

Push and Pull Motivations of Vietnamese Seafood Entrepreneurs toward Market

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Abstract: Based on the sample of 60 seafood entrepreneurs interviewed in the Mekong Delta, a model for entrepreneurial motivations comprising five factors is proposed, in which different types of motivation are taken into account. Those five factors are resource availability, crisis, social status, communication status, and leadership. Motivations are branched out *pull motivations* and *push motivations*. Findings verify that the factors of resource availability, crisis, and communication status aren't part of the pull motivations and the push motivations of entrepreneurs. Although this result is unexpected, it raises an interesting question with respect to the role entrepreneurial threats or opportunities in the decision to create a firm. The paper finds evidence of pull motivations and push motivations significantly related to leadership and social status. Those are important for the decision to create the seafood business of entrepreneurs, in which leadership is more spreading into effect than social status. In addition, a significant difference between pull motivations and push motivations is found, which entrepreneurs think that the pull motivations are more important than the push motivations to start up business.

Keywords: Entrepreneurs' Motivations, Seafood Entrepreneurs.

I. INTRODUCTION

For current years, Vietnam has been trying to be a new tiger in Asia. The growth of Vietnamese economy has attracted many entrepreneurs entering the market for their own business. However, motivations to start up business are depended on many factors, as argued by Morales-Gualdrón, et al. (2009), and Giacomini, et al. (2011).

Entrepreneurs earn their business opportunities by using an outsiders' perspective, competences, or experiences to preserve momentum, run their business successfully, and ultimately contribute to economic growth (Borgatti and Foster, 2003; Moensted, 2007; Provan et al. 2007). Many papers found a significant contribution of entrepreneurs to socio-economic development, in that employment creation is a point of view (Acs and Audretsch 2003, Carree et al. 2002).

After "Doi Moi" policy in Vietnam verified since 1986, many enterprises have more chances to enter the market. The most popular business start-up is small and medium sized enterprises (SMEs). According to GSO¹, SMEs in Vietnam have an impressive contribution to the growth of GDP with the share of 60% in 2007, and employed above 90% of employees.

Yearly, there is an increase in amount of Vietnamese entrepreneurs entering the market. The entrance growth rate of new enterprises is around 20% per year, that the Mekong Delta in the South of Vietnam occupies 11% per year, equivalent to 17,652 SMEs. Currently, many SMEs in the Mekong Delta have paid attention to the main sector of aquaculture, because of the full advantage related to geography of the agricultural region, with supportable policies.

An increase in the establishment of seafood enterprises in the Mekong Delta toward the export markets, in which shrimp and fish play a key role, contributes to the development of the country's economy. In fact, those enterprises earned about \$4.10 million in 2007 through their export, up 13% compared to 2006. This development causes an increase in labor market. Therefore, 517 thousand labors are recruited by 17,652 enterprises.

¹ GSO: Vietnam General Statistics Office.

As mentioned above, the importance of entrepreneurship in Vietnam is appreciated. However, the main question concerned is “what motivations cause seafood entrepreneurs to start their business”? This question will be answered in this paper. Findings will be an important reference to the entrepreneurial theory, and to policy makers to design suitable institution to facilitate the business starting up of Vietnamese seafood entrepreneurs.

II. LITERATURE REVIEW

An entrepreneur is defined as a major owner and manager of a business venture who is not employed elsewhere. Its business starting up is based on personal, cultural, institutional conditions (Wennekers and Thurik, 1999).

Entrepreneurs have several areas of responsibility in their venturing, including managing business concepts, innovation, leadership, and employees (Harison and Leitch 2005).

Many papers have argued entrepreneurs' motivation. The research on ten founders of Canadian spin-offs, Doutriaux and Peterman (1982) found that the main reasons of the entrepreneurs' motivation pay attention to more freedom, independence. While Autio and Kauranen (1994) found that those motivations are personal satisfaction and availability of the resources. As argued by Benzing, et al. (2005), entrepreneurs in Ho Chi Minh City are motivated to start a business due to their personal satisfaction and growth. Whereas that of entrepreneurs in Hanoi are more motivated by the need to create a job, because of themselves and family members. Motivators of challenges and achievements plays more important than necessity and security to Vietnamese small business owners (Swierczek and Ha, 2003).

Based on the survey conducted on 152 Spanish academic entrepreneurs, with using the model for entrepreneurial motivation comprising sex dimensions, such as personal, related to scientific knowledge, to the entrepreneurial opportunity, to the availability of resources to create business, to the incubator organization, and to the social environment, Morales-Gualdrón, et al. (2009) found the motivations related to scientific knowledge are important.

According to Weatherston (1995), and Chiesa and Piccaluga (2000), the entrepreneur's motivations are separated into “pull” and “push”. Among *pull motivations* comprise a desire for independent, need to control their invention and desire for wealth. The *push motivations* are mainly related to dissatisfaction in their jobs. The need for a change in the working environment is the utmost importance. In others words, Heider (1958) and Weiner (1979) indicate that motivation as an internal determinant which includes ability and effort.

Higgins (1997, 1998) suggested two contrasting options of business motivation of entrepreneurs, e.g. promotion focus (PMF) and prevention focus (PVF). PMF individuals are concerned with progress, development and success, and try to shield themselves from errors of omission. Moreover, they also display openness to change, strong ideals and a willingness to assume risks. PVF individuals are more concerned with safeguarding, being right when rejecting and avoiding errors of commission. They also display a preference for stability and evidence a strong commitment to obligations. Conclusion, individuals of PMF pay attention to achieving personal objectives whereas those of PVF take care of goals which are more closely linked to obligation, duty or professional responsibility (Crowe and Higgins, 1997 and Brockner and Higgins, 2001).

III. SURVEY AND METHODOLOGY

Respondents interviewed, whom made the decision to become owner-managers. The study is based upon entrepreneurs in business long enough to be considered successful or unsuccessful. Enterprises with age above 1 year are considered. Initially, there are 75 questionnaires sent to entrepreneurs of seafood companies in the Mekong Delta, whose main market is the international market, accounting for the share 90% of the total revenue. Eventually, 60 questionnaires are replied, completely filled, and sufficient. Items enclosed in the questionnaire are measured by a five point Likert scale, with five (5) being likely and one (1) being unlikely.

In order to investigate the entrepreneur's motivation, Morales-Gualdrón, et al. (2009), Giacomini, et al. (2011), and Benzing et al. (2009) apply principal component factor analysis. According to Morales-Gualdrón, et al. (2009), the entrepreneurial motivation is a construct, including six motivational dimensions: personal, related to scientific knowledge, to the entrepreneurial opportunity, to the availability of resources to create business, to the “incubator organization”, and to the social environment.

Based on concepts of Chiesa and Piccaluga (2000), Weatherston (1995), and Morales-Gualdrón, et al. (2009), the model of this paper is concerned, as shown figure 1.

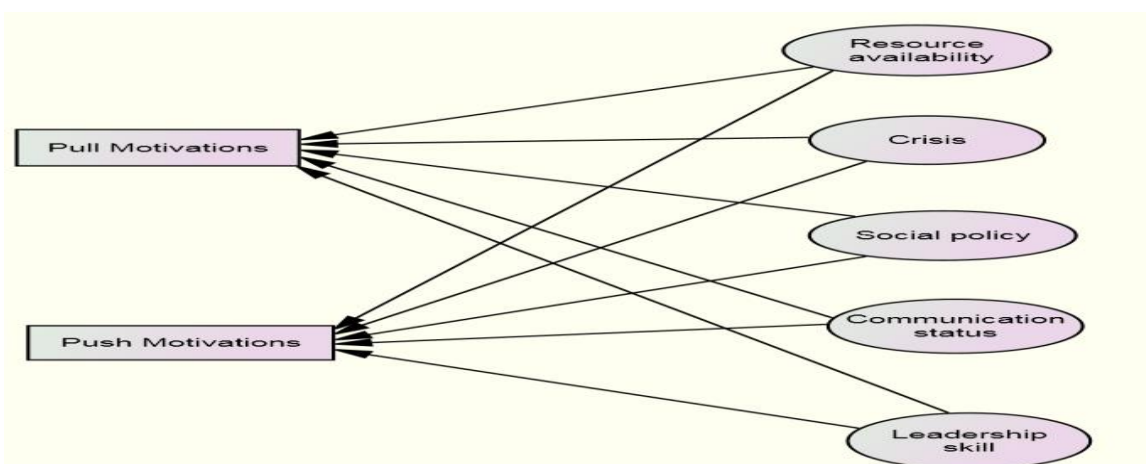
Resource availability: Establishing a company involves the investment of various kinds of resources, so their availability is an essential element in the decision and influences perception of the viability of developing the project (Gartner, 1988; Radosevich, 1995).

If one would be entrepreneur realizing an entrepreneurial opportunity, does not have the resources to exploit it, such as venture capital firms, the project will be difficult to realize. The availability or unavailability of any of these resources can become a key element in the decision to establish a firm. Thus, we believe that resource availability is a key dimension in entrepreneurial motivation. Accordingly, aspects considered in the paper consist of the availability of resources to create the firm, represented by four sub-dimensions: financial capacity, promotion programs, production facilities (toward product diversity), advanced technology.

Crisis: Crisis is a main reason to limit financial resources and tends to hurt economic growth in the long run. Akerlof et al. (1996) argued that the low crisis enhances real wage flexibility, and is thus preferable to no inflation at all from social point of view. Conclusion, crisis could be related to entrepreneur's motivations to track market.

Social policy: Some paper argues that infrastructure status play one of social policy. The entrepreneur doesn't think that the bad infrastructure system could be no problem for them, because many costs could be incurred, not only during production, but also transportation. Not at all entrepreneurs have their strong own finance, some of them must look for capital source from credit organizations. However, if the government pays attention to financial tight policy, the opportunity for entrepreneur to take loan is not much, so this can make constraints to entrepreneurs' motivations. Besides, elements of competition, market price and exchange rate can also govern the entrepreneur's motivation. In sum, an increase in the positive social policy causes raise in a positive motivation of entrepreneur.

Communication status: Vietnamese culture is not easy for people toward a good communication just from the initial meeting. People are seemly embarrassed to open story with others. However, some ones are quite confident for that if they think they are honest, prestigious and are good social position. Therefore, people with characteristics of honest, prestige, social position, and good communication, are advantageous for entrepreneurs to track market. As argued by Morales-Gualdróns, et al. (2009), the social networks consist of activities of communication and it can positively influence the likelihood of creating a company.



Source: Chiesa and Piccaluga (2000) and Morales-Gualdrón, et al. (2009)

FIGURE 1: MODEL FOR STUDY OF ENTREPRENEUR'S MOTIVATIONS

Leadership skill: Among the leadership theories in the organizational research, the transformational leadership has captured scholars' interest most over the past two decades (Bass and Bass, 2008; Lowe et al. 1996). Some previous research has identified management support as being one of the most important organizational factors that influences entrepreneurship. The management support refers to the willingness of managers to facilitate and encourage employees; including the champion of innovative ideas and providing the resources that employees need to take actions. Although the

first choice to work a company is salary level, the employee can change its job after recruitment once the leader of the company is not presented as good and skill leadership. Therefore, it seems plausible that managers' leadership style might play an important role in encouraging their staff. Leadership concerned in case consists of elements of experiences in the same sectors, trained and hard working. Benzeng, et al. (2005) and Chu, et al. (2007) have sought to determine the management most critical for entrepreneurs' success.

IV. ENTREPRENEURS AND THEIR CHARACTERISTICS

Data reported in table 1 is based on sixty entrepreneurs interviewed. Accordingly, with high education of 16 years in school, together with experiences of 9.6 years in seafood business, we can conclude that seafood entrepreneurs in the Mekong Delta have an advantage of human resource. In addition, they are also dynamic, due to the average age as the young founder around 38 years old.

TABLE 1: ENTREPRENEURS PROFILE

	Minimum	Maximum	Mean
Age (years old)	28	61	38.13
Education (years)	12	18	15.67
Years in experience (years)	2	25	9.63
Number of employees (persons)	10	5000	1024.73
Export value (million USD)	1.13	53.21	15.9109

Source: Own survey

As depicted in table 2, three main proprieties are addressed by entrepreneurs, in which the style of buying from other owners accounting for 46.7%, own foundation accounting for 33.3% and 20% from the old one re-built. The enterprise's capital range is mainly from 1 to 10 million USD, accounting for 65.7%, next as 30% with the range of 10- less than 50 million USD.

TABLE 2: PROPRIETY AND INITIALLY REGISTERED CAPITAL OF ENTREPRENEURS

Description	Frequency	Percent	Valid Percent	Cumulative Percent
<u>Proprietary</u>				
Own foundation	20	33.3	33.3	33.3
Buying from someone	28	46.7	46.7	80.0
Replaced from the old one	12	20.0	20.0	100.0
Total	60	100.0	100.0	
<u>Enterprise's capital registered at the beginning</u>				
under \$1 million	5	8.3	8.3	8.3
1- under \$10 million	34	56.7	56.7	65.0
10 – under \$50 million	18	30.0	30.0	95.0
above \$50 million	3	5.0	5.0	100.0
Total	60	100.0	100.0	

Source: Own survey

Note: 1 USD = 21,000 VND

V. MEASUREMENT OF MOTIVATIONS

As depicted in figure 1, pull motivations and push motivations are dependent variables, while resource availability, crisis, social status, communication status, and leadership, are independent variables, playing as factors. Those five factors are extracted from 20 items (figure 2).

Using the technique of confirmatory factor analysis (CFA), the measurement model describes the relationship between: (i) the number of latent variables or factors; and (ii) the manifest indicator variables that measure those latent variables. Five latent variables as mentioned are resource availability, crisis, social status, personal communication, and leadership.

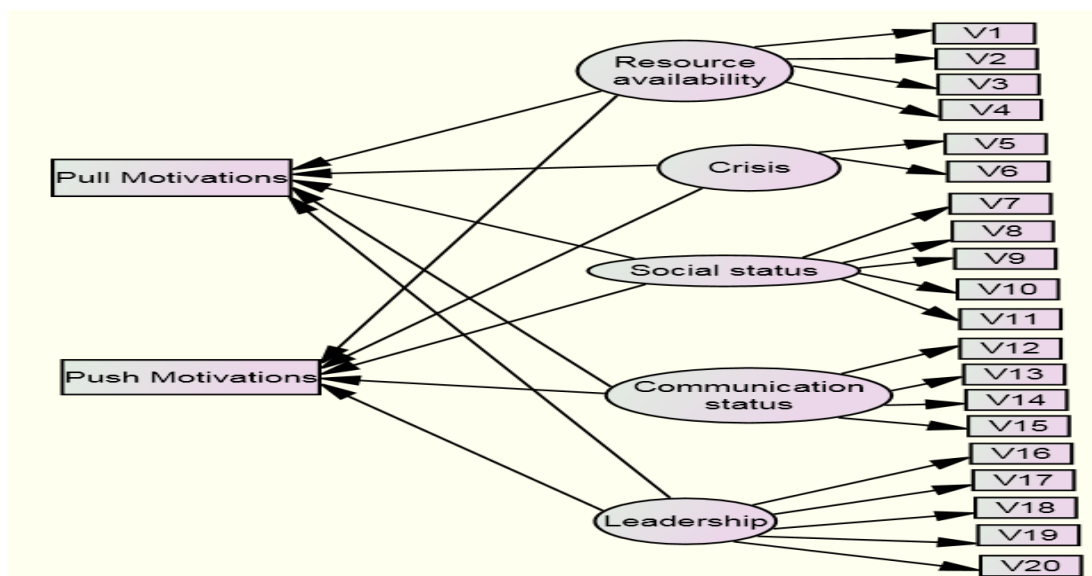


FIGURE 2: EMPIRICAL MODEL OF ENTREPRENEURS MOTIVATIONS

The factor of *resources availability* includes V1-financial capacity; V2-promotion program; V3-production facilities; V4-Advanced technology. The factor of *crisis* comprises global crisis and domestic crisis. The factor of *social status* consists of V7-infrastructure system, V8-financial tight policy, V9-competition, V10-market price, V11-exchange rate. The factor of personal communication includes V12-honest, V13-prestige; V14-social position; V15- communication skill. The factor of leadership includes V16-good experience, V17-Trained, V18- hard work, V19- capacity of human management, V20-good management. The model is estimated by using the Maximum Likelihood (ML) method. We used AMOS18² software.

In order to be sure a good model, Cronbach's alpha test is taken into account, the standardized alpha of 20 items scale is 0.75, indicating the acceptable degree of internal consistency (Nunnally and Bernstein, 1994, Hair, et al. (2006). As a result, all 20 items are used in factor analysis (EFA), its result is seen in the next step.

As shown in figure 3, the saturated measurement model includes five extracted latent factors. The model has CMIN = 725.463, df = 201 and P-value = 0.000, TLI = 0.939, CFI = 0.972 and IFI = 0.907 (> 0.9), RMSEA = 0.051 (<0.08). Consequently, the model fitness is generally accepted as indications of good fit..

The result of structural equation modeling shown in figure 3 specifies relationships between latent variables (as independent variables) and dependent variables (e.g. pull motivations and push motivations).. The standardized regression weights present the amount of change in the dependent variable that is attributable to single standard deviation unit's worth of change in the independent variables.

As resulted, both leadership and social status have positive impacts on pull motivations and push motivations and are significant at any level. This confirms that the factor of leadership with a long time of experience (V16), well trained (V17), hard work (V18), capacity of human management (V19), and good management (V20), cause an increase in the pull motivations of entrepreneurs as well as the push motivations.

² Analysis of Moment Structure SEM-Structural Equation Modeling

This finding is part to be consistent with Morales-Gualdrón, et al. (2009). Because the weight of leadership impacting on the pull motivations is 0.69, and that on the push motivations is 0.70, we can infer there is not a significant difference between those weights. It means that the leadership status impacts on pull and push motivation is almost the same.

For social status, the result also confirms that the social status significantly influences both pull motivations and push motivations at any level. Because the weights of social status are positive, an increase in the factor social status which consists of infrastructure system (V7), financial tight policy (V8), competition (V9), market price (V10), exchange rate (V11), makes a rise in pull and push motivations of seafood entrepreneurs. As resulted, the weight of social status impacting on the pull motivation is 0.16 while that of on the push motivations is 0.23, the factor of social status has a significant impact on the push motivations rather than the pull motivations. Unluckily, we could not find a significant relationship between entrepreneur's motivations and latent variables of resource availability, crisis, communications, while Autio and Kauranen (1994) found that motivations are partly of resource availability.

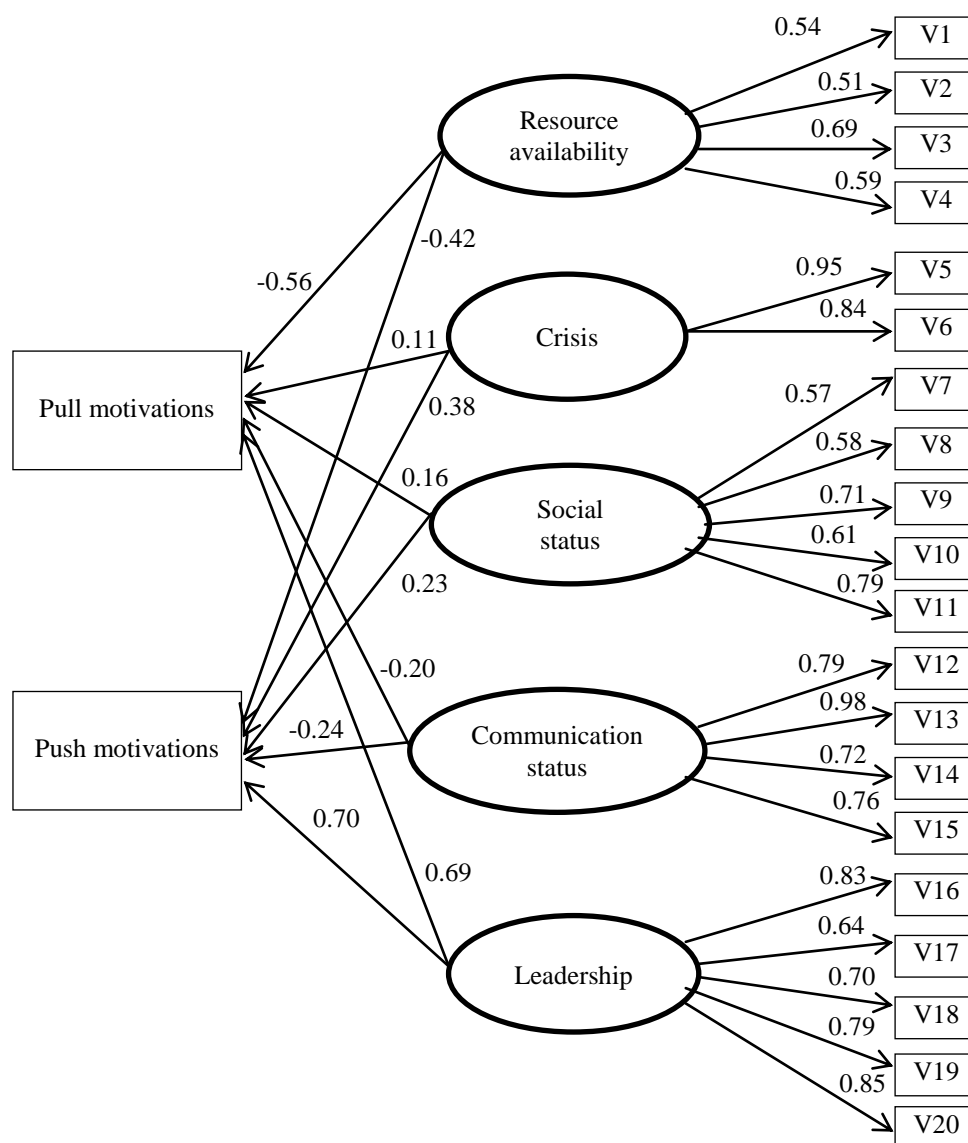


FIGURE 3: STRUCTURAL EQUATION MODELING (STANDARDIZED)

Test difference between pull motivations and push motivations:

In order to compare how different is between pull and push motivations of entrepreneurs, nonparametric test is concerned, directly by Wilcoxon Signed Ranks Test.

As resulted in from descriptive statistics in table 3a&3b, the seafood entrepreneurs confirm that their pull motivations get the mean value of 3.4, while those of push motivations are 3.2. Based on Wilcoxon test, we find a significant difference at 5% level with 2-tailed between pull and push motivations. As a result, pull motivations have greater impact on entrepreneurs' starting up business than push motivations.

TABLE 3A: DESCRIPTIVE STATISTICS OF PULL AND PUSH MOTIVATIONS

Motivation of entrepreneur	N	Mean	Std. Deviation
Pull motivations	60	3.3667	.67514
Push motivations	60	3.2167	.70028

TABLE 3B: WILCOXON SIGNED RANKED TEST

Ranks

Description	N	Mean Rank	Sum of Ranks
Push motivations – Pull motivations	34 ^a	35.32	1201.00
Negative Ranks	26 ^b	24.19	629.00
Positive Ranks	0 ^c		
Ties	60		
Total			

a. Push motivations < Pull motivations

b. Push motivations > Pull motivations

c. Push motivations = Pull motivations

Test Statistics^b

	Push motivation – Pull motivation
Z	-2.107 ^a
Asymp. Sig. (2-tailed)	.035

a. Based on positive ranks.

b. Wilcoxon Signed Ranks Test

VI. CONCLUSIONS

The study uses the sample size of 60 seafood entrepreneurs in the Mekong Delta, Vietnam to find out the motivations for creating a company. We proposed and evaluated a model for entrepreneurial motivations composing five factors that represent different types of motivations: resource availability, crisis, social status, communication status, and leadership, in which motivations are branched out *pull motivations* and *push motivations*.

Our results show that the factors of resource availability, crisis, and communication status are not part of the pull motivations and the push motivations of entrepreneurs. Although this result is unexpected, it raises an interesting question about the role entrepreneurial threats or opportunity in the decision to create a firm.

Pull motivations comprise a desire for independent, need to control their invention and desire for wealth, which have a significant relationship, while the push motivations are mainly related to dissatisfaction in their jobs. The need for a change in the working environment was the utmost importance. Those two motivations significantly related to leadership and social status are important in the decision to create a seafood business, in which leadership is more spreading than social status. As a result, policies of building capacity, e.g. management skills are indispensable for entrepreneurs. To do

this, the role of local authority to keep eyes on that is extremely considered, directly by Department of Industry and Trade. In addition, based on nonparametric test of Wilcoxon, the result also finds the seafood entrepreneurs in the Mekong Delta starting up business by pull motivations rather than push motivations.

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