

# DRIVE FOR SELF-ACTUALIZATION AND ENTREPRENEURSHIP INNOVATION

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## **Abstract**

*The intention of this study is to examine the effect of Drive for self-actualization on entrepreneurship innovation. The population of this study consisted of 48 furniture makers in Gandu/Zoo road, Kano. Census technique was employed for the sample size of the study in which questionnaires were administered. The study found that drive for self-actualization has positive and significant effects on entrepreneurship innovation. The study suggests that, for an entrepreneur to achieve self-actualization, that person must have high sense of innovation.*

**Keywords:** Drive, Self-Actualization, Entrepreneurship Innovation

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## **Background of the Study**

Many entrepreneurs are following a vision. They are looking for something when they start a company. Many directions have been taken to study entrepreneurship, many models and perspectives have been tried with more or less success. But when it comes to individual's decision to start a venture, what matters is his or her motivation, regardless of others, and the repercussions it may have on the company and, by extension, the society we all evolve in.

Accordingly, entrepreneurs are pulled toward something, want something and plan to use company creation to obtain it. This motive, at the origin of the individual's motivation, varies from a person to another. Among what is commonly cited as a motivation behind venture creation is the need for self-actualization (Sarri & Trihopoulou, 2004). Yet despite its obvious importance, it remains quite fuzzy and lacks empirical studies on its perceived influence and consequences on entrepreneurial innovation and success. Therefore, this study intends to investigate the influence of the need for self-actualization on entrepreneurship innovation.

## **Literature review**

Relevant literature related to entrepreneurship innovation and self-actualization were reviewed.

### **Entrepreneurship Innovation**

Innovation is different from imitation, the former being time-consuming and requiring forward thinking. Sometimes, innovation also requires organizations to sacrifice short-term expedience in exchange for long-term interests. In other words, innovation requires incentive mechanisms oriented towards the day after tomorrow rather than tomorrow or today (Wei & Richard, 2008).

A core attribute of entrepreneurship is the ability to develop and exploit business opportunities (Shane, 2003). Some have gone as far as claiming that in today's complex and ever-changing financial and business environments, venture opportunities and the ability to recognize and seize them are more vital to success than the entrepreneurs/manager's personal characteristics or the firm's efficiency (Puhakka 2007). One interesting reference in this context is MacMillan and McGrath's book on strategic management (2000), which states that the central weapon in the strategic arsenal of business organizations is the ability to create and exploit new venture opportunities. This represents a remarkable opening gambit to a wider mindset in which entrepreneurship is regarded as a strategic competence, capable

of being utilized in all manner of organizations.

For the purpose of this study, entrepreneurship innovation is operationalized as the ability of an entrepreneur to fundamentally rethink in order to create a new venture that will enable him realize his dream

### **Self Actualization**

Maslow (1943, 1971) posited that individuals were motivated by a hierarchy of needs. At the lowest level are security needs, followed at increasingly higher levels by needs for social acceptance, then for self-esteem, culminating in needs for self-actualization. The hierarchy of needs suggests that individuals advance from basic needs like food, shelter and comfort, to higher levels of needs including social acceptance, self esteem and self actualization.

This difference in motivation seems to hold promise for explaining behavioral distinctions among entrepreneurs. Entrepreneurial behavior is somewhat unique in human society in that it leads to the innovation of a business venture. This venture has the potential to provide for the basic needs of the individual who establishes or operates the organization. Further, the business venture can also satisfy higher level needs of individuals, including the need for self actualization. In fact, entrepreneurial activity seems to be ideally suited to support an individual's advancement through the entire hierarchy of needs.

Motivation can be defined as a behavior toward the achievement of a goal (Kaufman 1990). Therefore, motivation is a behavior, a set of actions. According to Maslow (1943), motivation comes from a need to be fulfilled, and here is an important distinction: the one between motives and motivation. According to the authors mentioned above, motivation is an action directed toward something specific, and this something is a need to be fulfilled. Therefore, the need is the motive (the reason) for acting, and this study would be about the motive known as "Self-Fulfillment", leading to the set of actions called "entrepreneurship innovation".

Authors such as Bird (1988) have stressed the importance of entrepreneurial intentions as a forerunner to establishing a new venture. Thus, highlighting the importance of the "what" driving the person starting a company. However, Herron and Sapienza (1992) were even clearer by saying "because motivation

**Table 1: Descriptive Statistics**

plays an important part in the creation of new organizations, theories of organizational creation that fail to address this notion are incomplete".

### **Research Hypothesis**

The hypothesis below is stated in positive form in order to vividly indicate the need to identify the relationship between self-actualization and entrepreneurial innovation  
H<sub>1</sub>: Need for self-actualization has no significant effect on entrepreneurship innovation.

### **Research Methodology**

The research design adopted for this study was the survey design. The study adopted survey method in form of administering questionnaires to selected furniture makers in Kano-Municipal Local Government. Mainly, primary data were sourced and utilized for the purposes of addressing and testing the formulated hypothesis. The data were collected on self-actualization and entrepreneurial innovation. The population for this study comprised all the furniture makers concentrated along Gandu/Zoo road amounted to 48. The choice for the population is based on their location and easy access which gave the researcher chance of distributing questionnaires at once. Census sampling technique was employed to administer questionnaires.

### **Data Presentation and Analysis**

Descriptive statistics and simple linear regression analysis were employed for major statistical analysis through the use of Statistical Package for Social Science (SPSS) version 20. A total of 48 questionnaires were distributed while 37 valid and fully completed questionnaires were returned, thereby resulting to a response rate of 77 percent; a response rate consider sufficiently large for statistical reliability and generalization (Tabachnick & Fidell, 2003).

### **Presentation of descriptive statistics for independent and dependent variables**

The descriptive statistics presented in table 1 shows the minimum and maximum scores, mean values and standard deviation of key variables in the questionnaires using the five-point likert scale criteria ranging from 1 to 5. The mean scores on all variables were in the range of 2.9957 to 3.7341.

	N	Minimum	Maximum	Mean	Std. Deviation
SA	48	1.50	4.25	2.9957	.59454
EI	48	2.27	5.00	3.7341	.63466
Valid N (listwise)	48				

The table 2 below depicts the Pearson correlation coefficient ( $r$ ). The result shows a significant and positive relationship between self-actualization and entrepreneurial innovation ( $r=.702$ ,  $p<.05$ ).

**Table 2: Correlations**

		SA	EI
SA	Pearson Correlation	1	.702**
	Sig. (2-tailed)		.000
	N	48	48
EI	Pearson Correlation	.702**	1
	Sig. (2-tailed)	.000	
	N	48	48

\*\* . Correlation is significant at the 0.01 level (2-tailed).

### Test of Hypothesis

Multiple regressions analysis was conducted for independent and dependent variables in order to test the hypothesis formulated for this study. Multiple regression was used to determine the effect of drive for self-actualization on entrepreneurship innovation.

**Table 3: Regression Results**

Variable	Coefficient	Beta Value	t-value	Standard error	Probability
<b>Constant</b>	1.491		4.353	.342	.000
Self-actualization	.749	.702	6.677	.112	.000
R2	.492				
Adjusted R2	.481				
F. Statistic	44.581				
Probability of F	.000 <sup>b</sup>				
Durbin-Watson	2.281				

**Source: SPSS output**

The above result in the table 3 shows that variable namely; self-actualization accounted for 49% (adj  $r= .481$ ) change in entrepreneurship innovation. It also showed strong relationship between the variables ( $r= 0.492$ ). The Durbin-Watson is 2.28, this shows the absence of auto serial correlation and the model is fitted. Also, the result contained the F-statistics tests that specified the fitness of the model for the study, in which entrepreneurship innovation was expressed as the function of

self-actualization. The F-statistic result is significant at 5% and this indicates the fitness of the model ( $F=44.5$   $P<0.05$ ). Furthermore, the (Beta= .702,  $p=0.000$ ) vividly indicates that self-actualization can positively and significantly predict entrepreneurship innovation for the reason that p-value is less than 5% level of significance. Therefore, based on this reason we reject hypothesis one ( $H_{01}$ ) that stated self-actualization has no

significant effect on entrepreneurship innovation.

### **Conclusion and Recommendations**

The study investigates the effect of drive for self-actualization on entrepreneurship innovation. The conclusion of the study was drawn based on the research hypothesis. The findings exposed that self-actualization has positive and significant effects on entrepreneurship innovation. This research suggests that entrepreneurs initiate ventures in direct proportion to the strength of their entrepreneurial drive. This relationship derives its power from the propensity of more highly driven entrepreneurs to view their businesses as vehicles for achieving self actualization. Entrepreneurs with lower levels of drive are more apt to view life outside their businesses as vehicles for self actualization, thereby relegating their businesses to a less important role in their lives. So for an entrepreneur to achieve self actualization he must have high drive for entrepreneurial innovation.

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