1** represents the **low** fear of Failure

**2** represent the **moderate** fear of Failure

**3** represent the **high** fear of Failure

From the total respondents of 150, female respondents are having high fear of failure than male.

In low fear of failure male contributes 42%, 58% more of females having fear of failure.

In Moderate fear of failure male contributes 59%, 51% more of females having fear of failure.

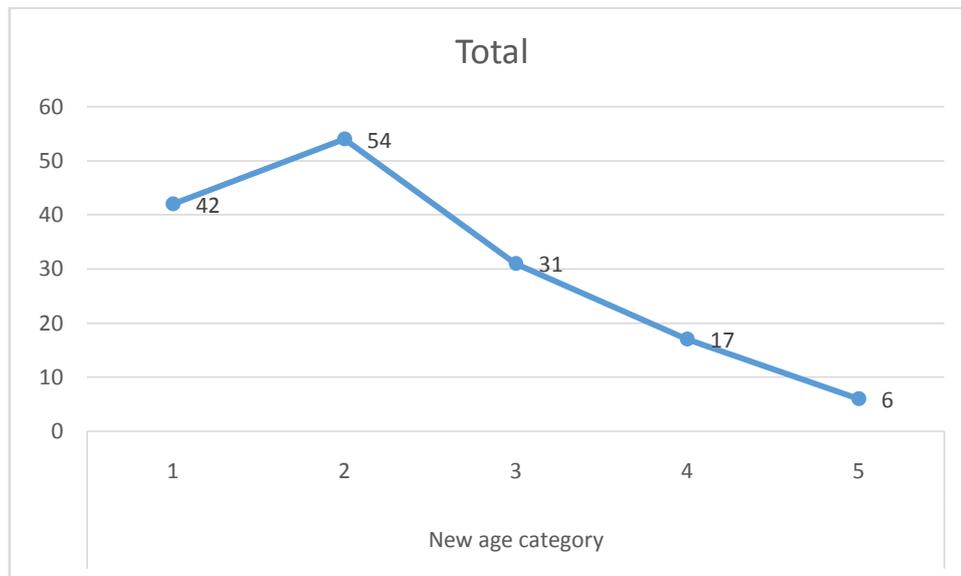
In high fear of failure male contributes 30%, 70% more of females having fear of failure.

Table: 8 Guessing Test on Age

		New Age			
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.00	42	28.0	28.0	28.0
	2.00	54	36.0	36.0	64.0
	3.00	31	20.7	20.7	84.7
	4.00	17	11.3	11.3	96.0
	5.00	6	4.0	4.0	100.0
Total		150	100.0	100.0	

Source: Survey Data

Fig: 2 Guessing Test on Age



Here **1.00** represents the age group of **25-30**

**2.00** represents the age group of **31-35**

**3.00** represents the age group of **36-40**

**4.00** represents the age group of **41-45**

**5.00** represents the age group of **46-50**

From the 150 respondents of age group 25-30, 42 respondents are having fear of failure and from age group of 31-35, 54 respondents having fear of failure, from the age group of 36-40, 31 respondents having fear of failure. For the age group 41-45, 17 respondents have fear of failure and last age group of 46-50, 6 respondents having fear of failure. As when age flows from top to down the fear of failure is less, this is because the age groups 25-30, 31-35, they are fear in their competitive field than experienced entrepreneur with age group of 36-40, 41-45, 46-50.

**Table: 9**Fear of Failure on type of Start-ups.  
Count

	COMPANY TYPE							Total
	Entertainm ent	Fashio n	Software / IT	Builder s	Food	Pharmaceu tical	Advertisem ent / Graphics	
1	3	10	9	8	4	2	6	42
Q22Fear_of_Fa ilure 2	7	27	22	9	18	0	18	101
3	0	0	1	0	3	1	2	7
Total	10	37	32	17	25	3	26	150

Here **1** represents the **low** fear of Failure

**2** represents the **moderate** fear of Failure

**3** represents the **high** fear of Failure

From the total respondents of 150, low fear of failure categorized on Entertainment sector by 3%, Fashion by 10%, IT by 9%, Builders by 8%, Food by 4%, Pharma by 2% and Advertisement / Graphics by 6%.

Moderate fear of failure on Entertainment Sector by 7%, Fashion by 27%, IT by 22%, Builders by 8%, Food by 18%, and Advertisement / Graphics by 18%.

High fear of failure on Entertainment Sector by 1%, IT by 3%, Pharma by 1%, and Advertisement / Graphics by 2%.

#### IV. Conclusion

From the study we can conclude that the fears of failure among start-up are visible. Most of the start-up holders need products or venture different from others. Since there are many entrepreneurs who are having fear of failure than hope of success, initiatives can be taken by the Government as well as the concerned authorities to instil confidence as well as identify measures to pump achievement motivation among them. It is also noteworthy that females are having high fear of failure than male and emerging entrepreneurs are having high fear of failure than existing entrepreneurs. Hence measures can be taken to address the issues faced by these two immense potential groups. Thus this study can be an eye opener for all the stake holders who want to encourage the emergence of start-ups.

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