

ENTREPRENEURIAL CHARACTERISTICS AND MOTIVATION FACTORS OF NEW VENTURE OWNERS: A CASE IN THE FOOD-SERVICE INDUSTRY

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ABSTRACT

Entrepreneurs represent a major source of a country's economic strength because it supports job creation as well as increasing household income average and consumption demand. Entrepreneurial activity also represents a major source of innovation. Therefore, it is important to understand the determinants of small business growth particularly in developing markets and growing industries. There were two main questions that we explored with this case study; i.e. what motivates entrepreneurs, and how do entrepreneurs respond to changing market conditions and trends. This comparative case study found that both new venture entrepreneurs showed similar psychological entrepreneurial characteristics but differ in terms of how they responded to internal and external factors of motivation. These characteristics also explain how the entrepreneurs identify and translate opportunities into entrepreneurial ventures. Hence, the findings of this case study serve to identify factors that motivate new venture creation as well as the issues faced by new venture and small business owners in the greater Kota Kinabalu area, which can be used as a guideline for future studies related to entrepreneurial development programs in the industry.

Keywords: New venture creation, locus of control, risk taking propensity, need for achievement, innovativeness; entrepreneurial motivation.

1. INTRODUCTION

Entrepreneurs and entrepreneurial activity represent a major source of innovation and economic strength for any country. Growth of small-medium enterprises and born-global firm's stimulates job creation, whereas innovation can lead to the creation of better products and services. As such, creating an understanding of the factors that support entrepreneurial activity is important for both for the individual entrepreneur as well as for the country.

The study of entrepreneurship is made up of various factors including the individual, the circumstances in society and the environment, as well as the way in which these factors interact. The individual here would refer to the entrepreneur. Although there is no exact definition, an entrepreneur can be regarded as an individual who establishes and manage a business for the principal of profit and growth (Carland, Hoy, Boulton and Carland, 1984, p.358). An entrepreneur can also be defined by his/her personal characteristics, such as the need for

achievement (McClelland, 1961 - cited in Hisrich and Peters, 1998,p.69), locus of control (Rotter, 1966), or an extraordinary ability to transform markets via innovation (Schumpeter, 1934). Various studies have also found that certain characteristics of the entrepreneur can influence business performance and determine new venture success (Carland *et al.*, 1984; Baum, Locke, and Smith, 2001; Lee and Tsang, 2001; Baum and Locke, 2004).

Nevertheless, the entrepreneurs' characteristics do not act alone to determine new venture success. In his 1988 study, William B. Gartner proposed a more complete study of the process of entrepreneurship by studying the interaction of four main factors – i.e. the individual (the entrepreneur), the organization, the environment and the actual process of firm creation. Gartner's paper expanded the study of the entrepreneur beyond the individual characteristics to understanding the process of business creation; in which he proposed the definition: "Entrepreneurship is the creation of new organizations" (p.26).

In considering this definition, one must not only consider the personality traits and characteristics of the entrepreneur, but also focus on the entrepreneurial activity he/she is engaging in. Thus, there were two main questions that we explored with this case study: (1) what motivates entrepreneurs, and (2) how do entrepreneurs respond to market conditions and trends. With these objectives in mind, we conducted our preliminary case study upon two similar establishments, with the general aim to understand how personal characteristics and the conditions of the environment influenced their venture growth decisions. This comparative study can help us understand the motivations behind new venture creation, which in turn can benefit future policy makers in creating relevant entrepreneurial development programs and training schemes to induce economic national growth.

2. THE FOOD SERVICE INDUSTRY: SABAH AND THE GREATER KOTA KINABALU AREA

Trends caused by changes in the global and country markets can have important implications for entrepreneurs. Globalization and technological advances have exposed consumers to varying cultures and lifestyles around the globe. This creates a group of consumers that want a unique set of attributes in a product or service (Lambing and Kuehl, 2007). Studies in entrepreneurship also suggest that the ability to recognize and exploit opportunities brought about by changes in the market involves a complex process made up of the entrepreneur's characteristics, knowledge and experience (e.g. Park, 2005; Lambing and Kuehl, 2007). In Park's (2005) review of literature on opportunity recognition, he found that most studies put emphasis on past experience of the entrepreneur in their ability to successfully recognize opportunities in the market. Therefore, the ability to recognize trends and understand the expectations of consumers in niche markets can create opportunities for entrepreneurs.

According to the Malaysian Census (2010), the population of the greater Kota Kinabalu area is over 800,000; which includes the city center of Kota Kinabalu at over 400,000. This is a significant percentage of Sabah's 3.1 million population. The income of the average Malaysian also grew steadily between 2001 and 2011, although interrupted in 2009 because of the world economic downturn (Maybank's 2013 Economic Outlook for Malaysia). It was also reported that

the mean household income for Sabah in the year 2012 increased 29.4 percent from recent years to RM4,013 per month compared to RM3,102 in 2009; and the mean monthly household income in the urban areas remained higher than the state average at RM4,668 per month (The Borneo Post Online, 2013). Consequently, the increasing household income average, stable economic growth, and low unemployment rate have produced growing consumption demand.

Factors such as increased population and increased household income can support the growth of the food service industry. For example, according to a study by Sheng, Shamsudin, Mohamed, Abdullah and Radam (2009), it was found that "an increase in income has the propensity to lead to an increase in expenditure [demand] on foodservice". Their study found that "the estimates of income elasticities of demand for foodservice are significantly bigger than income elasticities of demand for food at home", which can be translated as an opportunity for growth of businesses in the food service industry. As reported by MITI (2006), in the Malaysian Third Industrial Master Plan (IMP3), the food industry is generally less vulnerable in the world economic changes and is expected to grow at an annual rate of 4.8 percent to US\$6.4 trillion in 2020 from US\$3.5 trillion [in 2006]. Furthermore, this report stated that among the main factors that lead the demand of food products include changes in disposable incomes, lifestyles and demographics which also relates to changes in consumer demand.

Additionally, reports by agencies such as the Euromonitor International and Canada's International Market Bureau 2011 identified that the average Malaysian is becoming an urban consumer because 71% of households currently reside in urban centers around the country. This is a significant number because studies have shown that urban consumers in Malaysia tend to consume more value-added products, whether in food-service or in processed food products. All these factors combined can benefit businesses in the retail and service industry. Moreover, according to Euromonitor International and Canada's International Market Bureau 2011 report, the three leading segments in the Malaysian food service industry are the café/bar segment, the full-service restaurant segment and the fast food segment, which account for over half of sales in value and volume.

This case study was carried out on two new venture entrepreneurs in the food service industry within the greater Kota Kinabalu area in Sabah, Malaysia. Sabah is the second largest state by land area in Malaysia and is located in on the island of Borneo. As a country, Malaysia has an ethnically and religiously diverse population of over 28 million. This diversity can be seen largely in Sabah, which has a population make up of around 32 different ethnic groups. This diversity translates to a merging of tastes as well as varied preferences of consumers, which are setting trends of consumption in the area. Therefore, it can be said that market conditions and the vast ethnic and cultural diversity of the state have created an environment that is conducive for businesses related to the food service industry.

3 A TALE OF TWO BEGINNINGS: SAILORS' CAFÉ AND A'ROMA RISTORANTE

In studying the concept of entrepreneurship, it is important to look at the individual characteristics of the entrepreneur in order to understand the process of business creation. In this study, we examined two young local entrepreneurs (or locally referred to as Sabahans),

operating two separate food service outlets in the greater Kota Kinabalu area: i.e. Sailors' Café and A'roma Ristorante.

3.1 Sailors' Café

Sailors' Café (Sailors') was officially opened on 3 August 2010. Sailors' is a restaurant that serves western-fusion food which includes typical western dishes such as fish and chips, to unique takes on popular local dishes, and even some completely foreign dishes such as an ostrich and eggplant burger. It is located 15-minutes away from the capital city of Kota Kinabalu, Sabah and is the brainchild of Mr. Nestor Suan, an adventurous traveler and cook. At the age of 33, upon returning home from his latest Antarctica adventure in 2009, he decided to open and manage his own business in the food service industry. And in Mr. Suan's own words, "building Sailors' Café from scratch was an adventure by its own accord".

It can be said that his entrepreneurial drive into this industry came from his intrigue and passion of travel, food, and overall exploring cultural diversity. It was during his working holiday in the United Kingdom in 2002-2003, where he was employed as a barman and a catering staff in London that he became exposed to the diverse cultural offerings of the U.K. According to Mr. Suan,

"Towards the end of my stay, I decided to do a solo tour to Europe, since it was just at London's back door ... So I covered France, Germany, Holland, Austria, Italy, and Switzerland. This was done with nothing more than just a Lonely Planet guide book, and my instinct [and] eventually I made more friends along the way. London and Europe were also the places which inspired me to be a chef" (Email correspondence #1, 2013).

As the owner and chef, it was obvious that his adventurous lifestyle and travel experiences became visible through the café's name and décor, as well as through the dishes it served. Not only is the café's interior lined with pictures from Mr. Suan's travels and adventures, but its chalkboard walls are also used to display the history and ingredients of some of its feature dishes; all of which have the ability to ignite interests in its customers to try the 'foreign' recipes served.

Apart from his roaming-foodie beginnings, Mr. Nestor Suan is also a graduate of Diploma in Culinary Arts from the Asian Tourism Institute in Kota Kinabalu, Sabah. His first exposure to working in a commercial kitchen was in 2005 as a chef with restaurant Pizzeria Kota Kinabalu. Then in 2006 he joined Peregrine Adventures as pastry chef and baker onboard a Russian Vessel, the Akademik Sergey Vavilov to the high Arctic and Longyearbyen. According to Mr. Suan,

Working in a vessel, with a galley the size of a submarine was indeed mind boggling. There was nowhere to run or hide, and work was challenging. At the same time, I also learned a whole new trick in the kitchen, and cutting corners so as to make life on a ship more bearable. (Email correspondence #1, 2013).

His second ocean chef adventure came in 2009 when he joined Quark Expeditions on another Russian vessel, the Lyubov Orlova, for five months. Port of call was in Ushuaia, Argentina, and successfully did 15 voyages in total to the Antarctic Continent. Mr. Suan recalls,

The distance between Ushuaia and Antarctica is 2371km, and all ships must go through the notorious Drake Passage. Violent, chaotic, and extremely notorious, these are the words typically used to describe the Drake Passage. Crockery and utensils are sometimes found to be all over the floor when the ship experiences a sudden shudder or a massive swell. The galley is not spared at all, we have to cling on to handlebars and ropes while cooking, and when it gets too rowdy, some sailors just bail out. It is indeed an experience of a lifetime. (Email correspondence #1, 2013).

When he returned to Kota Kinabalu in late-2009, he realized that recreating the gastronomic experience that he had been exposed to throughout his travels would only be possible if he had his own restaurant. Sailors' Café serves a fusion menu of local and western dishes, without being traditional. Customers can read about how the food is prepared and what ingredients were used in preparing the dishes. Each item on the menu was created by Sailors' chefs, led by Mr. Nestor Suan. In fact, Mr. Suan is involved in all levels of the restaurant's management process. In terms of sourcing raw materials, the Sailors' chefs "try as much to go direct to the farmers and livestock breeders themselves. We visit their farms to have a closer look and learn how they operate, from the early stages right to the moment they are packed and distributed out" (Email correspondence #2, 2013). In terms of building Sailors', him and his team made decisions "from sourcing out materials, to construction, design concept, trials after trials"; as well as to settling on a location (Personal interview 1, 2013).

Sailors' is located on the first-floor of a shop-lot building, within a commercial property known as Millennium Plaza (Plaza). The Plaza is accessible by the main highway that acts as a bypass between the city center and the townships within the greater Kota Kinabalu area. Deciding on a location for his business was not an easy process. According to Mr. Suan,

From the outside I knew it was a bad idea to open a restaurant on the first floor and away from town, but my gut feeling told me it was a start of a new concept and revolution if you like. And despite the many advice and warnings, I was adamant to make it happen. The first year was a struggle, as we were getting used to the business overall. We had to improvise not just on the menu itself, but manpower, budgeting, and supply chain management. A lot of things had to be altered from the initial blueprint to suite the likes of our customers, somewhere along the line it was a 360 degree turn, and back on the drawing block. Once we managed to be on cruising mode, we quickly established a strategy, and maintained it all the way. (Personal interview 1, 2013)

Nevertheless, since the Plaza was located within a residential area, it had become a popular shopping and dining area for residents of the surrounding housing area and townships; and Sailors' was able to rake in a gross income of RM890,000 on its first 12 months of operation.

3.2 A’Roma Ristorante

A’Roma Ristorante (A’Roma) began operations in February 2011. It is an Italian restaurant owned by Mr. Aaron Kimbins, who is also the head chef and manager of the restaurant. A’Roma first began offering only a few, but distinctly Italian, dishes on its menu including handmade, brick-oven backed pizzas and pasta dishes served with homemade sauce. As time passed, Chef Kimbins began adjusting the menu to offer selections of meat-based entrees – such as grilled-chicken and grill-lamb dishes – in order to offer more variety. He also adjusted his style of cooking pasta dishes as he found that many local customers were not familiar with the typical Italian *al dente* style cooking of pasta.

Although Mr. Kimbins can now be considered a chef, he did not begin with a culinary education background. Mr. Kimbins’ exposure to the food service industry happened during his college days. While studying for his business diploma in Kota Kinabalu, Mr. Kimbins worked part-time in a restaurant. His dedication to work and studies must have impressed his superiors at the time as he was later promoted to restaurant manager and he continued working in the restaurant long after getting his diploma.

During the time that Mr. Kimbins worked in the food service industry, he was exposed to various different types of restaurants and business operations, as well as different types of dishes and styles of cooking – including Japanese, Malaysian, Italian and Western-style dishes. After working in the restaurant business for a few years, Mr. Kimbins was given the opportunity to work abroad, as a cook, in an Italian restaurant in Brunei Darussalam. According to Mr. Kimbins,

I traveled a lot. I had several postings in different types of restaurants. Then when I was in Brunei, I worked in an Italian restaurant that had a Malaysian chef... while working there, I learned a lot about the Italian language and culture from the chef and this sparked my interest in learning about Italian dishes. (Personal interview 2, 2014)

It was from this experience that Mr. Kimbins became interested in the Italian culture. Mr. Kimbins then decided to take a holiday and visit Italy. Since he had been working for a few years, he had saved enough money to take leave from work and visit Italy with the intention to travel around Italy for a couple of months. Candidly, Mr. Kimbins relates: “I took a holiday from work and flew off to Italy... wanted to spend a few months there to learn the culture and language. But instead, I ended up being there 10 years” (Personal interview 2, 2014). Clearly his holiday experience in Italy had a strong impact on his decision to stay. Although he did not have a strong knowledge of the Italian language at first, he was still able to get a job because of his experience. Mr. Kimbins worked in various restaurants “from the bottom-up” and learned a lot about the Italian cuisine as well as culture.

Even though Mr. Kimbins was working and living in Italy, he always came home at least once a year to visit family and loved ones. After marrying his sweetheart, who is a local Sabahan, here in Kota Kinabalu, he went back to Italy with his wife. They intended to live in Italy for a few more years as he continued working in the restaurant business. But his wife decided to return

to Sabah after about a year living abroad to continue her career as an accountant in Kota Kinabalu. As Mr. Kimbins puts it:

My wife decided to stay in Sabah... and I was apart from here for about a year. Then I decided that I want to be with my wife. And that was it. (Personal interview 1, 2013)

When asked the reasons behind his decision to open A’Roma, Mr. Kimbins replies: “I never intended to open my own restaurant. Especially, not now. Maybe sometime in the distant future when I’m retired. I really wanted to become a farmer... or a lawyer” (Personal interview 2, 2014). Mr. Kimbins felt and still feels that he lacked experience to operate his own restaurant. But he neither had the experience to become a farmer nor the qualifications to become a lawyer. What he did have was vast experience working in the restaurant industry. And since the last experience he had was working in a family-owned Italian restaurant that became the main inspiration for this endeavor in the restaurant business. His approach to business is also influenced by his experience. Mr. Kimbins relates,

I’ve seen openings and failures of many different restaurants, so I take those as lessons in how I manage my restaurant. I’m still going with the flow. I don’t have an exact formula of how to manage my restaurant. Since I have no boss and no partners, I do whatever I want. I make decisions on the go. (Personal interview 2, 2014)

Mr. Kimbins’ laissez-faire management style can also be seen in terms of his product and sale offerings. When asked about his marketing techniques, Mr. Kimbins smiled and said that he used whatever was available to him. He believed in word-of-mouth marketing because the best salespersons for your product are the ones who love it. So to ensure that people knew about his restaurant, Mr. Kimbins focuses on offering great food through various dine-in promotions such as offering an “all you can eat Pizza” night and promotions such as having two pasta dishes for the price of only one.

A’Roma Ristorante has now been in operation for almost three years, and although Mr. Kimbins has no immediate plans to open new outlets elsewhere, he did make it clear that he intends to continue serving quality Italian food in Kota Kinabalu by stating that he will soon move to the city center in order to cater to a larger market.

4 ENTREPRENEURIAL CHARACTERISTICS AND MOTIVATION

Entrepreneurship can be studied from many different perspectives. Many scholars studying entrepreneurship from the psychological perspective have found that entrepreneurs tend to have common personal characteristics which can influence the outcome of business success (e.g. Baron, 1998; Baum and Locke, 2004). Nevertheless, entrepreneurs do initiate their new venture mostly inclined by psychological and non-psychological factors (Shane 2003; Shane and Venkataraman 2000). According to Shane’s (2003) study, the internal psychological-based factors include the need for achievement, self-efficacy and intuition; while the external or environmental forces such as ‘education’, ‘experience’ and ‘opportunity costs’ represented the non-psychological factors. Whereas studies by Baum and Locke (2004) and Baum *et al.* (2001)

have found that certain personal traits, characteristics, skills and motivation can have both a direct and indirect effect on new venture creation and performance.

In our efforts to understand the personal characteristics that motivate new venture creation, we will study the concept from the psychological perspective. Our study involved the analysis of the entrepreneur on the individual level of analysis. On this level, there are four generally accepted entrepreneurial characteristics and entrepreneurial motivations (pull and push factors) that can be associated with new venture creation. Therefore, to understand the concept of new venture creation that we refer to in this study, each of these four entrepreneurial characteristics and motivations will be discussed further.

4.1 Locus Control

Gatewood, Shaver and Gartner (1995, p.375) refers to Brockhaus and Horwitz (1986, p.27) regarding locus of control that entrepreneur has from the psychology perspective suggest that, the individuals who cannot believe in their ability to control the environment through their actions would be reluctant to assume the risks that starting a business would entail. Thus, locus of control was well-known as an entrepreneur characteristic based on an early study done by Rotter 1966. Rotter (1966) defined locus of control as the desire to control and had divided it into two categories, i.e. internal and external locus of control. In his study, internal locus of control refers to the belief that the person can control his/her life; and on the opposite end, the belief that a person's decisions and life are controlled by environmental factors which they cannot influence, or by chance or fate, is known as external locus of control. Other researchers have also supported the idea that successful entrepreneurs have a strong belief in themselves (internal locus of control) and that their venture success or failure had nothing to do with fate, luck or similar forces (e.g. Kaufmann, Welsh and Bushmarin, 1995; Kuratko, 2009). Studies have also found that individuals exhibiting this strong sense of control believe that events result mainly from their own behavior and action (Schaper, Volery, Weber and Lewis, 2011) and that these entrepreneurs are more likely to believe that external environmental influences, such as economic and technological developments, can be manipulated (Park, 2005). Based on these characteristics, it can be said that the internal locus of control characteristics play a role in encouraging the entrepreneur to venture into the business environment despite its risks and uncertainties.

4.2 Risk taking Propensity

Another way to understand the relationship between an entrepreneur's actions and his environment can also be explained from his attitude towards risks. According to Brockhaus (1980) risk taking propensity refers to "the perceived probability of receiving rewards associated with the success of a situation that is required by the individual before he will subject himself to the consequences associated with failure, the alternative situation providing less reward as well as less severe consequences than the proposed situation" (p.513). Entrepreneurs are very calculative risk takers. i.e. when they decide to participate in a venture they do it in a very calculated, careful manner by ensuring that they have measured the pros and cons to avoid

taking unnecessary risks (Kuratko, 2009, p.34). Due to this idea of calculated risks, studies sometimes refer to entrepreneurs as “moderate risk-takers” (Brockhaus, 1980, 1987; Salleh and Ibrahim, 2011) and successful entrepreneurs are not gamblers (Kuratko, 2009). Hmieleski and Carr (2008) also found that successful entrepreneurs are those that have the capability to make effective strategic under high levels of risk and uncertainty. In relation to this, an entrepreneur’s ability to adapt and respond to risks must also supported by the entrepreneur’s strong need to succeed.

4.3 Need for achievement

The need for achievement is a characteristic long associated with the concept of entrepreneurship. This psychological characteristic has been extensively investigated by David C. McClelland. In his study of the successful entrepreneurs’ characteristics, McClelland asserted that “preference for challenge, acceptance of personal responsibility for outcomes, and innovativeness” are all qualities that reflect the need for achievement, and this characteristic acts as the main driving force to new venture creation (cited in Shaver and Scott, 1991, p.23). According to McClelland (1987) the three main attributes of the “need for achievement” characteristic are: (i) individual responsibility for solving problems, setting goals and reaching these goals through their own effort, (ii) moderate risk taking as a function of skill, not chance, and (iii) knowledge of results of decisions or tasks accomplishment.

Studies have shown that achievement has a direct influence to entrepreneurial performance, where an individual with high need for achievement acts entrepreneurially and strongly strives for success (Collins, Hanges and Locke, 2004). Utsch and Rauch (2000) believes entrepreneurs consistently move forward to achieve their goal and responsible to their work and also must be able to deal with challenges tasks. It was further argued by Schaper *et al.* (2011, p.38) that entrepreneurs are typically self-starters and appears internally driven to compete against their own self-imposed standards. In addition, entrepreneurs with high need for achievement tend to have low need for status and power; and thus derive personal motivation from the challenge and excitement of creating and building enterprise (Timmons and Spinelli, p.53). The need to create and satisfaction derived from one’s achievements also relates to the qualities of innovativeness.

4.4 Innovativeness

It is argued that an entrepreneur needs an innovative personality in order to adapt with changes in the environment. The use of the term innovativeness to describe an entrepreneurial characteristic was coined from Joseph Schumpeter in 1934, who defined it as “the creative destruction that develops the economy while the entrepreneur performs the function of the change creator”, (cited in Sledzik, 2013, p.90-91). He further divided the characteristic of innovativeness into five manifestations of innovation (*ibid.*), which are:

1. launch of a new product or a new species of already known product;
2. application of new methods of production or sales of a product (not yet proven in the industry);

3. opening of a new market (the market for which a branch of the industry was not yet represented);
4. acquiring of new sources of supply of raw material or semi-finished goods; and
5. new industry structure such as the creation or destruction of a monopoly position

Many other studies also relate innovativeness to entrepreneurship, such as by Hisrich, Peters and Shepherd (2008, p.7), which asserts that an entrepreneur acts as an innovator, in which this refers to an individual who develops something unique. Another example would be a study conducted by Zainol and Ayadurai (2011) revealed that Malay family firms in Malaysia who deployed entrepreneurial personality traits such as innovative, risk-taking and proactive have a direct relationship with the firm performance.

Based on the above, it can be said that the entrepreneur is someone that possess the unique qualities that allows him to adapt and identify opportunities created by the changes in the environment.

4.5 Entrepreneurial Motivation

What motivates people to create a new venture? The concept of motivation can be explained in many different ways. According to Atkinson (1964 – cited in Steers, Mowday and Shapiro, 2004, p.379) motivation is defined as “the contemporary (immediate) influence on the direction, vigor and persistence of action”. In other words, motivation can be a reason or trigger toward a person’s action. In addition, Latham and Pinder (2004) suggested that motivation is a psychological process that results from individuals’ dealings with their environment. As such, these external environmental forces are sometimes referred to as the non-psychological factors. According to a study by Shane (2003), the environmental forces such as ‘education’, ‘experience’ and ‘opportunity costs’ represented the non-psychological factors that acts as entrepreneurial motivation for new venture creation.

Motivation has also been found to have a direct effect on venture success. As highlight by Timmons and Spinelli (2003) entrepreneurial motivation is one of the key components for entrepreneurial success. Nevertheless, studies have also found that since there are varying motivation factors behind entrepreneurial activity, no single motivating factor can be attributed to venture success; but rather, it is the interaction of both internal and external factors of motivation that influences the actions of the entrepreneurs (Carter, Gartner, Shaver and Gatewood, 2003; Baum and Locke, 2004). According to Baum and Locke (2004), ‘passion for work’ or love of one’s work acts as a strong motivator for entrepreneurs as well as helps guide their actions in facing uncertainties in the environment. The love of work is also closely related to the entrepreneurs’ ability to identify and take advantage of opportunities in the environment (Park, 2005). In his review of literature, Park (2005) highlights that entrepreneur’s use their prior work experience as a frame of reference that allows them to respond to and find opportunities in their surrounding environment.

Several studies on entrepreneurial motivation also look into pull and push factors of motivation (Orhan and Scott, 2001; Alstete, 2002; McClelland, Swail, Bell and Ibbotson, 2005; Segal,

Borgia and Schoenfeld, 2005; Kirkwood, 2009). According to Orhan and Scott (2001), they stated that the 'pull' factors used in explaining entrepreneurship consists of the need for achievement, an internal locus of control and desire for profit. Similarly, the 'pull factors' explain how entrepreneurs are strongly motivated by the opportunities to make better income (Benzing and Chu, 2009), enjoy being one's own boss, being independent and being able to use creative skills in his or her own's venture (Alstete, 2002). For example, a study by Ismail, Shamsudin, and Chowdhury (2012) found that majority of women entrepreneurs in northern part of Kedah, Malaysia, were motivated by pull factors such as the need for independence, challenge, to be recognized by the society and desires to seek their own idea.

In the meantime, 'push factors' have equally been found to be relevant in new venture creation decisions. 'Push factors' can refer to job dissatisfaction, unemployment, career setbacks, saturation in the existing market and immigrant status (Kumar, 2007). The external factors related to level of income also represent 'push factors', such as low family income or helping family members through making more money (Kumar, 2007; Islam, 2012) as well as the need to earn a reasonable living (Alstete, 2002). Additionally, push factors usually have negative connotations that involve marriage break-up or being passed over for promotion (Kirkwood, 2009), hence making the idea to start your own business as a pleasing one. Therefore, it can be said that people who create a new venture are those that are extraordinary and are able to deal with varied circumstances.

5. A COMPARATIVE ANALYSIS OF ENTREPRENEURIAL CHARACTERISTICS AND MOTIVATION

According to Schaper *et al*, (2011) stated that "the entrepreneur is the central actor in the creation of a new venture" because they have the internal drive to succeed and the ability to exploit opportunities. As such, in order to understand the entrepreneur in our case study, the literature was used as a basis to analyze the similarities, as well as differences, found in both entrepreneurs in the cases above. Particularly, we explored and analyzed the entrepreneurial characteristics and motivations behind the creation and growth of Sailors' Café and A'Roma Ristorante, which could help us to further understand the determinants of small business growth in the growing food-service industry in the Kota Kinabalu area.

5.1 Case Analysis: Psychological Factors

We found that both entrepreneurs exhibited internal locus of control characteristics which gave them the confidence to believe in themselves and to believe in the future success of their venture. For example, Mr. Nestor Suan showed this characteristic when he referred to believing in his "gut feeling" to start a new venture in an out-of-the-way location based on a new concept. If we analyze how Sailors' came to be, it was clear that Mr. Suan had a clear vision about what he wanted and pursued that goal by taking the necessary steps to materialize it. Particularly, upon his return to Malaysia from his gastronomic adventure in Europe, Mr.Suan immediately pursued his Diploma in Culinary Arts. These decisions taken by Mr. Suan exhibit the characteristics of locus of control because he showed a strong belief in turning his idea into a

successful venture. His decision also showed that he had a strong desire to control the elements that could influence the success of his business, as seen when Mr. Suan stated that he was involved in all levels of decision making. Similarly, Mr. Kimbins of A'Roma Ristorante also exhibited the characteristic of internal locus of control. We can see this from the way he runs his business, where he stated that "Since I have no boss and no partners, I do whatever I want. I make decisions on the go".

In relation to this belief in oneself, both entrepreneurs also displayed a strong level of innovativeness. In the case of Mr. Suan, he used all his culinary talents and the experiences he accumulated working in restaurants and ships when designing the interior of Sailors' and the offerings on the menu. His way of presenting the ingredients and way of preparation of his dishes to his customers is innovative because it involved the application of new methods of production and sales of a product. The same is true for Mr. Kimbins of A'Roma which can be seen through his continuous introduction of new dishes and marking promotions such as "2 for 1 Pasta" and "All you can eat Pizza" nights. For these reasons, both Mr. Suan and Mr. Kimbins can be seen to have created their own style of developing and managing their business thus displaying the entrepreneurial characteristic of innovativeness.

The third characteristic that is used to define the entrepreneur is his risk taking propensity. From our case study, it was seen that both entrepreneurs are not gamblers but rather are calculated risk takers. Both entrepreneurs took calculated steps which led them toward their decision to open a restaurant. For example, Mr. Suan pursued a Diploma in Culinary Arts and expanded his experience by attaching himself with major kitchens. In terms of operations, Mr. Suan also lessened the risks of introducing exotic dishes by sourcing from locally available produce. As for Mr. Kimbins, his decision to open an Italian restaurant was based on his strong knowledge and vast experience in the field of Italian cooking and culture. Thus, it was not a high risk undertaking since he was doing something in which he had the necessary know-how.

Overall, the drive for success that we found in both entrepreneurs is strongly influenced by their need for achievement. Both Mr. Suan and Mr. Kimbins took it upon themselves to oversee all aspects of management of their business operations in order to ensure the success of their business. It was also found that both entrepreneurs consistently moved forward to achieve their goal by dealing with whatever challenges they confronted at the time. For example, Mr. Suan exhibited the qualities of innovativeness and need for achievement were apparent even before he began Sailors; i.e. during this attachment as a cook onboard vessels traveling the high seas, he learned how to adapt to changing environments in order to get his work done. As for Mr. Kimbins, he did not let his lack of knowledge of Italian language and culture to deter his goals of moving to Italy and learning the skills that he would eventually use in running his restaurant. In sum, it was found that all the internal entrepreneurial characteristics or psychological factors discussed above were found in both of the entrepreneurs in our case study.

5.2 Case Analysis: Non-psychological Factors of Motivation

As we have found, the entrepreneurial characteristics that Mr.Suan and Mr.Kimbins present initiated as well as supported their venture creations. Scholars in the field of entrepreneurship research agrees with this analysis as most studies have supported the idea that entrepreneurial characteristics allows an entrepreneur to obtain and use the necessary knowledge to create or exploit opportunities. For instance, Gartner (1985) identified the external environment as being a key influencing factor in the process of new firm foundation. As we can clearly see from our case, both Mr.Suan and Mr.Kimbins behaviors changed as they gain experience and knowledge through interaction with the world around them.

If we refer back to the studies of scholars such as Baum and Locke (2004), Latham and Pinder (2004), and Shane (2003), the entrepreneur's environment represents the non-psychological factors that can act as motivation factors for new venture creation. Based on our case, we can see how the external environment of both entrepreneurs motivated them differently. For example, the idea and concept of Sailors' Café was inspired from the owner's own travel and work experience. Mr.Suan also stated that the desire to have his own restaurant was in order for him to share his culinary experience without being controlled by another. This need to succeed on your own effort can be referred to as a 'pull factor' because his need to express his ideas creatively through the setting up of his owns venture, and the need to have more freedom and being his own boss. Moreover, Mr.Suan had engaged in the market at the right time whereby he has strong entrepreneurial characteristics and together with working experience that related to the industry his enter in. Consequently, his passion was matched with Sabah current economy, where tourism industry played a significant role in this state. Additionally, Mr.Suan also revealed other entrepreneurial characteristics such as entrepreneurial alertness, where he is able to tap in where others cannot see this opportunity. Therefore, entrepreneurial motivation can be categorized as pull factor.

Meanwhile, for Mr.Kimbins motivation were slightly different from Mr.Suan. Mr.Kimbins started his new venture without any specific plan. His business diploma was not much related to what he did in the restaurant. Instead, it was his part-time job that inadvertently led to him to his future career path when he was promoted to become restaurant manager and was given a chance to work in various areas in the restaurant industry. As a result, Mr.Kimbins ventured into the Italian-food restaurant business because it was the only viable choice he had at the time; indirectly from his vast experience in the food industry. For example Mr.Kimbins stated that:

"I never intended to open my own restaurant. Especially, not now. Maybe sometime in the distant future when I'm retired. I really wanted to become a farmer... or a lawyer"

Therefore it can be said that there was no other option or other career choice for Mr.Kimbins that pushed him into his own restaurant business, A'Roma Ristorante.

6 CONCLUDING ANALYSIS

In this qualitative study, in-depth interviews and observations were done to analyze how and why individuals, particularly entrepreneurs, started their new business venture. Indeed, both respondents exhibited their entrepreneurial characteristics specifically through an internal locus of control allowing them to possess a high self-belief in themselves, have a high need for achievement in what they do and take calculative risks in their actions. Their innovativeness also shined through in the product and services they offered. As revealed by the previous studies, such as Utsch and Rauch (2000), Schaper *et al.* (2011), and Baum and Locke (2004), it was suggested that entrepreneurs have the innate characteristics and skills to move forward to achieve their goal and being responsible for their actions in dealing with external challenges. In this respect, both of them show their willingness to learn new things in order to cope with unexpected circumstances in this industry. Nevertheless, differences were seen with our entrepreneurs in terms of how they responded to the challenges of the external industry. But what was interesting was the fact that even though one entrepreneur was 'pushed' into the restaurant business while the other was 'pulled', the response still resulted in the development of new business. This can be attributed back to the entrepreneurs' characteristics which enhanced their ability to translate personal skills and environmental trends into opportunities.

Referring back to the concept of entrepreneurship used to guide this case study, it is important that we analyse both the personality traits and characteristics of the entrepreneur as well as focus on the entrepreneurial activity he/she is engaging in. Through this study, we were able to understand what motivated the creators of Sailors' and A'Roma to venture into the food service industry, as well as observe how they managed and operated their businesses to respond to surrounding market conditions and trends.

In general, consumers are always curious about new products and services and entrepreneurs need to update their knowledge capital to ensure themselves competitive in the market. This case study showed us that those entrepreneurs are creating their own venture are those who are inspired by their own skills and life experience, thus allowing them to see the opportunities in their external surroundings. Based on this, it can be deduced that those individuals exhibiting entrepreneurial characteristics of locus of control, calculated risk taking propensity, innovativeness and need for achievement supported their ability to see the opportunities in their external surroundings. Both Sailors' Café and A'Roma Ristorante took advantage of the increasing household income average, stable political and economic growth of the state to set up their business. Both entrepreneurs also developed their menu offerings to take advantage of the varied tastes and preferences of the culturally diverse society and high mobility of tourists in the area. These characteristics and push and pull factors also explain how the entrepreneurs identify and translate opportunities into entrepreneurial ventures.

In sum, this comparative study allowed us to gather valuable knowledge that can help us understand the motivations behind new venture creation, which in turn can benefit future policy makers in creating relevant entrepreneurial development programs and training schemes that can enhance these entrepreneurial characteristics and motivation. If these entrepreneurial characteristics were nurtured in people and more 'pull' factors such as business support incentives were provided by the relevant institutions, there is a good possibility for the growth

of small-medium enterprises and born-global firms that can stimulate job creation and overall economic growth, particularly in the greater Kota Kinabalu area. As such, current and future studies that contributes to the understanding of the factors that support entrepreneurial activity is important for both for the development of the individual entrepreneur as well as for the country.

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